

Member Information Session – FAQs

The following frequently asked questions were addressed at the Member Information Session held on February 28, 2024.

Why is CPA Manitoba staying with CPA Canada?

(CPA Manitoba) CPA Manitoba is committed to the national collaboration that has built the profession and the decisions made at the time of unification.

CPA Manitoba believes it is essential for the profession and for all CPAs to work together and have a consistent voice across the region, country and internationally, which, among other things, is a big part of what CPA Canada does for us. We want to be part of a unified profession and do not see a need to take the same action as CPA Ontario and CPA Quebec.

There has been an ongoing review of the National Collaboration Accord (hereinafter referred to as the Accord). We believe that it could be tweaked or modified, but pulling out of it is not the way to affect the change and improve the profession nationally.

If the provincial associations cannot collaborate to maintain a national self-regulatory collective, how will the Canadian profession now effectively be able to work to create national standards for students, capital markets, and other purposes?

(CPA Manitoba) We continue to work together on matters of uniform concern to all provinces, territories and Bermuda (hereinafter referred to as PTBs) - including admission to the profession, our education program and regulation of members.

We are connected tightly across the country, so coordination and collaboration across provinces and as regulators, is fine and very healthy. We are talking about the role of CPA Canada and how we can achieve those things through our national body.

Why doesn't CPA Manitoba take a referendum of its membership?

(CPA Manitoba) We are still working on the Accord, so we have not had a question to ask our membership yet. At the time of unification, the legacy bodies all had member information votes to gauge the support for unification. We've looked back to those questions and determined that if we are going to enact change, we would need to consult with members in some manner.

This is the second information session we've had and there will probably be more. These information sessions are one way of consulting and gaining input.



CPA Canada is also planning surveys and focus groups as ways of gathering input. If it comes to a point where a vote, as we had at the time of unification, is the right way to go, we will consider this along with other means of gathering member input.

What is the issue with us (remaining accounting bodies) such that Ontario's and Quebec's terms of ongoing association and cooperation are unacceptable to us? What is Kevin Dancy's opinion on this? Is he even involved anymore?

(CPA Manitoba) Kevin was the CEO of CICA (Canadian Institute of Chartered Accountants) at the time of unification and then became the CEO of CPA Canada. He went on to become the CEO of IFAC (International Federation of Accountants) and is concluding his term there now. He's been intimately involved in the profession over the last 10 years, and he has been vocal on this matter. He has written a few op-eds in The Globe and Mail and other places where he has expressed his displeasure with the process. He is involved to the extent that he's making his opinions known, as any member can.

Going back to the first part of the question, the us question, it is important not to think of it as a them and us kind of scenario, certainly amongst the PTBs.

The regulators across the country (including Ontario and Quebec) will continue to work together on matters that affect the regulation and oversight of the profession. During the review of the Accord, they had more concerns and stronger views on certain matters, such as how the PTBs related to CPA Canada. Based on these concerns, they decided to withdraw from CPA Canada and the Accord. The other provinces did not feel withdrawal was necessary for them.

The 11 remaining PTBs will continue to work with and support CPA Canada on national initiatives. CPA Manitoba and the other provinces are trying to bridge the gap and work collaboratively with all involved parties.

With the departure of CPA Ontario and CPA Quebec, the interests of Canada's accounting profession, members and the public will all be negatively impacted. Considering this, the leaders of CPA, both volunteer and staff, along with the provincial governments, have a responsibility to ensure these interests are protected. To this end, have the provincial and national body leaders approached the provincial ministers in charge of the respective provincial CPA Acts to bring this matter to the attention of the Ontario government and convince them that CPA Ontario's withdrawal from the National Collaboration Accord would be detrimental (the Ontario government has the responsibility and authority to protect public interest in accordance with Section 3 and 5 of the CPA Ontario Act).



(CPA Manitoba) A new government was elected in Manitoba in October, and we have a new Minister of Finance. CPA Manitoba provides a pre-budget submission to the government, and we have an annual meeting with the Minister of Finance. This year, the meeting is in March, and it will be our first opportunity to meet with the Honourable Adrian Sala. We plan to update the Minister on what is happening with the withdrawal of CPA Ontario and CPA Quebec, providing the same assurances about the strength of our collaboration across Canada as provincial regulators, and giving him an update on presentations such as this one.

Other PTB leaders have either had conversations or have requested to meet with the Minister of Finance in their respective jurisdictions. Governments are taking note, and they are interested and may be concerned as to how this is unfolding.

We are unsure of the extent to which provinces will talk amongst themselves and exert pressure on the Ontario government, but certainly in terms of how the PTBs fulfill the requirements of our Acts, the government and Ministers of Finance are interested.

(CPA Canada) At the national level, there is certainly awareness. The Canadian Securities Administrators (CSAs) are also very aware and concerned about the potential impacts to the capital markets, and the stability needed. The CSAs sent a letter to CPA Canada, CPA Ontario and CPA Quebec outlining their specific heightened concerns with respect to standard setting, sustainability and international representation, influence and reputation and asked for responses, which each have provided. The CSAs then sent a follow-up letter stating they are watching the situation closely and requested updates.

In terms of intervention, it has also been suggested that a self-regulated profession should be self-regulating and sort itself out. We are aiming to provide as smooth a transition as possible.

What were the issues of contention between CPA Canada, CPA Quebec, and CPA Ontario? How is CPA Canada to move forward with integrity when it has lost its two biggest membership groups? Difficult to maintain unified goals and objectives moving forward.

(CPA Canada) CPA Ontario and CPA Quebec sought agreement on three principles:

- Increased and direct oversight of the profession by the PTBs
- Changes to the governance structure to eliminate individual membership
- Increased accountability and transparency

CPA Canada's board and management agreed to work with these principles, subject to consultation with the PTBs as well as CPAs across the country. We want to hear from you. We also want to develop a workable approach to further enhancing financial transparency.



CPA Canada recognized the need to provide additional accountability to the PTBs and started a process over a year ago. CPA Canada now provides quarterly financial reporting to all PTBs and goes through an extremely detailed budgeting process, particularly with respect to the largest line item - student education. CPA Canada also provides an annual report, and for PTBs, there is an additional degree of detail and transparency.

In addition to the three principles put forward by CPA Ontario and CPA Quebec, CPA Canada had three of its own:

- *A commitment to act nationally as a profession*
- *No path to control or veto by one or two provinces*
- *CPA Canada's role in the profession must be further defined*

Those principles were rejected by CPA Ontario and CPA Quebec. The chairs, vice chairs, and CEOs met last May and thought agreement on how to move forward together was reached; however, four days after that meeting, CPA Canada was given notice by CPA Ontario and CPA Quebec that they would be withdrawing.

This is the unfortunate situation that we find ourselves in, but it is their right to withdraw from the Accord. Regarding national representation, it is very important that we continue to include the members from Ontario and Quebec who are CPAs, who are part of our community, and said very loudly in the recent poll that they believe in a strong national body in CPA Canada. This is how we are going to re-orient ourselves to be equitable across the country; we will continue to represent all interested members as a national membership body.

Why does CPA Canada now see their role as a regulator instead of an association? A regulator is put in place by the government to oversee a certain task that falls under their mandate. The accounting industry does not fall under the government's mandate and CPA Canada cannot regulate all stakeholders in the accounting industry. It can only oversee its members. Why the change in language and therefore objectives moving forward?

(CPA Canada) *CPA Canada is not a regulator. It is a national professional accounting body and that won't change. Based on the British North America Act of 1867 that divided the powers between federal and provincial, the provinces were designated with the power and authority to regulate all professions.*

The PTBs will continue to work together to ensure as much harmonization as possible relating to regulation, while CPA Canada will work for the membership.



CPA Canada prepares the national education program that qualifies CPAs and then the PTBs decide if someone has met the requirements and, if so, admits them to membership. You must be a member of your provincial body. Right now, you are a member of CPA Canada by virtue of being a good-standing member in your province. That is going to change for members in Ontario and Quebec in the next few months.

How can we view it to be a national body if half of our members aren't part of it? If half of our members are in Ontario and Quebec, how can we have a national body?

(CPA Canada) The poll conducted by CPA Canada suggests that Ontario and Quebec members want to be part of the national body, so things will have to change. We will need to have a different membership arrangement going forward as the current arrangement which allows membership through the PTBs will no longer work. We will have representation across the country because we will provide a membership opportunity to members in all jurisdictions, including Ontario and Quebec.

Getting back to the negotiating table is not going to happen. CPA Ontario and CPA Quebec stated they are the regulators, so they do not need to refer to their memberships. They are very firm in their path forward despite our requests for mediation. Currently, we're negotiating the withdrawal and how the withdrawing provinces will continue to fund standard setting, education, etc.

We must find a new path forward and we firmly believe that CPA Canada will represent all members, even though some of the member bodies, will not be part of the Accord.

(CPA Manitoba) In terms of structure, when the profession unified 10 years ago, the vision was a collaborative group where the PTBs (which are created by legislation) and CPA Canada (which is created federally by incorporation) would work together as partners. So, it wasn't a hierarchy, it was a partnership of 14 bodies.

CPA Ontario and CPA Quebec's requests seemed to imply that the regulatory bodies would be seen as preeminent, and that the individual members of CPA Canada would no longer exist. It is unclear if there is a way to resolve that difference in perspective.

If CPA Canada can redefine their membership structure to include Ontario and Quebec members, they can remain that voice for all members and the PTBs can continue to work together on regulatory matters. That seems to be the path we find ourselves on.



Does the 220,000 plus CPAs include Ontario and Quebec members? And if yes, what is that number without those provinces?

(CPA Canada) Yes, 220,000 plus CPAs includes Ontario and Quebec members. 60% of Canada's members are in the provinces of Ontario and Quebec.

There is incredulity and astonishment on an international stage because CPA Canada received an honourable mention in the world for a professional accounting body last year. So, our compatriots globally are astonished that CPA Ontario and CPA Quebec have made this decision. Canada represents about 2% of the world's economy. We're not that big in the scale of things. But CPA Canada from a global accounting body perspective is one of the top bodies in terms of influence, respect, impact, and collaboration.

Could the three bodies - CPA Ontario, CPA Quebec, and CPA Canada – each be dealing internationally? And what does that mean for what's happening in the profession?

(CPA Canada) Canada is 2% of the economy globally which means that Ontario and Quebec members are portions of that 2%. What we have been told consistently is that the relationships that exist with CPA Canada are based on long-term history, mutual respect, and expertise and experience.

There are many global and national bodies that have told us, quite frankly, that they do not have the resources or inclination to deal with bodies at a sub-national level.

CPA Canada acts as the representative to share input, feedback, interests, and concerns of the PTBs to present one national voice globally.

It should be noted that bilingualism continues to be very important at CPA Canada and that won't change with the departure of CPA Quebec.

If we are to lose a large percentage of the membership, is there not an opportunity to go back to the bargaining table and look at the asks to see if we can be flexible and meet those demands?

(CPA Canada) The situation is that two bodies representing 60% of the membership have decided to leave and no longer wish to be involved in negotiations. Their members have clearly said that they think a national body is important, but their regulators have decided to depart regardless of that feedback. We will continue to offer opportunities for members in Ontario and Quebec to be part of the national fabric.



We are still CPA Canada today, and we will be CPA Canada tomorrow and in the future. We need to think differently about that, which is why we are going to orient more toward members.

Can members move freely across the country? Will there still be credential mobility across all provincial and territorial borders?

(CPA Manitoba) Yes. One of the strengths of our profession is that you can be a CPA from one side of the country, and you can move to the other side of the country with a simple transition process.

Your continuing professional development, your admission to membership, the education program, the standards against which you are held for assurance and for reporting, are examples of things that are the same across the country. We work very hard to stay coordinated on those uniform matters. This is something that is not going to change in the future.

Can you share a little bit about what the credentialing program looks like under a three-way split? And what sort of discussions have there been to uphold the integrity of the system as it is now?

(CPA Manitoba) Pre-certification education is one of those uniform matters, just like admission to membership and standards that exist in our profession. We have a uniform model of education, and uniform standard of assessment, which is how you're graded and how we determine whether you have the appropriate qualifications and experience to join our profession.

(CPA Canada) Those will continue to be the same. In the fall, CPA Canada, CPA Ontario and CPA Quebec announced that a tentative agreement had been reached to allow the provincial bodies to continue to use the profession's education program (CPA Canada develops the pre-certification education up to and including the CFE and marking thereof). Pre-certification education expertise will continue to reside with CPA Canada. We were quite pleased on behalf of the members and future CPAs that we could offer that consistency.

With the separation of CPA Ontario and CPA Quebec, will this give CPA Manitoba and other provinces a larger voice in standard setting?

(CPA Canada) What is important to note is that standard setting is completely independent of the PTBs and even of CPA Canada.



This distinction and the independence of standard setting is very important for Canada's capital markets, for our integrity and for the seamlessness of the profession.

We are very gratified that CPA Ontario and CPA Quebec have agreed and have stated publicly that they will continue to support and fund standard setting in Canada.

If 90% of Ontario and Quebec members want to be in our national body, why don't you open a division for them and allow the members to come in? Why not allow the individual members to come on over? If it's not allowed, what is the reason?

(CPA Canada) CPA Canada will include any Ontario and Quebec member who wants to join us because they are part of our profession.

If Ontario and Quebec members are allowed to be part of CPA Canada, great. Who will be their voice to CPA Canada? You have one CPA Manitoba voice, and an Alberta voice. Will the members in Ontario and Quebec need to set up an organization to be that voice?

(CPA Canada) The members in Ontario and Quebec will have to think about that, but we believe that we can consider their voice.

The beauty of technology is that it can take in a lot of data. We are looking forward to leveraging technology and we're making investments at CPA Canada so that we can utilize and harness the data more efficiently and effectively to gather those views. Our phone and email are always open to members wishing to share their views and connect with us.

What will be the appeal to Ontario and Quebec members to be part of CPA Canada? I assume they will be charged fees by CPA Canada to be members in addition to the fees in Ontario and Quebec.

What will CPA Canada be offering them in return for their fees or offering to attract those members where their membership will presumably be voluntary?

(CPA Canada) We don't have all the answers today, but members already have the experience of thought leadership, webinars, courses, volunteer opportunities, the CPA Canada handbook and our affinity programs that come with CPA Canada membership. We saved members over \$9 million in just the last year! We look forward to doing more and better for you.

Going forward, there will be some things that they would get with their membership that are still to be determined and there will be some things that they will not be able to



access without being members. That is what we will be planning and evaluating in the coming months. It is important to us to ensure equity so that what a member pays in Ontario doesn't offer them arbitrage over what you're going to pay as a member in Manitoba.

Could the fact that CPA Ontario and CPA Quebec left have been avoided?

(CPA Manitoba) *We did everything we could to avoid it.*

The Accord required a review at the five-year mark. At that time, in 2018, a task force was struck to commence the review and the process has been ongoing since last June. In fact, there were a variety of task forces over the years. It was clear there were issues percolating privately amongst the governance of the profession.

We were diligently trying to work through the review, and we were trying to work through CPA Ontario and CPA Quebec's issues. Last June, we thought we had a plan to work on next steps, but then the withdrawal notices came.

When is CPA Canada going to create a tax designation? It's time for the national body to create and enforce who can file tax returns and do specialty tax work.

(CPA Canada) *We have, as you know, many tax programs. Our marquee tax program is the in-depth tax program that is focused on both general taxes, as well as GST and HST matters. These programs will continue because we have heard from the industry across the country that they need better, and more tax professionals and that there is a gap between when you enter the profession as a CPA and when you're ready for the in-depth program.*

Enforcement is a regulatory matter and therefore would be a matter for the governments to decide.

We will continue to consider opportunities in tax in the future.

Will Manitoba have greater representation on the CPA Canada board after CPA Ontario and CPA Quebec separate?

(CPA Canada) *The CPA Canada board is having discussions on what this means for governance going forward. Currently CPA Ontario and CPA Quebec each have two members that sit on the CPA Canada board. So, there was already asymmetric representation.*

In terms of CPA Canada's board composition:



- Two members are from Ontario
- Two members are from Quebec
- One member represents Atlantic Canada and Bermuda
- One member is from BC
- One member is from Alberta
- One member represents both Manitoba and Saskatchewan
- Two members are public representatives

There is a board that nominates and creates the vice chair and the chair roles – currently, one is from Alberta, and one is from Ontario. Right now, as of December 21, the two members from Ontario and the two members from Quebec will fall away therefore reducing the board size. The board is deliberating what that means for the future and a future business model that still includes Ontario and Quebec members, but no body representation.

What value do I receive for my fees?

(CPA Manitoba) *Your member fees are comprised of two components: a portion that is paid to CPA Manitoba, and a portion that is distributed to CPA Canada.*

CPA Manitoba provides value to its members and the accounting profession in several areas that are laid out in the three-year strategic plan. The four pillars of the plan are:

- 1. Growing the profession*
- 2. Enhancing the value of the profession*
- 3. Member Learning & Experiences*
- 4. Organizational Excellence*

These four pillars support our members and allow CPA Manitoba to deliver against its ultimate mandate of protecting the public. You can find more information in our annual report, which can be found on our [website](#).

(CPA Canada)

Your dues to CPA Canada are \$400 per member, as outlined on your dues invoice from CPA Manitoba. Those fees go to support:

- 1. Standard setting for accounting, assurance and now, sustainability disclosures.*
- 2. Thought leadership including guidance and support for standard setting and the implementation of standards; research on existing issues that are evolving and new areas in which the profession will likely be affected e.g. ESG matters and artificial intelligence.*
- 3. Post-certification education including Tax, ESG and other topics and certificates.*



4. *Regulatory matters, both national and international. Nationally, working with our provincial colleagues on important issues like the changes in the ethical code and anti-money laundering where we have partnered with CPA BC on the Cullen Commission and implementation of its recommendations.*
5. *National and international relationships, research collaboration and influence to ensure Canada's voice is represented with governments, regulators and standard setters e.g. the Canadian Securities Administrators, Canada Revenue Agency, Finance Canada, CPAB, OSFI, IFRS Foundation, the International Federation of Accountants and the Fédération Internationales des Expert-comptables et Commissaires aux Comptes Francophones.*
6. *Financial literacy content to improve the financial health of all Canadians.*
7. *Strategic initiatives like the creation and start-up of the Canadian Sustainability Standards Board.*
8. *Support of the national Council of Chief Executives and its committees and the Council of Chairs.*

Please see our website for additional information contained in our [annual report](#).