Unification of the Accounting Profession in Canada

What does it mean for Newcomers?

PAN-NORTHERN SUMMIT (YUKON)

MAY 26, 2015
BY: SIMONE LEONARD, MBA, CPA, CGA
Overview

- What does the accounting profession look like in Canada?
- How does one get “designated”?
- What challenges do Newcomers face in being designated?
- How do we improve their horizons in Canada?
What does the accounting profession look like in Canada?
Canadian Accounting Landscape
CPA Vision

• To be the **pre-eminent, internationally recognized**, Canadian **accounting designation and business credential** that best protects and serves the public interest – PROFILE

• Designed to deliver a pre-eminent professional accounting designation and internationally recognized business credential – RIGOR

• Open and attractive to a broad market of potential candidates, including career changers, newcomers and non-business degree holders – ACCESS
Unification – National Update

National snapshot

- 190,000 professional accountants merging as one unified body
Unification – Provincial (BC) Update

- May 2013  3 Way Merger Agreement
- Sep 2013  Joint Venture & By-Laws - use of CPA
- May 2014  Legislation being prepared!
- Feb 2015  Legislation Introduced
- Mar 2015  CPA Act passed and received Royal Assent,
- Jun 2015  Anticipating CPA Act proclaimed
### Demand for Professional Accountants

**Summary Table I Projection of Total Job Openings for CPAs in Canada, by Province, 2014 to 2023**

<table>
<thead>
<tr>
<th>Province</th>
<th>Actual 2014</th>
<th>Projected 2023</th>
<th>Growth</th>
<th>Attrition</th>
<th>Total Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>169,130</td>
<td>186,700</td>
<td>17,570</td>
<td>49,110</td>
<td>66,680</td>
</tr>
<tr>
<td>Atlantic Canada</td>
<td>7,970</td>
<td>8,350</td>
<td>380</td>
<td>2,190</td>
<td>2,570</td>
</tr>
<tr>
<td>Quebec</td>
<td>34,820</td>
<td>42,330</td>
<td>7,510</td>
<td>10,850</td>
<td>18,360</td>
</tr>
<tr>
<td>Ontario</td>
<td>69,820</td>
<td>74,930</td>
<td>5,110</td>
<td>19,940</td>
<td>25,050</td>
</tr>
<tr>
<td>Manitoba</td>
<td>5,730</td>
<td>6,860</td>
<td>1,130</td>
<td>1,770</td>
<td>2,900</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>3,800</td>
<td>3,920</td>
<td>120</td>
<td>1,060</td>
<td>1,180</td>
</tr>
<tr>
<td>Alberta</td>
<td>22,060</td>
<td>23,390</td>
<td>1,330</td>
<td>6,190</td>
<td>7,520</td>
</tr>
<tr>
<td>British Columbia</td>
<td>24,930</td>
<td>26,930</td>
<td>2,000</td>
<td>7,120</td>
<td>9,120</td>
</tr>
</tbody>
</table>

**Source:** RKA
How does one get “designated”?
CPA Education Program (PEP): Overview

Prerequisites & 120 Credit hour Degree

Required for Admission to Professional Education Program
- Undergraduate degree
- Specific subject area coverage

Common Modules
Six integrated core competency areas:
1. Financial Reporting
2. Strategy and Governance
3. Management Accounting
4. Audit and Assurance
5. Finance
6. Taxation

Elective Modules
Candidates choose any two modules:
- Assurance
- Performance Management
- Tax
- Finance

Public Accounting Candidates must choose:
- Assurance
- Tax

Common Capstone Integrative Module
- Leadership Skills
- Professional Skills
- Integration of Competencies

Candidates must successfully complete a profession developed capstone evaluation preparation course in order to sit the final exam

1. Candidates must demonstrate **Breadth** in all six core competency areas
2. Candidates must demonstrate **Depth** in two core competency areas:
   - Financial Reporting or Management Accounting plus
   - One from other core competency areas

Public Accounting Candidates must demonstrate **Depth** in:
- Financial Reporting
- Assurance
What are the challenges Newcomers face on the road to being designated?
Changing Canadian Landscape

Continent of birth of immigrants to Canada, 1961 to 1966 and 2001 to 2006

Source: Citizenship and Immigration Canada.
Newcomer Pain Points

A. Obtaining requisite permits: Landed (permanent) or Study

1. Express entry method of selecting permanent residents still ‘new’ - confusion
2. Study Permits don’t afford persons with work permit hours required by profession

B. Getting credentials recognized

1. Detecting fraudulent documentation and validating PSIs
2. Assessing academic equivalency
3. Technical knowledge obsolescence

C. Completing Academics

1. Time to become fully certified can be prohibitive – 2-6 years
2. Cost of becoming professional designated can be prohibitive to new arrivals

D. Obtaining work Experience

1. Language challenges
2. Socio-cultural challenges

Participation Supports

1. Partial Recognition Pathway to Skills Upgrading
Informed of the additional requirements necessary for registration

Individual & Employer Supports

Non-Recognition Alternate Pathway to Related Occupations

Preparation & Pre-Arrival Supports

Recognition Pathway to Certification

Assessment
How do we improve their horizons in Canada?
CPA Advanced Certificate in Accounting Program (ACAF): Overview

- **Prerequisites**: but no undergrad/ or diploma required

- **Common Modules**: Six courses in various accounting, finance, tax, and assurance topics – applied focus (using software)
  - Intro to AF
  - Applied Finance
  - Management Control
  - Advanced Topics in FA
  - Information Systems Mgt
  - Auditing Fundamentals
  - Topics In Corp. Taxation
  - Electives

- **Common Module**: Course in ethical business scenarios

- **Intro to AF**: 60% mark in individual courses AND 65% overall average

- **Capstone**: Business case type course covering interdisciplinary concepts
Who will Benefit from ACAF

- Individuals seeking junior and intermediate level accounting jobs in business, industry and government and CPA supervised positions in public accounting:
  - **Small Business Owners**: Non-accountants wanting more depth in accounting knowledge
  - **Career Building**: persons in clerical accounting positions, wanting their next more senior position
  - **Foreign Educated Individuals**: new arrivals seeking ‘Canadian’ experience/education in their field of studies
The ACAF Program

Introduction to ACAF
- Ethical business scenario analysis

Six technical applications courses
- Applied Finance
- Management Control
- Advanced Financial Accounting
- Accounting Information Systems
- Auditing Fundamentals
- Corporate Taxation and Remittances

Two electives
- Applied External Audit
- Applied Personal and Corporate Taxation
- Public Sector Accounting
- Not-for-profit accounting and related topics

ACAF Business Applications
## Yukon College - ACAF Prerequisite Course Mapping

<table>
<thead>
<tr>
<th>ACAF Program Pre-requisites</th>
<th>Yukon College</th>
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</thead>
<tbody>
<tr>
<td>Introductory Financial Accounting</td>
<td>(ACCT 101 &amp; 102) or ACCT 202</td>
</tr>
<tr>
<td>Intermediate Financial Accounting</td>
<td>ACCT 209</td>
</tr>
<tr>
<td>Intermediate Financial Accounting</td>
<td>ACCT 210</td>
</tr>
<tr>
<td>Introductory Management Accounting</td>
<td>ACCT 204</td>
</tr>
<tr>
<td>Applied Finance</td>
<td>Unavailable</td>
</tr>
<tr>
<td>Introductory Personal Taxation</td>
<td>Unavailable</td>
</tr>
<tr>
<td>Accounting Software Application</td>
<td>BUS 203</td>
</tr>
<tr>
<td>Business Law</td>
<td>BUS 311</td>
</tr>
<tr>
<td>Business Communications</td>
<td>COMM 192 + (ENGL 100 or 102)</td>
</tr>
<tr>
<td>Statistics</td>
<td>BUS 111 &amp; 307</td>
</tr>
<tr>
<td>Micro &amp; Macro Economics</td>
<td>ECON 100 &amp; 101</td>
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</table>
GUIDE TO ACCOUNTING BUSINESS CULTURE
Adapting to the Canadian Accounting Workplace
Cultural adaptation is critical

Failure to understand and adapt culturally is a major barrier to success.

Cultural misunderstandings can mean:

• Failure to get job interviews
• Failure to land jobs
• Failure to succeed
• Failure to be promoted
How we did it

- Small, committed advisory team
- RFP focused on finding developer expert in cultural integration
- Course framework that intuitively follows the typical path to success
- Consultation with employers and target students
- Pilot hands on, and with sensitivity
Canadian Business Culture Course

Guide to Accounting Business Culture
Adapting to the Canadian Accounting Workplace

cpacanada.ca/AccountingBusinessCulture
Canadian Business Culture Course

https://www.youtube.com/watch?v=sWBFYcyCSRA&feature=youtu.be
More Solutions

• More Pre-arrival information and pre-arrival assessments
• Adopt PLAR forms of competency assessment (move away from transcripts along)
• Develop more Intl. MRA and MOU agreements

• Richer Web based Occupational Fact Sheets (CIC)
• Improved pathways to immigration for Study permit students
• Continue funding various initiatives

• Mentorship programs
• Language/socio-cultural programs
• Job preparedness programs

• Language/socio-cultural programs
• Job preparedness programs
Q&A