

THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF ONTARIO  
2010 ANNUAL REPORT





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## MESSAGE FROM THE PRESIDENT AND THE CHAIR



Rod N. Barr, FCA



Gerald W. Mills, FCA

According to guidance issued in late 2009 by the Canadian Securities Administrators, forward-looking information is defined in securities law in this country as “*disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action*”.

Needless to say, we have always sought to express the long-term implications of changes and events affecting the CA profession in Ontario in past Annual Reports. For 2009-2010, however, this obligation has been made easier by a number of trends that together point with unusual clarity toward our future in this province. By contrast, the past few years have seen all manner of events – some legislative, some regulatory, some economic and many of a purely political nature – of a kind that made capturing their meaning in time for our annual disclosure to the membership a more difficult task. Perhaps the best example, as of this time a year ago, was the state of the global, Canadian and Ontario economies, and its impact on the near-term fortunes of the CA profession.

This year, however, the economic picture has clarified, as have the consequences of several other developments of long-standing significance to the Institute and our membership, illuminating two broad categories of change, together with their likely consequences: First, a new regulatory and competitive landscape for the CA profession has begun to crystallize. Second, a number of demographic and sociological changes are underway in Canada and around the world, which will have a lasting impact on the CA profession right here in Ontario.

### A New Regulatory and Competitive Landscape

An entirely new *Chartered Accountants Act* was granted Royal Assent on May 18, 2010. Contained in Bill 158, the *Accounting Professions Act, 2010*, the new *CA Act* is now the law in Ontario.

This has been a protracted effort, starting with a “clean sheet of paper” approach by Institute staff to modernize our regulatory, investigative and other powers in keeping with the demands on a 21st century professional regulatory body. Given that the prior *CA Act* enjoyed a shelf life of half a century, we anticipate that our new legislation will provide clarity on our role, mandate and functions for many years to come.

Also in 2009-2010, the Institute secured an essential and long-term safeguard governing the movement and qualifications of professional accountants within Canada. Under an exception to the labour mobility provisions of the Agreement on Internal Trade, only those accountants from other jurisdictions who meet the qualification criteria established by the province’s Public Accountants Council (PAC) will be eligible for entry into Ontario as licensed public accountants. This will define the field rules on professional mobility for the future in a way that continues to protect the public interest in our province.

With further regard to the PAC, it is hoped that this body's requirements for public accounting licence application or renewal have also helped bring greater clarity to the membership. Members will know that as part of its renewed composition and mandate under the *Public Accounting Act, 2004*, the PAC imposed on all recognized accounting bodies the requirement that those of their members seeking licensing, or licence renewal, demonstrate that they have practised "in a substantive way" over the prior five years, to ensure currency and ongoing competency in order to safeguard the public. This new PAC rule was delineated in, among other things, specified required hours in various designated services. We must comply with and adapt to these new requirements - as will those other accounting bodies who seek licensing authorization in Ontario for the first time.

A final area of clarity to emerge over the past year is itself a continuation of the PAC process: Barring the unforeseen, it is likely that one or both of the CMA and CGA organizations will be granted licensing authority over the next year or so. As a result, their members (who meet the specified criteria) will begin to enter into direct public accounting competition with CAs - if only in limited numbers at the outset. The outlines of this new competitive landscape are therefore coming into focus. As a consequence, an effort is well underway at the Institute to give CA practitioners the tools and support they need to retain their pre-eminence in their respective markets when this new era dawns.

## The World is Changing - and So Are We

Demographic trends in Ontario, in Canada, and indeed in much of the western world have been apparent for some time. These have already begun to transform our society, our workforce, and our membership. It is incumbent on the leadership of our profession to manage these changes in a way that ensures our continued viability and pre-eminence in the marketplace for finance and accounting services while, at the same time, streamlining processes for immigrants, career changers and workforce re-entrants.

With regard to an aging population, the membership rolls continue to log retirements at an unprecedented pace. This is set against an ever-rising demand for our leadership and expertise in an era of growing business, economic and regulatory complexity. Priority one, therefore, is to ensure that the supply of qualified new CAs can surmount these conflicting pressures, chiefly by expanding the "funnel" through which students have traditionally passed on the road to obtaining their designation. This process of structural change is well underway, as evidenced by the growing acceptance of "expanded experience opportunities" beyond the realm of public accounting offices with substantial auditing practices. In fact, as this is written, the Institute has approved 61 CA Training Offices to train 855 CA students under these new expanded experience opportunities in Ontario. We significantly exceeded our target for fiscal 2010, and are well on our way to reach our 2011 target of 78 CA Training Offices. As a result, we now believe there could be more than 300 CA Training Offices offering expanded experience opportunities by 2015. And it is entirely possible that, under favourable conditions, the annual intake of CA students working in these expanded experience opportunities could be as high as 40 per cent by 2015.

The advent of these non-traditional training environments has its origins in the separation of licensure from certification inherent in the *Public Accounting Act, 2004*. Under this landmark legislation, the CA profession no longer faced the historical requirement to ensure that all new CAs - no matter which career path they would ultimately take - had to emerge from our qualification process fully licensable or "audit-ready". The need now arises for new Institute programs to enable CAs who opt for the non-audit training path to become eligible for licensure should they choose that path at another stage in their careers. This applies equally to internationally-trained accountants from programs deemed equivalent to our own, who require a clearly defined program to qualify them for licensure in Ontario as well. This emerging area will be a priority focus for the Institute throughout 2010-2011 and beyond.

The other major factor at work on our ranks is the growing demand to accommodate internationally-trained accountants, both to ensure our numbers remain sustainable and to properly reflect the diverse world in which we do business. Here the Institute continues to enhance its reputation as the keeper of "best practices" in this field, with significant investments in new and better ways to evaluate the credentials of internationally-trained applicants, through ever more comprehensive web-based information accessible to would-be immigrants and through continued cooperation with a variety of Ontario agencies and organizations charged with facilitating their entry and integration into our workforce.

In tandem with these trends is an issue that emerged during 2009-10 tied directly to the advent of a new *Chartered Accountants Act* for Ontario; specifically, a little-changed provision from the prior *Act* that limits the use of accounting designations that sound close enough to “CA” (and other recognized Ontario accounting bodies) as to needlessly confuse consumers and the public. Members will now be aware that there is a veritable “alphabet soup” of these foreign-based designations – none regulated here in Ontario – whose representatives have been lobbying hard against this provision as part of their broader marketing efforts in this province. These ongoing and reasonable limitations will now be upheld with the enactment of the new legislation, and marketplace perceptions of the authentic “CA” earned by our members will remain undiluted.

All that aside, the roll call of new Ontario CAs at our annual Convocation ceremony in Toronto is truly a reflection of the world we live in, with family heritages from the four corners of the globe, proving the growing attractiveness of the CA profession across this province’s multitude of ethnic communities.

We can therefore say with some confidence that this Institute, and our profession, are adapting well to a rapidly changing and increasingly globalized workforce. And we are moving at speed to integrate an equally challenging and dynamic new regulatory and competitive environment into our near and long-term perspectives. That said, as we look forward in these ways, we must not lose sight of our profession’s origins, nor our long and proud history. These have been founded on integrity, public trust and rigorous standards.

And these things too will move forward with us.



Rod N. Barr, FCA  
President & CEO



Gerald W. Mills, FCA  
Chair

## VISION STATEMENT OF CANADA'S CHARTERED ACCOUNTANTS

We are Canada's most valued, internationally recognized profession of leaders in senior management, advisory, financial, tax and assurance roles.

## VALUE STATEMENT OF CANADA'S CHARTERED ACCOUNTANTS

CAs are valued for their integrity and expertise.

## MISSION OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

Our mission is to foster public confidence in the CA profession by acting in the public interest and helping our members excel.

### Guiding Principles

- Set and enforce the highest standards of qualification, education, experience and practice
- Promote professional excellence through developing, monitoring and enforcing the highest standards of competence and ethical conduct
- Encourage members to enhance their capabilities continually
- Respond to members' ongoing professional needs
- Promote the attractiveness of the profession to the best students and help them become Chartered Accountants
- Serve as the primary voice of the accounting profession in Ontario

## STATEMENT OF MANAGEMENT RESPONSIBILITY

The annual financial statements and all financial and other information contained in this Annual Report are the responsibility of the Institute's management.

Management has prepared the financial statements in accordance with Canadian generally accepted accounting principles, choosing those which it considers most appropriate to the Institute's circumstances, and applying best estimates and judgments based on currently available information. The significant accounting policies are described in note 2 to the financial statements. Financial information contained in this Annual Report is consistent with that shown in the financial statements.

*Summarized Financial Statements* are included in this *Annual Report*. They, and the other financial and non-financial data herein, are intended to fulfill management's reporting responsibilities, through a balance of both historic and forward-looking information. Members are invited to view the Institute's financial statements, from which the *Summarized Financial Statements* are drawn. These can be obtained by calling Customer Service at 416-962-1841 or 1-800-387-0735.

The *MD&A* has been prepared in a manner consistent with the spirit and broad framework articulated by the CICA's Canadian Performance Reporting Initiative Board in its document *Management's Discussion And Analysis: Guidance On Preparation And Disclosure*. The *MD&A* includes forward-looking information. Actual results in the future may differ materially from this information, however, because future events and circumstances are not always within management's control and may not occur as expected.

Management is responsible for the integrity and reliability of financial information, and has established systems of internal procedural and accounting controls designed to achieve this. These systems also reasonably ensure that assets are safeguarded from loss or unauthorized use.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Council carries out this responsibility principally through the Audit Committee, which is comprised of Council members not sitting on the Executive Group, and includes a public representative. The Audit Committee of Council meets with the auditors, both with and without management present, to review the activities of each, as well as to review the financial statements and *MD&A*, to report to the Council thereon.

PKF Hill LLP has been appointed by the membership as the Institute's auditors to express their opinion on the fair presentation of the financial statements. They have full and unrestricted access to the Audit Committee and management to discuss matters pertaining to their audit. The Audit Committee annually undertakes a formal review of the auditors' performance and makes recommendations to the Council with respect to their reappointment for the coming year.



Nora V. Murrant, FCA, FCBV  
Executive Vice-President & Chief Operating Officer

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*The Institute's strategic plan and outlook for fiscal 2011, as well as its financial position, results of operations, and cash flows for the year ended February 28, 2010, are discussed in the following Management's Discussion and Analysis, which should be read in conjunction with the summarized audited financial statements for the year ended February 28, 2010.*

*The Audit Committee reviewed Management's Discussion and Analysis along with the other financial information presented in this Annual Report.*

### Overview

Established in 1879, the Institute is the qualifying and regulatory body of Ontario's Chartered Accountants and CA students. The Institute also provides many professional support services and represents the interests of its members, students and firms.

As well as managing the unique issues affecting CAs in Ontario, the Institute works in partnership with the other provincial institutes/ordre of Chartered Accountants and the Canadian Institute of Chartered Accountants (CICA) to develop national policies for critical profession-wide functions such as public interest and integrity; effective leadership and strategic planning for the profession; education and qualification; standard setting; and communications. The Ontario Institute is the largest provincial institute, representing approximately 41 per cent of Chartered Accountants in Canada.

The Institute is governed by a Council of 20 people: 16 are elected Chartered Accountants and four are public representatives, appointed by the Lieutenant Governor in Council. The Institute's management and executive staff are responsible for the attainment of the Institute's strategic goals.

### Strategic Direction

The Institute's planning cycle begins with the establishment of strategic priorities for the ensuing fiscal year, which provide the basis for preparing detailed qualitative business plans by service area, and a budget for the financial resources necessary to carry out the overall business plan. The provincial institutes/ordre of Chartered Accountants and the CICA work together through the Council of Senior Executives (CSE) to develop national policies for critical profession-wide functions.

#### *National Strategy*

With an overarching national strategic goal to maintain the pre-eminence of the CA profession so that the significant majority of all senior financial positions and advisory roles are filled by CAs, the CSE has identified the following key objectives as the priority commitments for the CA profession for 2009-2011:

- Attract exceptional people to be CAs and develop and support them throughout their careers.
- Enhance, promote and protect the CA profession.
- Ensure organizational effectiveness.
- Pursue standards and knowledge development initiatives.

This strategy guides the work of the CSE and the various national-level committees and working groups that report to it.

#### *Institute's Strategic Goals*

The foundation of the Institute's business plan and budget is a strategy that is aligned with the national direction for the CA profession while addressing the Institute's specific circumstances. Management and senior staff produced a strategic plan for the 2010-2011 fiscal year which is responsive to the Council's overall strategic direction, the national strategy, and the current Ontario-specific environmental factors which affect the Institute.

The key strategic goals for the Institute for 2010-2011, as approved by the Council in February 2010, are to:

- Ensure that the CA profession continues to be pre-eminent in Canada.
- Ensure that the CA profession has a significant role in the global profession.
- Develop and support all members throughout their professional careers and into retirement.
- Enhance, promote and protect the CA profession so it remains the most valued, internationally recognized Canadian accounting and finance profession.
- Ensure public trust and confidence in the CA profession through establishing, influencing, monitoring and enforcing high quality accounting, auditing, assurance and ethical standards and practices, and seeking high, uniform public accounting standards.
- Ensure organizational effectiveness within the Institute.

The business initiatives that are planned by management for the ensuing year and the budget to carry them out are aligned to the achievement of these strategic goals.

### Key Performance Drivers

The Institute's success in fulfilling its mission – to foster public confidence in the CA profession by acting in the public interest and to help its members excel – is not measurable in terms of profits or the creation of members' equity value, but rather mainly through qualitative, non-financial deliverables. At the same time, management does have financial stewardship responsibilities, which this MD&A references within the broader context of achieving the Institute's strategic goals. Financial indicators help ensure that the resources entrusted to the Institute are used in an efficient and appropriate manner.

#### *Deliverables*

As a self-regulating professional body, the Institute's principal business is maintaining professional standards and regulating the CA profession. The Institute seeks to uphold and enhance the value and credibility of the CA designation both to its members and to the clients, employers, regulators and the broad public who rely upon it. The Council and management recognize that, as the largest provincial institute, this Institute must play a central role in bringing national initiatives to life as well as ensuring that the unique issues impacting CAs in Ontario are well managed.

The business plan for each service area of the Institute is supported by:

- a formalized assessment of the current internal and external environmental factors that might affect those particular business activities,
- consideration of the impact of participation in national strategic initiatives,
- analysis of the significant operational changes planned (both continuing and one-time),
- analysis of the specific implementation risks (as to degree of controllability and risk management approaches), and
- selection of criteria for success vis-à-vis performance measures and milestones for key activities.

Having regard to its business plan, management is of the view that the Institute's planned deliverables were completed or significantly advanced during the year. More specific comments on fiscal 2009-2010 activities in key responsibility areas are set out in this Annual Report beginning on page 20, organized under these major areas of focus:

- Professional Self-Regulation
- Lifelong Learning
- Member Services
- CA Profile-Raising

### *Financial Performance*

An annual budget, which includes capital and working capital requirements, is prepared by management and reviewed by the Finance Committee, which is a committee of the Council. The Institute's annual budget is prepared on a break-even basis. Should the budgeted cost of carrying out the planned strategic initiatives exceed the budgeted revenue in any year, the Council must select between spending cuts (with resultant activity reductions) and member fee increases in order to arrive at a break-even budget position. The Institute's financial performance is measured by comparing actual results for the year to the budget and the prior year.

The Institute's wide scope of activities spans both its self-regulating and member service mandates. In a number of activity areas, certain budget lines must be estimated on the basis of typical historic experience as the level of necessary spending in any year will fluctuate as a result of external influences. This is particularly evident in areas such as government relations where the unpredictable actions of external parties often determine the extent to which the Institute must spend.

The Institute's performance relative to its budget is monitored on an ongoing basis by the Council through the Finance Committee. Decisions by management to make expenditures which are unplanned, or at levels which materially depart from budget, are approved in advance by the Executive Group of the Council. When variances from budget exist, the Finance Committee assesses the variances and takes actions as it deems appropriate in the circumstances.

### *Accounting Disclosures*

Since the date of the 2009 Annual Report, Section 4470, Disclosure of Allocated Expenses for Not-for-Profit Organizations, came into effect and has been implemented by the Institute. The Institute's detailed financial statements for fiscal 2010 (not included in this annual report) disclose the nature of expenses allocated, the basis of allocation and the amounts allocated.

Looking to the future, accounting standards for not-for-profit organizations (NFPOs) are currently under review. The Accounting Standards Board (AcSB) and the Public Sector Accounting Board (PSAB) are assessing the direction of financial reporting standards for not-for-profit organizations in Canada. In March 2010, the AcSB released an exposure draft on proposed accounting standards for NFPOs. As set out in the exposure draft, standards would comprise:

- the existing standards dealing with the unique circumstances of NFPOs, being the current "4400 series" of standards in Part V of the *CICA Handbook*; together with
- the new accounting standards for private enterprises in Part II of the *CICA Handbook*, to the extent that they would apply to NFPOs.

NFPOs will also have the option of applying International Financial Reporting Standards (IFRS). Comments on this exposure draft are invited until July 15, 2010. Should the standards be finalized in accordance with the exposure draft, the chosen framework must be implemented for the Institute's fiscal year ending February 28, 2013, with earlier adoption permitted.

In the meantime, the existing accounting standards used by the not-for-profit sector - those from the *CICA Handbook - Accounting* - will continue to apply, unchanged, until proposed new directions for NFPOs in both the public and private sectors are finalized.

At the present time, management is of the view that the IFRS option is unlikely to be chosen for the Institute. However, the Institute intends to wait until the available options are finalized and will then select the best alternative for its circumstances.

## Capability to Deliver Results

### *Leadership and Human Resources*

Effective February 28, 2009, the Institute's previous President and Chief Executive Officer resigned to assume a new career position with the Canadian Public Accountability Board. Following a comprehensive recruitment process, the Council appointed R. N. (Rod) Barr, FCA, as the Institute's successor President and Chief Executive Officer, effective September 8, 2009. Rod Barr brought proven leadership to the Institute and an in-depth knowledge of the CA profession, acquired through his previous volunteer roles. These prior roles include being an elected member of the Institute's Council from 1999 until 2006, culminating with his service as the Institute's 2004-2006 Chair, and from 2006 until 2009, serving as a member of the CICA Board of Directors.

During the interim period, the senior executive leadership for the Institute was provided on a co-acting basis by the Executive Vice-President and Chief Operating Officer and the Vice-President of Learning. The Executive Group of the Council and the other members of management worked closely with them to ensure the Institute continued to meet its strategic goals.

The Institute is otherwise fully staffed with well-qualified individuals and does not foresee any difficulty in maintaining its workforce.

Human capital is the Institute's largest expense item and needs to be deployed in the most effective manner. With regard to the previous year, the prevailing economic uncertainty and the consequent budget risks and constraints caused management to hold the net approved positions for 2009-2010 to a nominal increase of a half position. This was done by assessing the Institute's existing resourcing and eliminating, replacing or redeploying certain positions to achieve better efficacy. Following this standstill year, the growth and strategic changes throughout the Institute created the need for a number of new positions. The total number of approved positions for 2010-2011 was increased by a net factor of five, from 124 to 129, and the related cost is included in the budget.

In addition to its paid staff, the Institute relies on several hundred CAs who volunteer their time to serve on its various disciplinary and other standing committees and advisory groups, and make possible both Institute and District Association programs, and educational and charitable activities.

### *Financing Strategy and Liquidity*

During fiscal 2010, the Institute generated cash flows from operating activities of \$3.3 million while its financing and investing activities utilized \$3.4 million in cash, resulting in net negative cash flows of \$45,000. Management believes that cash, cash equivalents and investments, as well as anticipated cash flow from operations, are sufficient to meet its working capital and capital expenditure requirements.

The Institute's capital is comprised of members' equity invested in property, plant and equipment and unrestricted members' equity.

Council invests in property, plant and equipment in order to provide a functional and efficient environment for staff, volunteers, members and others. The Institute owns its land and building in downtown Toronto and continually updates and modifies these premises to meet current operating needs and to maintain the value of this asset.

With respect to financing its land and building, in January 2005, the Institute entered into an interest rate swap arrangement with a Canadian chartered bank to eliminate interest rate cash flow risk, through the balance of the amortization period to January 2015. The financing is in the form of variable rate Bankers' Acceptances in the principal amount of approximately \$4.8 million at the end of fiscal 2010. The debt has a five year term, and when combined with the interest rate swap arrangement, has an effective interest rate of 6.48 per cent, representing an interest rate guaranteed by the swap of 5.33 per cent combined with a stamping fee of 1.15 per cent.

The amount the Institute would have had to pay at February 28, 2010 to unwind the swap arrangement amounted to \$424,000. The annual unrealized loss/gain is recorded in the operations in support of volunteer, member and staff activities section in the Statement of Expenses and Revenues. For the current year, this amounted to a gain of \$220,000 (2009 - loss of \$294,000).

Council maintains an unrestricted fund balance sufficient to meet the annual working capital requirements of the Institute and to meet current and future financing and investing activities. The Institute is not subject to any external capital requirements, except as noted below.

The majority of the Institute's working capital, which is in excess of its normal operating needs, is invested in fixed income investments. The Institute's Investment Policy is designed to mitigate market risk. Eligible investments include: government obligations issued by the Government of Canada or the provinces; Canadian Chartered Bank securities and commercial paper; and, obligations of certain Canadian foreign bank affiliates and Canadian corporations. The amount placed in each type of investment is based on pre-determined limits. The purchase of any securities carrying a DBRS rating below A for bonds or R-1-Low for commercial paper is strictly prohibited. The Institute has not invested in any asset-backed commercial paper.

In 2009, the Chartered Accountants Students Association of Ontario (CASAO) discontinued operations and engaged the Institute to continue its functions. As part of this process, \$600,000 was transferred to the Institute. As a condition of the transfer, the CASAO funds must be used for designated purposes. As a result, the amount of \$623,000 (which includes interest earned to February 28, 2010) is considered an externally restricted contribution. The Institute accounts for this contribution using the deferral method which requires that this amount be deferred and taken into income as used.

In October 2009, the Institute began making funding deficiency payments to the defined benefit portion of its staff pension plan. The Institute's monthly payment obligations total \$15,159. These payments are expected to continue until the next required valuation date on September 30, 2011, when the funded status of the Plan will be actuarially determined again.

## Risks and Risk Management

### *Economic Environment*

The economic uncertainty prevalent at the end of the prior fiscal year slowly gave way to increased stability as the year progressed. Although it was feared that the Institute's revenue sources would be significantly impacted by the economic uncertainty of late 2008, this turned out to be unfounded.

General revenues, which include membership, practitioner, licencing, student and admission fees, held up remarkably well. Although Canada's economy has fared better than most other developed countries, Ontario's recovery has lagged somewhat due to the effect on the hard-hit manufacturing sector. Management believes that the risk that this poses to general revenues in the coming fiscal year will not be material.

Activity-related revenues, comprised to a great extent of education, professional development and practice inspection fees, have also weathered the recent downturn. These revenues have an expense component that varies with the level of activity. This fact, combined with the improving economic outlook, should mitigate any risk to these net revenue streams.

The Institute also receives administrative fees from various providers of value-added CA affinity products which offset the salary and other costs incurred in making these discretionary products and services available. These charges are collected pursuant to the Institute's policy of not charging the membership-at-large for costs which benefit only specific groups of members. As the major affinity programs are insurance-based and therefore fairly recession-proof, the Institute does not expect a material decline in member usage (and therefore does not expect the administrative fees to decrease).

As previously noted, the Institute started making funding deficiency payments to the defined benefit portion of its staff pension plan beginning in October 2009. The valuation of the Plan as at September 30, 2008 indicated an actuarial deficiency - \$611,500 unfunded liability on a going concern basis and \$485,100 solvency deficiency, and the funding deficiency payments of \$15,159 per month are based on these amounts. While the Plan previously had a small surplus position, the economic downturn resulted in a combination of depressed asset values and higher discount rates applicable to the actuarial valuation of the Plan's future liabilities. The Ontario pension plan regulator provided temporary solvency funding relief measures for eligible pension plans facing the start of special contributions and the Institute took advantage of the option to defer the start of its payments by one year. The next Plan valuation must be prepared at a valuation date no later than September 30, 2011. Management is hopeful that a recovery will occur in the capital markets and result in more favourable values at the next valuation.

### *Risk in Respect of Financial Instruments*

The Institute's financial instruments comprise cash and cash equivalents, investments, accounts receivable, accounts payable, long-term debt and the related interest rate swap arrangement. The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates fair value due to their liquidity and short-term maturities. The Institute determines fair value of the investments based on active market-quoted rates. The carrying value of long-term debt approximates fair value due to its underlying floating interest rate. The interest rate swap arrangement is recorded at fair value with any gain or loss reflected in the Statement of Expenses and Revenues. Fair value is determined using "mark-to-market" mid-market quotations at the close of business day, calculated by a Canadian chartered bank.

The Institute is exposed to the following risks in respect of certain of the financial instruments held:

- Credit risk arises from the potential that a counter party will fail to perform its obligations. It is management's opinion that the Institute is not exposed to significant credit risk as its accounts receivable arise mainly from transactions with many parties such as members, firms and CA students, other CA institutes, building tenants, and contracted affinity product suppliers.
- The interest rate swap arrangement provides interest rate fluctuation protection for the remainder of the long-term debt repayment term to 2015.
- Currency risk is the risk to the Institute's revenues and expenses that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Institute is not exposed to any currency risk as it has no material transactions in foreign currencies.
- The Institute's investments in cash equivalents and fixed income investments are subject to market risks as the value of these investments will change with market fluctuations. Based on the nature of the investments, it is management's opinion that the Institute is not exposed to significant fair value market risk.

### *Contingencies*

The Institute continues to be named as a defendant in a legal action by a member. Although the Institute was successful at trial during the year, that decision has now been appealed by the plaintiff. The Institute continues to believe that this claim is without merit and intends to defend the appeal vigorously. As a result, no provision for this claim has been made in the financial statements.

Since December 6, 2000, the Institute has had the authority in its legislation to collect costs assessed against members and firms in respect of the investigation, prosecution and hearing of professional conduct matters. Since that date, the Institute has collected costs aggregating in excess of \$500,000 and these amounts have been included in revenue in the fiscal period in which they were received.

A recent judicial review resulted in a ruling that, despite its governing legislation, the Institute lacks jurisdiction to assess and collect costs resulting from disciplinary investigations and proceedings. The Institute has applied for leave to appeal this ruling.

Subsequent to that decision, new governing legislation for the Institute, the *Chartered Accountants Act, 2010*, was proclaimed into law by Royal Assent on May 18, 2010. The new legislation confirms the Institute's right to collect costs retroactive to December 6, 2000.

However, it is uncertain whether the above-noted judicial review will be superseded by the new *Chartered Accountants Act, 2010*. Should the ruling be overturned, either on appeal or by virtue of the new legislation, the Institute will have the right to pursue in excess of \$1 million of additional costs that have been awarded and remain outstanding. Should the ruling be upheld, the Institute may be required to repay the costs previously collected. No provision for the potential cost recoveries or for the possible refund of costs previously collected has been made in the Institute's 2009-2010 financial statements.

## BUDGET AND FINANCIAL RESULTS WITH MAJOR EXPENSE ELEMENTS (\$'000s)

	2011 Budget	2010 Actual	2009 Actual
<b>Expenses</b>			
Salaries and benefits	13,075	12,551	11,936
Contracted professional services - practice inspectors, professional conduct investigators, lecturers, markers, presiders	4,418	4,428	4,294
Advertising, promotion and sponsorship	2,439	2,167	3,296
Fees to other bodies	2,110	2,057	2,148
Accommodation, meals and travel - course participants, instructors, volunteers and staff	1,961	1,876	1,881
Print and mail	1,139	1,122	1,302
Legal, consulting and audit	1,172	1,359	1,146
Grants	776	674	782
Building -			
Debt interest	300	338	377
Amortization	964	940	915
Other occupancy costs	931	622	1,162
All other operating costs	3,708	3,628	3,422
	<b>32,993</b>	<b>31,762</b>	<b>32,661</b>
<b>Revenues</b>			
Activity revenues	13,709	14,767	14,083
General revenues	19,282	18,797	18,354
	<b>32,991</b>	<b>33,564</b>	<b>32,437</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(2)</b>	<b>1,802</b>	<b>(224)</b>

## BUDGET AND FINANCIAL RESULTS WITH EXPENSES PRESENTED FUNCTIONALLY - NET OF ACTIVITY REVENUES (\$000s)

	2011 Budget	2010 Actual	2009 Actual
<b>Net expenses by area</b>			
Council and Executive Office	3,464	3,340	3,366
Public Affairs	2,917	2,669	3,363
Professional Standards and Self-Regulation	5,334	4,552	4,311
Learning	968	143	916
Operations in support of volunteer, member and staff activities	6,601	6,291	6,622
	<b>19,284</b>	<b>16,995</b>	<b>18,578</b>
<b>General revenues</b>	<b>19,282</b>	<b>18,797</b>	<b>18,354</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(2)</b>	<b>1,802</b>	<b>(224)</b>

## COMPOSITION OF REVENUES (\$000s)

	2011 Budget		2010 Actual		2009 Actual	
		%		%		%
<b>General revenues</b>						
Membership fees	14,035	42.5	13,356	39.8	12,918	39.8
Practitioner fees	2,410	7.3	2,397	7.1	2,338	7.2
Student fees	971	2.9	1,299	3.9	1,329	4.1
Public accounting licensing fees	965	2.9	814	2.4	848	2.6
Admission and reinstatement fees	615	1.9	636	1.9	517	1.6
Interest and sundry	286	0.9	295	0.9	404	1.3
	<b>19,282</b>	<b>58.4</b>	<b>18,797</b>	<b>56.0</b>	<b>18,354</b>	<b>56.6</b>
<b>Activity revenues</b>						
Council and Executive Office	966	2.9	954	2.8	889	2.7
Public Affairs	392	1.2	365	1.1	383	1.2
Professional Standards and Self-Regulation	2,070	6.3	2,375	7.1	1,841	5.7
Learning	9,776	29.6	10,561	31.5	10,471	32.3
Operations in support of volunteer, member and staff activities	505	1.6	512	1.5	499	1.5
	<b>13,709</b>	<b>41.6</b>	<b>14,767</b>	<b>44.0</b>	<b>14,083</b>	<b>43.4</b>
<b>Total Revenue</b>	<b>32,991</b>	<b>100.0</b>	<b>33,564</b>	<b>100.0</b>	<b>32,437</b>	<b>100.0</b>

## Financial Results

The Institute recorded an excess of revenue over expenses of \$1.8 million for the 2010 fiscal year compared to a deficiency of \$224,000 for the prior year. The 2009-2010 budget, which was prepared late in the 2008-2009 fiscal year during a period of heightened economic anxiety, targeted a break-even position. Significant uncertainty continued to prevail early in the 2009-2010 fiscal year as the extent and duration of the recession was subject to widespread speculation. As the year progressed it slowly became apparent that the impact of the downturn would not be as serious as had been feared. Nevertheless, cautious fiscal management resulted in discretionary spending being put off until late in the year or not taking place at all. Major factors contributing to this positive conclusion of the fiscal year were as follows:

- A budget contingency provision of \$300,000 was not required, resulting in a positive variance of the same amount.
- Disciplinary process cost savings contributed \$300,000 as reliance on outside legal counsel was reduced and more cases were concluded by way of settlement agreement.
- While it was feared that Professional Development revenues would suffer as a result of the economic downturn, course registrations remained strong and enrollment in several offerings – such as the CFO and Beyond, HST Introduction and entrepreneurial courses – exceeded expectations, resulting in a contribution of \$275,000 greater than budget.
- Discretionary image advertising was held off until the last quarter of the year. Combined with not running other advertising, such as the newspaper recognition ad for Tax Clinic volunteers, this resulted in approximately \$245,000 in savings.
- Building operations produced a favourable variance of \$330,000, comprised of a \$220,000 unrealized gain on the interest rate swap arrangement plus \$110,000 in savings on building operations costs.
- Costs of the professional conduct complaint investigation process were approximately \$190,000 lower than expected due to timing issues on complaint files that could not be completed in the before-year-end timeframes originally anticipated.
- Career Information costs were \$190,000 less than expected as elements of the renewal of the student promotion campaign materials were delayed into the next fiscal year.
- On the negative side, the cost of the Institute's triennial Public Accountants Council audit in respect of the period ended October 31, 2009 was under-estimated by \$170,000.
- Salaries and benefits costs exceeded those budgeted by \$135,000 due largely to the fact that expected savings from vacant positions were less than expected as there were fewer resignations and new hires were completed more quickly than anticipated.
- Interest and sundry income fell \$105,000 short of budget as interest rates declined further than expected in early 2009.

## Regulatory Matters

### *Governance and Professional Self-Regulation*

The Institute is established as a self-regulatory professional body by an act of the Ontario Legislature, the *Accounting Professions Act, 2010*, that contains within it the *Chartered Accountants Act, 2010*. As noted earlier, this legislation became the law in Ontario following Royal Assent on May 18, 2010 and replaces the *Chartered Accountants Act, 1956*.

By virtue of its governing legislation, the Institute has authority to establish, maintain and enforce in the public interest standards and processes for access to the profession and for the qualification, governance and regulation of Chartered Accountants.

The Institute has both a responsibility and a commitment to exercise its self-regulatory authority in a manner that upholds and protects the public interest, engenders public trust and maintains the good reputation and pre-eminence of Chartered Accountants and the CA designation. This mandate is fulfilled through:

- the enforcement of the *Act*, and as required, the updating or amendment of bylaws, regulations and rules of professional conduct, and

- the establishment and operation of regulatory committees (including those responsible for professional conduct investigations, discipline, appeals, practice inspections and admissions to the profession) that exercise authority delegated by and under the oversight of the governing Council.

The new *CA Act* modernizes and enhances the Institute's governance and regulatory authority, enabling the Institute to effectively regulate a 21st Century profession in the name of consumer and public protection with much-needed 21st Century regulatory tools and authority. Appropriate for today's increasingly complex business and regulatory environment, key enhancements found in the new Act include:

- the Institute's authority regarding settlement agreements in disciplinary cases is enhanced, providing for sanctions without an admission of guilt or a finding of professional misconduct,
- the ability of the Discipline and Appeal Committees to award costs, including those of investigations, prosecutions and appeals, is strengthened,
- the penalty for the illegal use of the CA designation is increased from the current \$300 to \$10,000,
- the Institute now has the authority to obtain court orders for custody of the records in possession or control of members who have died or disappeared, or have neglected or abandoned their practices without making provisions for the protection of client interests, and
- inconsistencies between provisions of the previous Act and the *Statutory Power Procedures Act* regarding hearings before tribunals, have been reconciled.

#### *Public Accounting Licensing*

The Institute is authorized by the Public Accountants Council for the Province of Ontario (PAC) to license and govern Chartered Accountants in the practice of public accounting pursuant to the provisions of the *Public Accounting Act, 2004 (PA Act)* and the Standards and Council Guidelines adopted by the PAC. The Council of the Institute, through the Public Accounting Licensing Board that it appoints, and the adoption of bylaws, regulations, policies and procedures, ensures compliance with the provisions of the *PA Act*, and the PAC Standards and Council Guidelines. It also ensures that management of the Institute is prepared for and fulfills the reporting, disclosure and other accountability requirements of the PAC, including periodic compliance and performance reviews conducted by the PAC.

#### *Access to the Profession*

As a self-regulatory professional body in which internationally trained accountants seek to become members, the Institute is committed to ensuring that it has requirements for admission to membership, and policies and procedures related to qualification by internationally trained accountants, that are fair, transparent and publicly accountable. The objective is to ensure that the provisions and processes for access to qualification as a CA in Ontario are seen as models of best practices as well as meet or exceed the specific requirements established by Ontario's *Fair Access to Regulated Professions Act (FARPA)*. This also requires that the Institute is prepared for and fulfils the reporting, disclosure and other accountability requirements of the legislation, or as established by the Fairness Commission, including the triennial compliance audit mandated under the legislation. The audit of the Institute's registration practices conducted under the provisions of FARPA for the 12-month period ended July 2, 2009, found that the Institute was in compliance with the provisions of that Act.

#### *Income Tax*

As a not-for-profit professional membership corporation, the Institute is exempt from income tax under section 149(1) of the *Income Tax Act*.

### **Prospects for Fiscal 2010-2011**

To provide for the Institute's ongoing operating needs, Council has approved a budget for fiscal 2011, developed and recommended by management, which includes a \$10 increase in the Institute's membership fee from \$500 to \$510, and a corresponding increase of \$5 from \$250 to \$255 to the additional annual practitioner fee paid by members in public practice. The hourly practice inspection fee has also been raised by \$5 to \$185, effective March 1, 2010.

At the beginning of the 2009-2010 fiscal year, there was significant uncertainty with regard to how the Institute would fare through the economic crisis that was at hand. As previously noted, to prepare for possible declines in key activities as a result of the economy, management delayed discretionary expenditures, where possible, until late into that fiscal year and spending decisions for flexible items like advertising were made only when a clear sense of the status of key Institute revenue streams was known. In the end, the Institute finished the year with an unexpected \$1.8 million surplus.

While the Institute's members' equity position at the end of fiscal 2010 was seemingly robust, there are known changes and challenges on the immediate horizon which will put significant pressure on the Institute's future financial resources in the form of either:

- higher permanent overhead costs,
- funding major projects which are necessary to respond to changing market conditions, or
- funding recognized uncertainties should they materialize.

#### *Increased Operating Overhead*

The Institute faces ever-increasing scrutiny from the regulatory bodies which oversee its activities and must fund the costs of verifying its continued compliance. During the 2009-2010 fiscal year, the Institute was audited by both the PAC and the Fairness Commission. Both were the first of what will be recurring triennial audits for which the Institute incurred costs totalling over \$250,000. In the years between these compliance audits, the Institute faces less comprehensive reviews of its performance which are nonetheless costly.

The Institute expects to receive an increasing number of inquiries and applications from members of accounting bodies in other countries, or individuals who practise accounting but are not members of professional accounting bodies, who have immigrated to Canada or are contemplating immigrating to this country. Ontario is the destination for the largest number of such new immigrants and the Ontario CA designation is frequently cited as their Canadian designation of choice. The Institute must have in place the infrastructure necessary to respond to these inquiries and applications on a timely and complete basis.

Fiscal 2010 was the third full year that the Institute has been authorized to license and govern members who practise public accounting, pursuant to the *Public Accounting Act, 2004*. As a result of changes to the requirements for obtaining and renewing a licence and in respect of which members in public accounting must have a licence, the total number of CA licensees has continued to decline:

	<b>Licensees</b>
February 28, 2006 (when the licensing provisions of the former public accounting act were still in force)	9,814
February 29, 2008	7,810
February 28, 2009	5,751
February 28, 2010	5,128

Management believes that the number of licensees has now stabilized. However, the decline is not expected to be recovered in the immediate future, meaning that the substantial costs incurred by the Institute to fund the public accounting licensing system must be met from the collection of licensing fees from significantly fewer licensees. This raises the prospect that increases in licensing fees may need to be introduced in future years.

The regulatory focus on public accounting is expected to begin changing in 2010-2011 to reflect the new environment established by the *Public Accounting Act, 2004* under which, in due course, the Certified General Accountants Association of Ontario and the Society of Management Accountants of Ontario also will be authorized to license and regulate their members as public accountants. New scenarios are arising in which individuals are licensed by one designated accounting body but practise in a firm or practice that is registered with and regulated by another accounting body. This will necessitate the establishment of regulations, protocols and procedures agreed to by each of the accounting bodies that will enable every licensee and the firm or practice through which the licensee provides public accounting services to be effectively governed and regulated by the body that has granted the licence, for such matters as practice inspection, investigations and disciplinary processes.

Needless to say, the likelihood that CMAs and CGAs will be granted public accounting licensing authorization by the PAC at some point in the near future will also intensify the competitive environment for our licensed members. This, in turn, will demand new ways of ensuring the continued preeminence of the CA designation in the marketplace for finance and accounting services. The long-term planning process to meet this eventuality is now well underway.

#### *Major Projects*

With the separation of licensure and certification, the Institute must develop education programs which enable CAs qualified in a non-licensed stream (in Ontario or elsewhere in Canada), or those coming to Canada with a designation from an accounting body recognized as having equivalent programs, to meet the standard to become qualified for licensure in Ontario.

Similarly, individuals coming to Canada with credentials from accounting bodies not recognized as having equivalent programs, require a more efficient route by which they can access the CA designation. The Institute is looking to work with our existing university partners to develop suitable programs which will smooth the process for immigrants looking to bring their education and competencies up to the CA standard.

In addition, in order to attract people with a breadth of backgrounds to become CAs, the Institute is working with our university partners to build programs which will enable Canadian non-business graduates to efficiently complete the educational elements they require to enter the profession.

#### *Uncertainties*

The Institute works in partnership with the other provincial institutes/ordre of Chartered Accountants and the CICA through the CSE to develop national policies for critical profession-wide functions. The CSE is currently reviewing the reputational risk impact to the entire profession if a provincial institute/ordre was unable to investigate and, if necessary, prosecute a very large discipline case or how the profession would address a provincial or national legal or legislative issue that had profession-wide implications. A mechanism has been developed for providing support, including potential funding assistance, for such future issues. If adopted by the profession, the Institute, as the largest provincial body in terms of membership, will be called on to contribute financially to such activities in other jurisdictions.

As noted previously, the Institute has applied for leave to appeal a recent judicial review which ruled that, despite its governing legislation, the Institute lacks jurisdiction to assess and collect costs resulting from disciplinary investigations and proceedings. Subsequent to that decision, the enactment of the Institute's new governing legislation appears to validate its right to collect costs retroactive to December 6, 2000. It remains uncertain whether the above-noted judicial review will be superseded by the new *Chartered Accountants Act, 2010*. Should the outcome of the judicial review be overturned, either on appeal or by virtue of the new legislation, the Institute will have the right to pursue in excess of \$1 million of additional costs that have been awarded and remain outstanding. Should the ruling be upheld, the Institute may be required to repay costs in excess of \$500,000 before interest previously collected. The outcome of these matters remained uncertain at the date of printing this Annual Report.

As an overarching observation, in recent years, the Institute has faced increased legal costs on several fronts and management believes that this trend is likely to continue. In the disciplinary area, there has been a noticeable increase in the number of cases going to judicial review. In addition, the Institute has had other challenges such as having to defend the profession's rights to its trademarks and official marks.

While the economy appears to have stabilized and the general outlook is more positive, management remains cautious as the Institute continues to work toward achieving its 2010-2011 strategic goals. In light of these anticipated changes to the Institute's operating landscape, an in-depth examination of its capital needs is underway. Although the Institute reported a sizable surplus for the 2009-2010 fiscal year, the foregoing major changes and uncertainties mean that those funds are required in order to preserve the Institute's financial position while carrying out the activities required to meet its strategic goals.

## In Conclusion

The Institute's principal responsibility is to act in the public interest through the maintenance and enforcement of high professional standards. The Institute also exists to serve its members. The Institute takes its mandates seriously and welcomes the many and diverse challenges and opportunities that have been addressed over the past year, as well as those that lie ahead.

The many CAs who are actively involved in the Institute are key to our strength as a profession and to our achievements as an organization. Their examples inspire us and their contributions are recognized in the *Member, Student and Volunteer Information* section of this *Annual Report*.



R.N. (Rod) Barr, FCA  
President & Chief Executive Officer



Nora V. Murrant, FCA, FCBV  
Executive Vice-President & Chief Operating Officer



Brian D. Leader, FCA  
Vice-President of Learning



Thomas E. Warner, BA, FCIS, PAdm  
Vice-President & Registrar



John W. Murray, LL.B, LL.M  
Vice-President of Standards Enforcement



Peter A. Varley  
Vice-President of Public Affairs

## 2009-2010 RESULTS

As a self-regulating professional body, the Institute's principal business is maintaining professional standards and regulating the CA profession in Ontario. The Institute seeks to uphold and enhance the value and credibility of the CA designation both to its members and to the clients, employers, regulators and the broad public who rely upon it.

Having regard to the Institute's business plan, management is of the view that the Institute's planned deliverables were completed or significantly advanced during the year. This section provides more detailed comments on fiscal 2009-2010 activities organized under these major areas of focus:

- Professional Self-Regulation
- Lifelong Learning
- Member Services
- CA Profile-Raising

### PROFESSIONAL SELF-REGULATION

The primary focus of government relations activities during 2009-2010 was on securing the Ontario Legislature's enactment of a new *Chartered Accountants Act*. First introduced in the Legislature in March 2009, Bill 158, the *Accounting Professions Act, 2010* that contains within it the ***Chartered Accountants Act, 2010***, was referred to a legislative committee in April of this year for public and stakeholder input. Following a review by the committee, Bill 158 was given Third Reading on May 12, 2010 and received Royal Assent on May 18, 2010.

The new *CA Act* enhances and modernizes Institute regulatory authority and processes through provisions that have long been granted to a number of other professional regulatory bodies in their governing legislation. Without these provisions, the Institute would be increasingly at risk of being unable to efficiently and effectively fulfill its responsibilities as a regulator in the current era. The new measures update, modernize and add to regulatory powers that haven't changed substantially since 1956 - especially in relation to investigating and disciplining members and firms for acts of professional misconduct in a timely way, so as to protect consumers and the public interest.

During the legislative process for Bill 158, substantial Institute resources and considerable time were devoted to addressing the use of "Chartered Accountant" and other confusingly similar designations by members of accounting bodies outside Canada who now reside or work in Ontario. The new *CA Act* carries forward from the 1956 *CA Act* a provision that prohibits individuals who are not members of the Institute from using "Chartered Accountant", or the initials "CA", "ACA" or "FCA", either alone or in combination with other words or initials, or from holding out or practising as Chartered Accountants in Ontario. The new *Act* increases the maximum penalty for those found by a court to be guilty of an offence, to \$10,000 from the current \$300. Accounting bodies outside Canada and their members in Ontario challenged the retention of the prohibition as, variously, discriminatory and unfair, protectionism and merely intended to preserve a monopoly for Institute members. Others characterized the prohibition as a barrier to access to employment by internationally trained accountants.

The Institute requested the retention of the prohibition and the increase in the penalty as necessary to reduce the risk to the public and to prevent the potential diminution of the CA image and brand that could arise from individuals using the designation, or a confusingly similar designation, or calling themselves Chartered Accountants, when they are not subject to regulation by the Institute in accordance with Ontario laws. The need for regulation arises in the public interest in regard to such matters as ensuring knowledge of Canadian taxation and business laws, and being subject to complaints investigation and disciplinary processes in Ontario. Without the prohibition specified in the *CA Act*, individuals who are not members of the Institute and provide accounting services to the public using the CA or confusingly similar designations would not be subject to practice inspection and professional liability insurance coverage, and the requirement to comply with applicable Canadian standards.

Bill 158 makes it abundantly clear that the prohibition on the use of Chartered Accountant or the CA, ACA or FCA initials would not prevent holders of CA or similar designations from outside Canada from practising in Ontario as accountants. It does not stop them from using their international designation in business meetings, or in response to RFPs, or on their resumé. Equally important, they are not prohibited from either seeking or obtaining employment in Ontario.

We believe that the passage of the *Accounting Professions Act, 2010* will clarify the rules of market conduct in Ontario for all accounting designations – foreign or domestic – for the next few decades, given that the current legislation governing CAs in Ontario has had a shelf life of more than half a century. At the same time, the *Act* will safeguard from dilution the value of the genuine CA designation, which our members worked so hard to attain, against a proliferation of lesser rivals vying for marketing advantages in the current environment.

Another significant achievement in 2009-2010 was obtaining the Ontario government's registration, under the labour mobility chapter of the Agreement on Internal Trade, of a **"legitimate objective exception" for Ontario's public accounting standards** established under the *Public Accounting Act, 2004*. The exception will ensure that public accountants from provinces where the practice of public accounting (the provision of assurance and compilation services) is less stringently regulated than in Ontario, and who wish to be licensed in this province, will be required to fulfill the same competency standards and meet the same requirements as individuals who have been licensed by Ontario licensing bodies.

Our successful effort to secure a legitimate objective exception for Ontario's legislated system of public accounting regulation under the AIT creates a lasting "safe harbour" for this province's rigorous public accounting qualification standards against potential downward pressure from other provinces, where legislated standards are either inferior or non-existent. Under the rules of the agreement, this exception will remain in place until other Canadian jurisdictions adopt legislation comparable to Ontario's, which stipulates the need for internationally recognized public accounting qualification and regulatory standards equivalent to those that CAs have long been required to meet. While it is unlikely that other provinces will move to do so in the near term, this development has served to demonstrate in other provincial and territorial capitals that labour mobility must be predicated on standards that protect the public – not those that simply facilitate inter-provincial market access at a lowest common denominator. As such, it has served to lay down an important reference point for future AIT negotiations, as well as the ongoing evolution of public accounting regulation in Canada.

On another front, moving back to a place of prominence, the **legal liability reform** file holds the potential to greatly advance the interests of the CA profession over the long term. Members will know that the Institute's pursuit of a less onerous liability regime for auditors in Ontario was put on hold over much of the last year owing to other developments described here. However, in the fall of 2009, the Attorney General's pledge to ensure independent study of the issue was made good by the Law Commission of Ontario (LCO), which has launched a study on possible reforms, driven largely by our persistent advocacy. We anticipate that the LCO will table recommendations to the government during 2010 which, it is hoped, will call for some form of proportionate liability for auditors of the kind we have long sought. Should this result in legislative action, the legal landscape respecting audit work in Ontario could be transformed, with lasting and beneficial consequences for the profession.

As predicted, in **Standards Enforcement**, complaints against members continued to increase, both in number and complexity. While issues of competence and due care remained the leading cause for complaint, 22 complaints involving allegations of financial malfeasance committed by members were received during the past year (double the number of the prior year). The average length of time that complaint files remained "open" pending disposition by the Professional Conduct Committee (PCC) or Discipline Committee also increased substantially. This latter phenomenon is attributable to a combination of factors including: complexity of the issues raised; difficulties in obtaining evidence from other regulatory agencies; the need to ensure procedural fairness to all parties; and member sensitivities around the disclosure of information due to the existence of concurrent regulatory proceedings or collateral civil litigation.

The following table summarizes matters dealt with by Standards Enforcement in 2009-2010 as against those dealt with in 2008-2009:

Year	Files open at March 1	Files opened during the year	Files closed by PCC	Files closed by Discipline Committee	Files closed during the year	Files open at February 28
2008-2009	143	199	130	9	139	203
2009-2010	203	206	154	24	178	231

Of the 154 files closed by the PCC without referral to the Discipline Committee, 48 (31 per cent) related to matters in which no breach of the Rules of Professional Conduct was found; 69 (45 per cent) resulted in the provision of guidance by the PCC to the member(s) involved; seven (five per cent) were opinion requests; and the remaining 30 (19 per cent) were either “watching” files opened by staff where subsequent events indicated no basis for proceeding, or files opened “pending” receipt of additional information from complainants who subsequently declined to provide it.

The 24 matters referred to the Discipline Committee during the year resulted in 18 hearings (including two matters concluded by way of settlement agreement). As a result of these proceedings, 13 members were expelled from the profession with attendant fines and publicity; one member was fined and suspended for a prescribed period; and four members were subject to other sanctions including fines, orders to cooperate and mandatory completion of professional development courses. Standards Enforcement counsel spent a total of 39 days in Discipline or Appeal Committee hearings, and a further four days representing the PCC before the Divisional Court of the Ontario Court of Justice.

Of the 231 open complaint files at year-end, 44 were classified as “watching” or “pending”; 97 were in the initial phases of staff or PCC assessment; 21 were under formal investigation; and a further 55 were awaiting hearings before the Discipline Committee or issuance of Discipline Committee reasons. The balance represents files under appeal to the Appeal Committee of the Institute or undergoing/awaiting judicial review (five) or third-party review by the independent Reviewer of Complaints or the Public Accountants Council for the Province of Ontario.

Full harmonization of the profession’s regulatory programs continues to be a national priority and **practice inspection** has been the subject of an extensive review by an interprovincial working group. This has resulted in a reworking of the model that has been in place in Ontario for almost 30 years. Some changes to the program have already been made and the balance of the approved changes will be fully implemented by the 2011-2012 inspection year.

One of the first changes adopted nationally was a restatement of the objective of practice inspection - namely, *“protection of the public by assessing the compliance with professional standards of members/firms that perform assurance, compilation and other specified engagements, and by taking appropriate follow-up or remedial action in instances of non-compliance. The public is further protected by practice inspection providing an educational experience to members/firms.”*

Other program details that have been reconfirmed are the scope of the program, the criteria by which firms will be assessed (*CICA Handbook* standards), the inspection cycle (at least once every three years), and the inspection committee process as well as the necessary qualifications of inspectors and volunteers who sit on the Practice Inspection Committee.

Practice inspections in Ontario are conducted by a team consisting of five full-time inspectors and 48 part-time inspectors. Each inspection file undergoes a detailed or quality control review conducted by a full-time inspector or a senior part-time inspector to ensure consistency in the inspection report’s content and related recommendations before being sent to the Practice Inspection Committee for its review.

The Practice Inspection Committee consists of 17 members who are assurance partners in different size firms - eight from local firms, three from regional firms and six from larger firms. The committee members review all inspection files not only to determine what further course of action, if any, should be taken but also to identify those areas where adherence to the *CICA Handbook* recommendations could be improved. While the results of the 935 inspections conducted during the 2009-2010 year were generally favourable (85 per cent no further action), the Committee identified a number of concerns regarding the documentation of audit and review engagements, financial statement presentation and quality control policies and procedures that have contributed to the Committee’s decision to reinspect 14.6 per cent of all offices inspected during that year (versus 14.1 per cent in 2008-2009). The details of these concerns are provided for guidance purposes in an e-mail sent to all practising offices in June of each year and posted on the Institute’s website.

This past year has seen detailed reviews of our practice inspection program by the Public Accountants Council for the Province of Ontario, as part of its oversight responsibilities of the Institute as a public accounting licensing body, as well as a due diligence review by the Canadian Public Accountability Board (CPAB) to confirm its ongoing reliance on our inspections of CPAB registrants who audit a limited number of public companies.

## LIFELONG LEARNING

Career Information, Education, CA Training Offices (CATOs) and Professional Development (PD) are the integrated components of the Learning Stream. Its mission – and a core Institute business – is to attract the brightest and the best students and then provide programs and activities to support student and member lifelong learning to ensure their ongoing professional competency. This competency is developed initially through the CA qualification process, which includes education, experience and evaluation components, and is maintained and enhanced through PD programs as well as practical experience.

The Institute's major initiatives to support lifelong learning focus on innovative ways of attracting the brightest and the best students; the refinement and implementation of competency-based practical experience requirements that facilitate expanded experience opportunities outside of the traditional audit and assurance stream, and enhance the competency development of all entry-level CAs; the creation and strengthening of long-term strategic partnerships with Ontario universities; and the expansion of executive programs and courses to meet the needs of members in industry, as well as those in public practice.

**Career Information** (CI) strives to ensure that the brightest and the best students understand what it means to be a Chartered Accountant and the wealth of career opportunities that the CA designation can provide. This objective is achieved through the *Ruling the World* campaign, which speaks to students in a language that is designed to capture their attention and dispel the stereotypes they might have about the CA profession. It also helps showcase CAs 'ruling the world of business' and points out that achieving the CA designation can be a valuable first step on the road to personal, career and business success.

The *Ruling the World* campaign is delivered through a number of different media and has continued to evolve, since its creation in 2008. Additional CA profiles, Institute events and relevant information are constantly added to the student website at [www.guidetorulingtheworld.ca](http://www.guidetorulingtheworld.ca). The CI team has taken the message to Ontario's high school and university students with a handbook for career success: *A Practical Guide to Ruling the World*. It features CAs in diverse fields ranging from public accounting to technology, environment, sports, entertainment, and more. The theme extends throughout all CI programming, including the high school  $\Phi$ IN and university CA\$H competitions. University students receive this material at CA Nights, conferences, competitions and classroom presentations delivered by CI staff.

CI research indicates that students are making career choices earlier in their academic journey. At the high school level, the CI team, in partnership with members, was able to make presentations to over 400 Grade 11 and 12 accounting classes. The past year has also seen this campaign extend into new media such as social networking sites, where students are encouraged to become engaged in the discussion with both Institute staff and their peers. Connecting with students through social networking and new media will be a focus during the upcoming year as CI builds on the success of the *Guide to Ruling the World* 'Facebook Fan Page' that is maintained by campus reps and supported by Institute staff. The look and feel of the *Ruling the World* campaign is also being refreshed in 2010-2011 with a related increase in expenditures as the result of campaign production costs and an emphasis on providing more promotional videos.

The inaugural *Save the World - CA Philanthropy Challenge* was delivered in 2009 to university students. In this competition, student teams are asked to develop an idea that will improve the world around them. Winners are rewarded with a prize of up to \$10,000 (with \$5,000 going toward making the students' ideas reality and the other \$5,000 going to the winning team). The competition is judged by CAs who are entrepreneurial and/or active philanthropically. The winning team is given the opportunity to implement their plan under the guidance of a CA mentor. Starting in 2010-2011, this competition will be open to both high school and university students.

The Teacher Colleague Program (TCP) for high school business and accounting teachers continues to adapt to the needs of educators. Our annual conferences provide teachers with an opportunity to share best practices with their colleagues and learn about new resources available for the classroom. CI continues to develop case materials in accounting and ethics, including teacher-friendly IFRS information. The program is provided free of charge and there are over 800 Teacher Colleagues registered. Teachers are often ranked as one of the most influential groups in terms of career choices of students. With students making career choices earlier, these high school initiatives are strategically critical.

The flagship for raising high school student awareness of the opportunities that come with a CA designation are the *No Limits Conferences*. These target the top senior high school students interested in business by putting them face-to-face with senior CAs from all areas of industry, government and academe. Four *No Limits Conferences* were delivered in 2009 in Ottawa, Toronto, Niagara and Kitchener/Waterloo with close to 1,000 students, 100 teachers and 100 CAs taking part. Many of the *No Limits Conferences* are delivered in

partnership with Ontario universities. This support helps to strengthen the relationship between the Institute and key academic stakeholders, and provides a bridge for students interested in the CA designation as they transition from secondary to post-secondary education.

CI plans to duplicate the success of the high school level *No Limits Conferences* by introducing a similar event that targets the best and brightest students at Ontario universities. The inaugural university event will be held in Toronto in early 2011.

The CA – Sprott Business Competition, an online business simulation for high school students, delivered in partnership with the Sprott School of Business at Carleton University, was new for 2009-2010. Registration far exceeded expectations with over 7,000 high school students competing. In the fall/winter 2010-2011 competition, it is anticipated that over 10,000 students will take part.

The Institute's high school and university associate student programs, along with the high school teacher colleague and university faculty colleague programs, remain the primary vehicles for disseminating information and creating student interest in a CA career. Even though hugely successful, with close to 1,000 students participating in each of the high school and university programs, efforts to increase these enrolments continue. In 2009, these efforts focused on bundling membership with events such as *No Limits Conferences* for high school students and incentives to increase first-year membership at the university level. Access to the Institute's Student Resumé Portal and Job Postings site was also relaxed to include recent graduates who were unable to secure employment and CA Students who had lost their jobs as a result of the challenging economy. The growing number of students who are struggling to secure or maintain employment with a CA Training Office is likely to continue to be an issue requiring attention in 2010-2011.

The Board of Associates, which was created in 2006 and is comprised of a junior and senior university Associate Student representative from each Ontario university, continues to act as a strong voice for the CA profession on campus. With 40 students representing 20 Ontario campuses, it significantly enhances the ability of the Board to act as an on-campus advisory and advocacy group for the CA profession.

CI continues to work closely with the CA Training Office area to ensure that messaging is consistent and everyone is aware of the incredible opportunities available to students regardless of where they get their practical experience. New CA Training Offices continue to be profiled throughout the campaign in 2010-2011, and videos that address common student misconceptions are being produced for incorporation on the *Ruling the World* website.

During 2009-2010, the growth and acceptance of training CA students in industry, government and in non-audit practice areas of CA firms has exceeded expectations. At year-end, the Institute had 59 **CA Training Offices (CATOs)** approved to train 840 CA students over a three-year period under these new expanded experience opportunities, with over 130 students employed in these positions. The number of these CATOs is 60 per cent higher than the target for fiscal 2010, with the momentum continuing into 2010-2011. This success is partly attributable to the launch of several strategic initiatives during the year, including targeted educational material to smaller practitioners that were either limited by their ability to train CA students or couldn't train them at all. In addition, the large CA firms sought to expand their approval to train CA students within their specialized practice areas and/or increase the number of offices participating in these programs.

Interest from the corporate sector to train CA students remains strong. In fact, approximately 15 additional corporate and government agencies are expected to be recruiting CA students from university campuses this year in comparison to the fall of 2009. To continue this momentum, and to educate members on the new practical experience requirements for CA students, the Institute's CATO staff members hosted professional development sessions throughout Ontario explaining the benefits and applicability of the training program to various environments and organizations. In addition, the Institute actively worked with other PICAs across Canada and the CICA to materially simplify and streamline the application process, including those from organizations seeking approval in multiple provinces.

The partnerships created with CATOs are being further supported through the Institute's new semi-annual Recruiting Roundtables. These bring together CATO HR staff from the corporate and public sectors with those from the large CA firms, in order to share best practices in recruiting CA students from university campuses across Ontario.

The publication and distribution of the new Practical Experience Requirements 2009 (PER 2009) and the re-launch of CATO Advantage – the national website on practical experience requirements – were completed in 2009-2010. However, based on experience gained, feedback received from various stakeholders, and an in-depth review of environments that are believed to be excellent training grounds for CA students but would

otherwise be excluded under the current PER 2009, we continue to assess potential refinements to expand the reach of the program, while maintaining the standards and rigour currently required of all CATOs.

By the end of 2010-2011, the Institute expects that there will be 80 CATOs approved to train CA students under expanded experience opportunities in Ontario with between six and eight per cent of new CA student registrations potentially being employed in these new opportunities.

Efforts also continue with Ontario universities to continue to grow the number of graduates that pursue the CA designation. Launched in 2004, the Institute's strategic initiative to accredit accounting streams/ programs offered by its Ontario university education delivery partners and further support these partners through the creation of CA/University Centres, has been very successful. These partnerships are now in place with the eight key Ontario universities, with the final two having been established in 2009-2010. These strategic partnerships promote the development of critical mass – quantity and quality of faculty, students, research and curriculum – at each school. In turn, critical mass and strong, long-term university partnerships help to ensure continuous improvement and innovation.

The vision and mission of each of the CA/University Centres focus on adding to the body of knowledge in accounting and accounting-related areas through high quality research and providing ongoing support for continuous program improvement and innovation. While the Institute has earmarked \$1 million annually in support, the actual annual expenditures to date have averaged less than three-quarters of a million dollars. It is anticipated that as student enrolments in Institute-accredited programs increase over the next several years, each partner will reach annual funding of \$100,000, for an aggregate of \$800,000, with the remaining \$200,000 divided between the doctoral studies support and faculty colleague programs, and the activities of the Institute's Centre for the Advancement of Accounting Education.

In 2010-2011, efforts will continue to focus on capturing the synergistic potential of this strategic group and on raising its profile and that of each of the partners within the academic and business communities. The various avenues being considered include holding joint-centre conferences with both academic and practitioner attendees, creating a working paper series to promote the research produced, and creating data bases of integrated case studies and examination questions.

Providing learning support to CA students and university accounting faculty through the transition to IFRS in 2011 continues to be a key strategic priority in 2009-2010 and will continue through to 2011. University faculty colleagues receive two complimentary PD courses to help keep them current on standard updates. The UFE Candidates' Competency Map was also revised to include 28 International Accounting Standards at level A for the 2010 UFE. SOA materials and examinations will include appropriate coverage of these subjects, including IFRS e-learning sessions to cover each of these examinable standards, along with an e-learning session providing an overview of standards for the pre-School segment.

The UFE is one of the key foundations of the CA profession's claim to excellence. It is the living embodiment of the commitment, sacrifice and drive to achievement that becoming a CA is all about. And in harmony with attracting the brightest and the best, Ontario's **CA qualification process** provides CA students with the opportunity to complete all of their education and examination requirements within one year of graduating from university. In aggregate, Ontario has a five-year education and examination process comprised of a four-year, 120 credit-hour university degree that includes or is supplemented by the 17 required university courses, and a one-year Professional Program.

Suitably preparing university graduates for the challenge of the UFE within 12 months of beginning full-time employment would not be possible without the strong working relationships that exist between the Institute and its Ontario-university delivery partners, in particular those that are major suppliers of graduates and provide Institute-accredited programs. Continuous improvement processes help to ensure that Ontario universities deliver graduates who not only have strong technical foundations but also have solid groundings in the required pervasive qualities and professional skills. This enables the Institute's Professional Program to focus on integrative thinking and problem-solving skills through the use of integrated cases based on real-business-world scenarios. A comprehensive paper, similar to the UFE, was added to the School Final Examination in 2009, thereby making it a two-day evaluation. This provided students with a greater opportunity to demonstrate their competency and better prepared them for both the challenge they face in the UFE and challenges that they will face in their professional careers.

In terms of the overall UFE success of Ontario candidates: after two attempts, between 87-to-91 per cent have been successful, while 94 per cent of those attempting the UFE become Chartered Accountants within the maximum four attempts allowed. Ontario had 20 members on the 2009 National Honour Roll and the 2009 UFE set the record for the greatest number of successful candidates.

While the number of students flowing through the CA qualification process is expected to continue to decline over the next couple of years, the implementation of IFRS in 2011 and the continued creation of new CA student entry-level positions through expanded experience opportunities should help to mitigate the decline. In addition, the recent changes to provision 210 in Regulation I provide prospective CAs with an exemption from the employment requirement under the current difficult economic times. This allows university graduates who wish to pursue their CA designation to register with the Institute and proceed through the education and examination requirements. Ultimately, these students must secure employment in a CA Training Office and fulfil their experience requirements in order to become CAs. However, an improving economy and the fact that they have already completed some or all of their education and examination requirements should increase the probability of finding employment.

The reaction of Ontario university faculty and students to this change has been very positive, particularly among recent graduates. Widely communicated in early March, close to 50 university graduates who were unable to find employment with a CATO registered with the Institute and attempted the May 2010 CKE. It is anticipated that this provision will have a greater impact in the fall of 2010 – with as many as 200 university graduates, who otherwise would not have been able to pursue their CA designation, registering with the Institute and attempting the January 2011 CKE.

As has been done in the past during periods of declining enrolments in recessionary times, the number of sessions and/or seminar groups, along with class sizes, will be adjusted as needed to minimize any negative financial impact.

The Institute's **Professional Development (PD)** area continues to expand programs to assist members with the extensive taxation, accounting and assurance standards changes that will become effective within the next year, and to enhance the executive programs, in support of the recommendations of the *CA Professional Learning* strategy document approved by the Institute's Council.

Registration levels in the PD seminars were consistent with those in 2008-2009 as the effects of the current economic situation served to balance the increase in demand for technical courses, most notably those dealing with the new Accounting Standards for Private Enterprises and the transition to the Harmonized Sales Tax in Ontario. While similar results are expected for 2010-2011, efficiencies within the PD area, including the "PD Going Green" initiatives, have enabled registration fees to be held at 2003-2004 levels.

With all publicly accountable entities required to adopt the International Financial Reporting Standards (IFRS) in 2011 or earlier, and private enterprises having the choice to apply IFRS or the newly released Accounting Standards for Private Enterprises (ASPE), or to continue to use current Canadian GAAP in the short term, there was no shortage of accounting topics in the 2009-2010 PD program – a situation that will continue into 2010-2011, particularly if final accounting standards for not-for-profit organizations are released.

The 2009-2010 Fall/Winter PD program included 19 IFRS seminars to help members get up to speed on what that means for their clients or organizations. Many new and updated IFRS titles are scheduled for 2010-2011, as the mandatory implementation date approaches, and to address any changes to the standards in the intervening period. A new course was introduced early in 2010 to assist members in transitioning to the ASPE with additional ASPE programs scheduled in 2011.

The new Canadian Auditing Standards become effective for periods ending on or after December 14, 2010. New courses were introduced in 2009 to help practitioners get ready for this transition, and additional titles will be included in Spring 2010 and Fall/Winter 2010-2011 to ensure that members have the competencies and tools necessary to implement the new standards. Together with the online and in-depth programs provided by the CICA, this comprehensive suite of PD offerings will help all CAs build their accounting and assurance competencies.

The Institute's collaboration with Queen's University on an applied research project entitled *Moving from CA to CFO: A Competency Framework* continues to influence the evolution of the Institute's Executive Programs. The new Value-Driven CFO program was presented in June 2009, and two new titles, *The CFO as Navigator* and *Becoming CEO (and Staying There)*, are included in 2010-2011 schedule.

## MEMBER SERVICES

The principal focus of Member Services for 2009-2010 was on providing support to our members in their professional activities. Member Services also continues to provide benefits to our members by overseeing the various value-added affinity programs that benefit Ontario CAs.

In the area of **standards development**, Member Services has been actively working with the CICA, the other provincial institutes, as well as other areas within the Institute, to raise awareness of the changing accounting and assurance standards, and to assist with the transition. Significant time was spent over the past year participating on national committees and advisory groups to identify issues and solutions to meet the needs of members in all sectors.

In the summer of 2009, the Institute held consultation sessions in Burlington, Markham, Ottawa, and Toronto to raise awareness and obtain feedback from members on the exposure draft on *Generally Accepted Accounting Principles for Private Enterprises (PE GAAP)* issued by the Accounting Standards Board (AcSB) as well as the *Invitation to Comment* on financial reporting options for not-for-profit organizations that was jointly issued by the AcSB and the Public Sector Accounting Board. Responses were submitted on behalf of participants to the respective Boards.

Member Services is also monitoring the impact on accounting and assurance standards of legislation in new areas, such as legislation passed by the Ontario government that paves the way for a cap-and-trade system that uses market forces to reduce greenhouse gas emissions.

The **Small Practices Advisory Committee** continues to be active on a number of fronts. The committee submitted comments to the AcSB regarding the PE GAAP exposure draft. It also submitted a comment letter to the Ontario Securities Commission in response to the proposed National Instrument 52-107, in which the committee recommended that an Ontario private company being acquired by a public company be allowed the option of filing an acquisition statement using accounting standards for private enterprises. This committee continues to review and provide feedback on other topics of concern to practitioners, such as: the public accountancy licence renewal process; the status of legislative reforms required to allow non-members to become shareholders of a member's professional corporation; and issues relating to operating in a paperless office environment.

The **confidential advisory services and ethics counselling** continue to be the most widely used member service. In the past fiscal year, over 3,700 calls were received from members and practitioners on a variety of topics, including: accounting and assurance; public practice management issues; and the Institute's Bylaws and Rules of Professional Conduct. Recurring concerns raised over the year included: complexities relating to the financial instrument accounting standard; the changes to the quality control assurance standard; and the regulatory requirements relating to registration of public accounting practices and licensing requirements.

The **technical services** area of Member Services works with Ontario government ministries and agencies through ad hoc groups or task forces to focus on accounting and auditing issues specific to the Ontario financial reporting environment. One area of focus this past year was working with the audit advisory committee of the Deposit Insurance Corporation of Ontario to develop guidance related to the risks of conducting credit unions' audits.

The Institute's **affinity member benefits** continue to be very popular. There are currently over 27,000 certificates of insurance held by members, their spouses and eligible family members under the CA Select Insurance Plans (term life, personal accident, income protection, critical illness, and office overhead). A number of enhancements were added to the Plans during the year, such as a new catastrophic health insurance program. The Home and Auto Insurance Plan through TD Insurance Meloche Monnex has now been in place for five years and continues to grow quickly. Over 11,000 policies have been sold and client retention rates continue to be well over 90 per cent. In addition, a number of new affinity partners have been added to the member savings program available to all CAs nationally.

## CA PROFILE-RAISING

The CA brand is more important than ever, as business people rely on the expertise of CAs to help them weather economic uncertainty and deal with changes in financial reporting. The Ontario Institute continues to play a leadership role in the ongoing **national CA branding initiative**. Our profession's advertising campaign has delivered a highly effective and nationally consistent advertising campaign in support of the membership across the country as we continued to emphasize the profession's strong reputation and the value CAs bring to business. For 2010-2011, there is renewed national commitment to continue strengthening the brand and the Decisions Matter theme will remain central to the messaging. The next stage of the advertising campaign will roll out in the fall of 2010.

Capitalizing on **earned media opportunities** is another essential function of the Institute's Public Affairs department. Again in 2009-2010, our efforts to secure positive media coverage for our profession, and to

manage potentially problematic media interest elsewhere, bore significant fruit. Our advocacy efforts on the Agreement on Internal Trade, the need for a new *CA Act*, the case for legal liability reform and other issues were supported by a range of interview opportunities, detailed opinion editorials in major newspapers and letters-to-the-editor, when needed. At the same time, the Institute's highly effective CA Articles Program showcasing member expertise on a range of topics, landed no fewer than 283 "hits" for a total circulation of well over six million. Continuing our efforts in this way builds a future platform for the Institute and CA profession as trusted "go-to" sources of comment and expertise on a variety of public and media interest subjects.

**Paid media placements** also remain an effective communications tool. Again this year, the Institute's Public Affairs department produced a six-page national UFE supplement, entitled *Career Decisions Matter*, which ran in the *Globe and Mail's Report On Business* in December 2009 and again in January 2010. This special publication served a dual purpose - to both celebrate our successful UFE writers and to promote the profession to students and their influencers.

In a similar way, the Institute continued over the past year to pursue a number of high-profile **sponsorship opportunities**. These have included "one-off" opportunities for political fundraisers and policy-maker speech sponsorships. Other examples include the Institute's ongoing presence on TVO's *The Agenda with Steve Paikin*, which reaches a highly influential audience of Ontario policy-makers and opinion leaders; a number of cooperative events and partnerships with both the Ontario Chamber of Commerce and the Toronto Board of Trade; and several community support programs, such as the annual Free CA Tax Clinics and a range of children's charities.

As well, as of fiscal year-end, the CA Speakers Bureau saw 59 Ontario members participate as speakers for service and business club events and panel discussions of varying kinds.

There is no better way to raise the profile of the CA profession than to highlight the accomplishments of exceptional Chartered Accountants. In September, the triennial FCA presentation ceremony celebrated the accomplishments of the 75 new Fellows elected by the Council in 2009 as well as those of the eight CAs under the age of 40 who received the ICAO Award of Distinction. The event was capped off with the presentation of the ICAO Award of Outstanding Merit to three distinguished Chartered Accountants: Sheila Fraser, FCA; James Goodfellow, FCA; and Donald Wray, FCA. These award recipients and new Fellows were recognized in paid advertising as well as through media releases.

**Volunteerism and community giving** is a tradition that many Chartered Accountants have embraced, evidenced so clearly by the community contributions of every one of the individuals who were honoured by the profession last September. The *Find a CA Volunteer* website has demonstrated results again this year. The site enables charitable organizations seeking CAs to fill roles as treasurers, board chairs, leaders of committees and so on, can post their opportunities free of charge. In the past fiscal year, a total of 88 volunteer opportunities were posted from across the province.

Chartered Accountants from across the province turned out again this year to help those in need at the annual **Free CA Tax Clinics**. In 2010, more than 1,600 CAs and their associates completed over 11,700 returns for low-income people - truly an impressive feat, considering they were all prepared during the busy tax season. Celebrating its 42nd year, the Free CA Tax Clinics program assists low-income people who are unable to prepare their own tax returns and receive their much-needed tax credits and refunds.

Clinics operate in cooperation with a wide range of agencies - including food banks, charities, hospitals, community centres, social service agencies, libraries, seniors' centres and homes. Again this year, the Institute additionally supported these agencies by donating \$100 for the first 15 tax returns completed at a clinic and \$2 for each additional return in excess of 15.

As a focus for profile-raising, the Free CA Tax Clinics receive extensive exposure in the news media, with articles, radio and television coverage totalling more than 1.7 million in combined circulation and reach. But the biggest payback comes from the volunteer CAs themselves who regularly remark on how fulfilling they find the experience.

The staff at the Institute have also embraced the CA profession's culture of giving. Staff members - both CAs and non-CAs alike - stepped up as volunteers at the Free CA Tax Clinics' kick-off event held at the Institute and at Clinics held in the community. And they generously opened their wallets during the year with cash donations totalling over \$25,000 to help the United Way, the Scott Mission holiday drive, and the Haiti earthquake relief efforts.

## AUDITORS' REPORT ON 2010 SUMMARIZED FINANCIAL STATEMENTS

### To the Members of The Institute of Chartered Accountants of Ontario

The accompanying summarized statement of financial position and summarized statements of expenses and revenues and cash flows are derived from the complete financial statements of The Institute of Chartered Accountants of Ontario as at February 28, 2010 and for the year then ended on which we expressed an opinion without reservation in our report dated May 18, 2010. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

PKF Hill LLP, Chartered Accountants  
Licensed Public Accountants  
Toronto, Ontario  
May 18, 2010

### SUMMARIZED STATEMENT OF FINANCIAL POSITION (\$000s) AS AT FEBRUARY 28, 2010

	2010	2009
<b>ASSETS</b>		
Cash and cash equivalents	614	659
Investments and other current assets	11,236	9,387
Property, plant and equipment	7,786	8,617
Accrued pension asset	278	299
	<b>19,914</b>	<b>18,962</b>
<b>LIABILITIES</b>		
Long-term debt	5,238	6,292
Other liabilities	5,764	5,704
	<b>11,002</b>	<b>11,996</b>
<b>MEMBERS' EQUITY</b>		
Balance, beginning of year	6,966	7,201
Excess (deficiency) of revenues over expenses	1,802	(224)
Net unrealized gain (loss) on financial instruments	144	(11)
Balance, end of year	<b>8,912</b>	<b>6,966</b>
	<b>19,914</b>	<b>18,962</b>

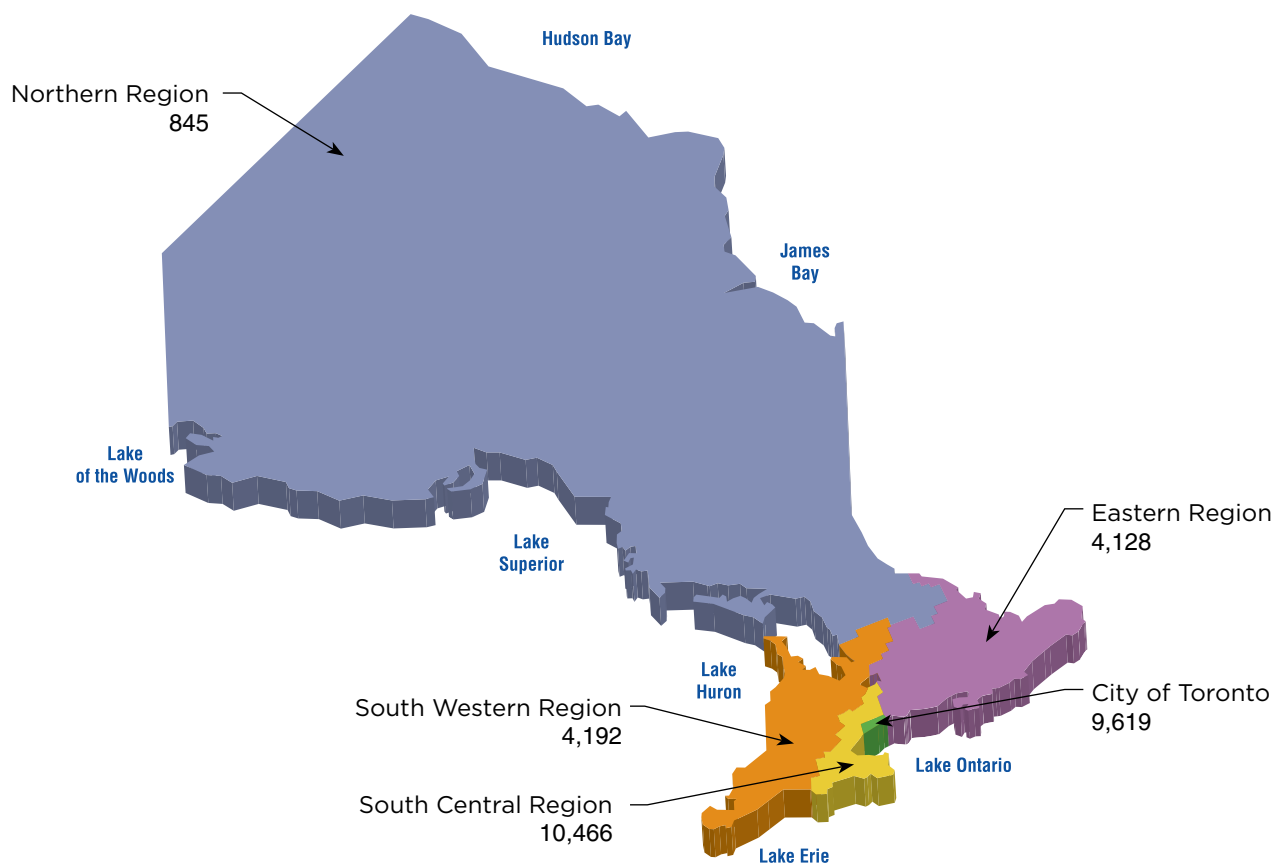
## SUMMARIZED STATEMENT OF EXPENSES AND REVENUES (\$000s) FOR THE YEARS ENDED FEBRUARY 28

	2010	2009
<b>EXPENSES</b>		
Council and Executive Office, Public Affairs, Professional Standards and Self-Regulation, and Learning	24,959	25,540
Operations in support of volunteer, member and staff activities	6,803	7,121
<b>Total expenses</b>	<b>31,762</b>	<b>32,661</b>
<b>REVENUES</b>		
Activity revenues	14,767	14,083
General revenues	18,797	18,354
<b>Total revenues</b>	<b>33,564</b>	<b>32,437</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>1,802</b>	<b>(224)</b>

## SUMMARIZED STATEMENT OF CASH FLOWS (\$000s) FOR THE YEARS ENDED FEBRUARY 28

	2010	2009
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	1,802	(224)
Add items not involving cash	890	1,370
Changes in non-cash working capital amounts	632	(671)
Change in deferred contributions	15	608
Cash flows from operating activities	3,339	1,083
Cash flows from financing activities	(834)	(791)
Cash flows from investing activities	(2,550)	(2,602)
<b>Net change in cash and cash equivalents during the year</b>	<b>(45)</b>	<b>(2,310)</b>
Cash and cash equivalents, beginning of year	659	2,969
<b>Cash and cash equivalents, end of year</b>	<b>614</b>	<b>659</b>

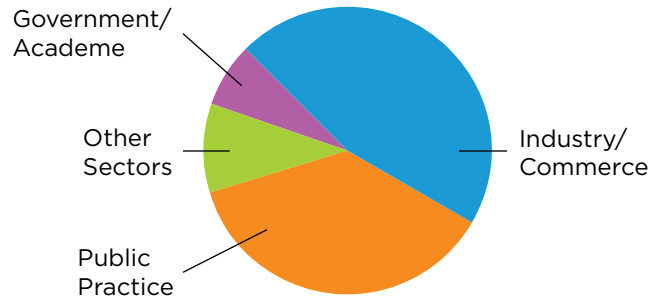
## MEMBERSHIP BY GEOGRAPHICAL REGION AND EMPLOYMENT SECTOR as at February 28, 2010



Region (District Associations)	Public Practice	Industry/ Commerce	Government/ Academe	Other Sectors	Retired	Total
<b>South Western</b> (Essex-Kent, Georgian Bay, Lambton, Waterloo-Wellington, Western Ontario)	1,519	1,338	259	285	791	4,192
<b>South Central</b> (Halton-Peel, Hamilton, Niagara, York)	3,480	4,372	514	1,068	1,032	10,466
<b>Eastern</b> (Central Ontario, Eastern Ontario, Ottawa, Quinte, Renfrew, Stormont-Dundas- Glengarry)	1,211	1,301	571	292	753	4,128
<b>Northern</b> (Cochrane, North Bay, Northwestern Ontario, Sault Ste. Marie, Sudbury)	331	215	116	32	151	845
<b>City of Toronto</b> (including Etobicoke, North York, Scarborough)	2,811	4,151	373	1,028	1,256	9,619
<b>Total Ontario resident membership</b>	<b>9,352</b>	<b>11,377</b>	<b>1,833</b>	<b>2,705</b>	<b>3,983</b>	<b>29,250</b>
<b>Members residing outside Ontario</b>						
Other provinces	569	709	83	194	467	2,022
Other countries	275	1,644	49	424	284	2,676
<b>Total membership</b>	<b>10,196</b>	<b>13,730</b>	<b>1,965</b>	<b>3,323</b>	<b>4,734</b>	<b>33,948</b>

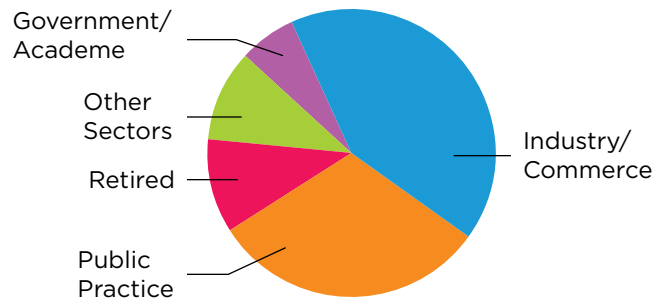
## NON-RETIRED MEMBERS RESIDING IN ONTARIO BY EMPLOYMENT SECTOR as at February 28, 2010

Industry/Commerce	11,377	45%
Public Practice	9,352	37%
Other Sectors	2,705	11%
Government/Academe	1,833	7%
	<b>25,267</b>	<b>100%</b>



## ALL MEMBERS BY EMPLOYMENT SECTOR as at February 28, 2010

Industry/Commerce	13,730	40%
Public Practice	10,196	30%
Retired	4,734	14%
Other Sectors	3,323	10%
Government/Academe	1,965	6%
	<b>33,948</b>	<b>100%</b>



## PROFESSIONAL CORPORATIONS

as at February 28, 2010

	Authorized to practise public accounting	Other	Total
One CA shareholder	911	294	1,205
More than one CA shareholder	91	23	114
	<b>1,002</b>	<b>317</b>	<b>1,319</b>

## MEMBERS WITH SPECIALIST DESIGNATIONS BY GEOGRAPHICAL REGION

as at February 28, 2010

Region (District Associations)	CA•CBV	CA•CIA	CA•CIRP	CA•CISA	CA•IFA	CA•IT	Total
<b>South Western</b> <i>(Essex-Kent, Georgian Bay, Lambton, Waterloo-Wellington, Western Ontario)</i>	33	7	24	8	12	10	<b>94</b>
<b>South Central</b> <i>(Halton-Peel, Hamilton, Niagara, York)</i>	73	21	70	21	32	44	<b>261</b>
<b>Eastern</b> <i>(Central Ontario, Eastern Ontario, Ottawa, Quinte, Renfrew, Stormont- Dundas-Glengarry)</i>	13	18	16	13	9	16	<b>85</b>
<b>Northern</b> <i>(Cochrane, North Bay, Northwestern Ontario, Sault Ste. Marie, Sudbury)</i>	22	13	22	13	9	14	<b>93</b>
<b>City of Toronto</b> <i>(including Etobicoke, North York, Scarborough)</i>	103	16	70	26	71	28	<b>314</b>
	<b>244</b>	<b>75</b>	<b>202</b>	<b>81</b>	<b>133</b>	<b>112</b>	<b>847</b>

<b>CA•CBV</b>	CA-designated specialist in business valuation
<b>CA•CIA</b>	CA-designated specialist in internal audit
<b>CA•CIRP</b>	CA-designated specialist in insolvency and restructuring
<b>CA•CISA</b>	CA-designated specialist in information systems audit, control and security
<b>CA•IFA</b>	CA-designated specialist in investigative and forensic accounting
<b>CA•IT</b>	CA-designated specialist in information technology

## MEMBERSHIP BY AGE RANGE AND GENDER as at February 28, 2010

	Females		Males		Total	
Under 30	1,246	53%	1,112	47%	2,358	7%
30-39	3,239	47%	3,680	53%	6,919	20%
40-49	3,411	40%	5,128	60%	8,539	25%
50-65	2,125	20%	8,651	80%	10,776	32%
Over 65	94	2%	5,262	98%	5,356	16%
	<b>10,115</b>	<b>30%</b>	<b>23,833</b>	<b>70%</b>	<b>33,948</b>	<b>100%</b>

## MEMBERSHIP CHANGES

	2009-2010	2008-2009
<b>Members in good standing at beginning of year</b>	<b>33,146</b>	<b>32,750</b>
Increases during the year:		
Examination	1,111	860
Affiliation:		
Other provinces	75	63
Recognized bodies outside Canada	28	36
Examination - Quebec	10	18
Readmission	9	17
<b>Total increases</b>	<b>1,233</b>	<b>994</b>
Decreases during the year:		
Deaths	(152)	(164)
Expulsions	(8)	(11)
Resignations	(150)	(153)
Terminations	(254)	(186)
<b>Total decreases</b>	<b>(564)</b>	<b>(514)</b>
<b>Net change in suspended members (primarily re: fees)</b>	<b>133</b>	<b>(84)</b>
<b>Membership as at February 28, 2010 and February 28, 2009</b>	<b>33,948</b>	<b>33,146</b>

**NUMBER OF PUBLIC ACCOUNTING OFFICES  
BY GEOGRAPHICAL REGION AND SIZE\* OF FIRM  
as at February 28, 2010**

Region (District Associations)	National	Regional	Local	Part-time	Total
<b>South Western</b> (Essex-Kent, Georgian Bay, Lambton, Waterloo-Wellington, Western Ontario)	55	41	315	163	574
<b>South Central</b> (Halton-Peel, Hamilton, Niagara, York)	25	59	668	423	1,175
<b>Eastern</b> (Central Ontario, Eastern Ontario, Ottawa, Quinte, Renfrew, Stormont-Dundas-Glengarry)	25	32	259	154	470
<b>Northern</b> (Cochrane, North Bay, Northwestern Ontario, Sault Ste. Marie, Sudbury)	22	7	58	39	126
<b>City of Toronto</b> (including Etobicoke, North York, Scarborough)	18	23	602	314	957
<b>Outside Ontario</b>	16	9	47	19	91
	<b>161</b>	<b>171</b>	<b>1,949</b>	<b>1,112</b>	<b>3,393</b>

**NUMBER OF MEMBERS IN PUBLIC PRACTICE, BY SIZE\* OF FIRM  
as at February 28, 2010**

Size of Firm	Partner/Associate	Employee	Sole Proprietor	Total
National	1,314	3,357		4,671
Regional	450	481	11	942
Local	1,747	1,053	1,480	4,280
Part-time practice exclusively	7	4	292	303
	<b>3,518</b>	<b>4,895</b>	<b>1,783</b>	<b>10,196</b>

\* National: offices in more than three provinces

Regional: more than one office in Ontario or in Ontario and up to two other provinces

Local: one office only

## PUBLIC ACCOUNTING LICENSEES as at February 28, 2010

	CAs	Others <sup>†</sup>	Total
Sole practitioners	1,206	2	1,208
Partners	2,486	3	2,489
Employees	933	4	937
Part-time practitioners exclusively	171		171
Other part-time practitioners	177		177
Other (no practising office)	155		155
<b>Total licences in force</b>	<b>5,128</b>	<b>9</b>	<b>5,137</b>

<sup>†</sup> Provided by the Public Accountants Council for the Province of Ontario

## PUBLIC ACCOUNTING LICENSEES REPORT as at February 28, 2010

	Total
<b>Active licensees as at February 29, 2009</b>	<b>5,751</b>
Increases during the year:	
New licences issued (Institute members)	87
Reissued licences to former licensees	21
<b>Total increases</b>	<b>108</b>
Decreases during the year:	
Deaths	(14)
Discontinued on request	(83)
Expired	(622)
Revoked due to membership status	(3)
Revoked due to discipline	0
Suspended due to membership status	(7)
Suspended due to discipline	(2)
<b>Total decreases</b>	<b>(731)</b>
<b>Active licensees at February 28, 2010</b>	<b>5,128</b>

**BACKGROUNDS OF CURRENT CA STUDENTS AND CANDIDATES  
FOR MEMBERSHIP WITH FIRST QUALIFICATIONS  
FROM OTHER ACCOUNTING BODIES  
as at February 28, 2010**

Current CA Students	Students
<b>Business degrees only</b>	<b>4,122</b>
<b>Non-business degrees only</b>	
Arts	179
Science	49
Law, math (including University of Waterloo Bachelor of Mathematics), other	104
	<b>332</b>
<b>Both business and non-business degrees</b> (the majority having first obtained a non-business degree)	<b>335</b>
<b>Mature entry</b>	<b>21</b>
<b>Accounting bodies assessed as not having equivalent programs</b>	<b>149</b>
	<b>4,959</b>

Accounting bodies recognized as having equivalent programs (UFE not required)	In Progress	Members
Institute of Chartered Accountants in Australia	0	19
Institute of Chartered Accountants in England and Wales	24	750
Institute of Chartered Accountants in Ireland	0	37
Institute of Chartered Accountants of New Zealand	1	28
Institute of Chartered Accountants of Scotland	2	112
Instituto Mexicano de Contadores Publicos	7	0
Japanese Institute of Certified Public Accountants	0	3
South African Institute of Chartered Accountants	23	364
State Boards of Accountancy in the United States	101	283
Other (including some from bodies whose qualifications subsequently ceased to be equivalent to the Canadian CA)	0	17
Other Provincial Institutes	6	3,085
	<b>164</b>	<b>4,698</b>

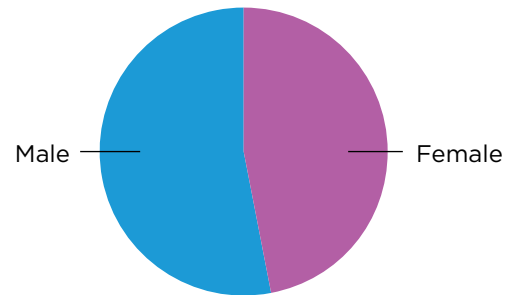
**BACKGROUNDS OF CURRENT CA STUDENTS AND CANDIDATES  
FOR MEMBERSHIP WITH FIRST QUALIFICATIONS  
FROM OTHER ACCOUNTING BODIES, CONTINUED  
as at February 28, 2010**

<b>Accounting bodies assessed as not having equivalent programs (advanced-level entry, UFE required)</b>	<b>In Progress</b>	<b>Members</b>
Institute of Chartered Accountants of India	35	75
Institute of Chartered Accountants of Pakistan	5	11
Institute of Chartered Accountants of Sri Lanka	3	10
Philippine Institute of Certified Public Accountants	8	12
The Association of Chartered Certified Accountants (United Kingdom)	23	68
Certified General Accountants bridging to CA qualification	39	102
Certified Management Accountants bridging to CA qualification	11	56
Other accounting bodies	25	44
	<b>149</b>	<b>378</b>

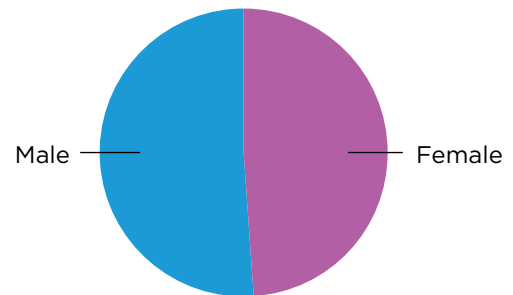
<b>2009 CA Reciprocity Examination (CARE) Success Rate Members of bodies designated as having equivalent programs</b>	<b>Successful Writers</b>
Institute of Chartered Accountants in England and Wales	2
Instituto Mexicano de Contadores Publicos	1
South African Institute of Chartered Accountants	12
State Boards of Accountancy in the United States	24
	<b>39</b>

## STUDENTS BY GENDER as at February 28, 2010

New Students	Total	
Female	459	45%
Male	567	55%
	<b>1,026</b>	<b>100%</b>

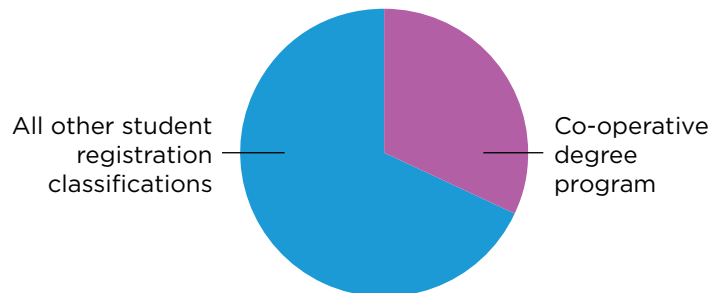


Total Students	Total	
Female	2,380	48%
Male	2,579	52%
	<b>4,959</b>	<b>100%</b>

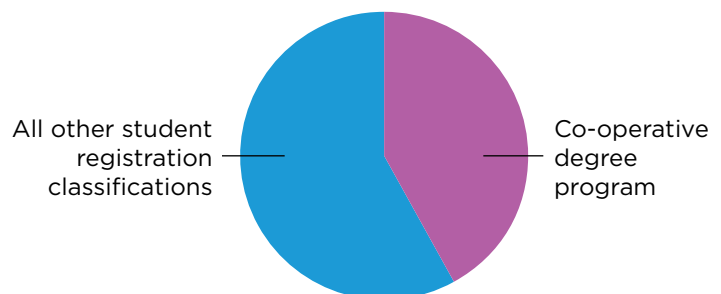


## STUDENT CO-OPERATIVE DEGREE PROGRAM ENROLMENT as at February 28, 2010

New Student Enrolment	Total	
Co-operative degree program	326	32%
All other student registration classifications	700	68%
	<b>1,026</b>	<b>100%</b>

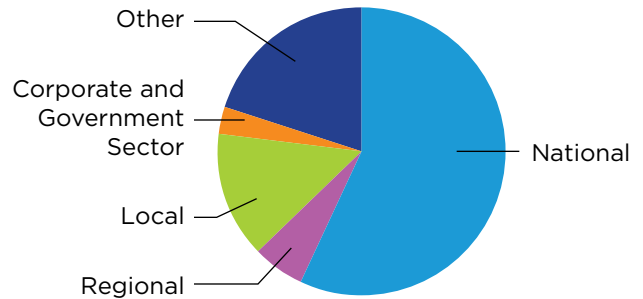


Total Student Enrolment	Total	
Co-operative degree program	2,091	42%
All other student registration classifications	2,868	58%
	<b>4,959</b>	<b>100%</b>

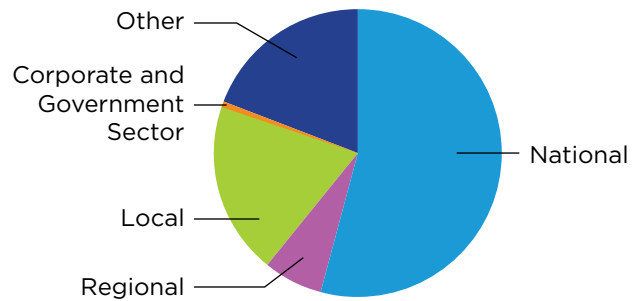


## STUDENT EMPLOYMENT BY CA TRAINING OFFICE as at February 28, 2010

New Students	Total	
National	585	57%
Regional	61	6%
Local	141	14%
Corporate and Government Sector	31	3%
Other	208	20%
	<b>1,026</b>	<b>100%</b>



Total Students	Total	
National	2,664	54%
Regional	361	7%
Local	891	18%
Corporate and Government Sector	60	1%
Other	983	20%
	<b>4,959</b>	<b>100%</b>



### CA Training Offices

*National:* offices in more than three provinces

*Regional:* more than one office in Ontario or in Ontario and up to two other provinces

*Local:* one office only

*Corporate and Government Sector Training Offices*

*Other:* not employed with an office approved for student training at February 28, 2010

## UFE SUCCESS RATE

The number of students who write and pass the UFE has grown over the last seven years – since the introduction of the competency-based approach to the UFE. From 662 Ontario students in 2003, we have grown to almost 1,400 in 2009 – an increase of 106 per cent. Also noteworthy is the fact that successful first-time writers have grown in number from a low of 472 in 2003 to almost 1,100 in 2009 – an increase of 130 per cent. A chart of the number of successful candidates is depicted below.

The ultimate UFE success rate (after four attempts) is 94 per cent for 2006-2009 and 94 per cent for 2005-2008. The success rate of candidates first writing in 2007, after three attempts, is 93 per cent. The UFE success rate, after two attempts, is 93 per cent for 2008-2009.

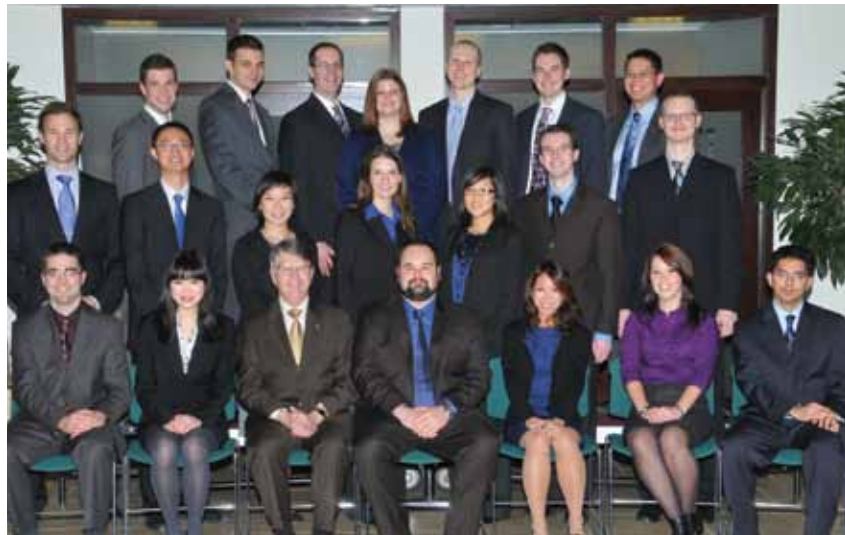
UFE year	Number of successful UFE writers	Number of successful first-time writers
2009	1,363	1,086
2008	1,184	1,003
2007	953	825
2006	884	724
2005	770	608
2004	801	555
2003	662	472

## ONTARIO'S UFE HONOUR ROLL MEMBERS

Ontario's top 20 UFE writers are:  
 Standing (top row, from left):  
 James Brooks of Toronto; Erik Arnold of Toronto; Joel Russell of Barrie; Lauren Kehl of Brampton; Matthew Unruh of Toronto; Jordan Giblett of Toronto; and James Nakai of Unionville.

Standing (middle row, from left):  
 Philip Nightingale of Guelph; Kevin Fung of Markham; Jane Zeying Wei of Hamilton; Amanda Breen of Pickering; Valerie Chung Sik Yeun of Mississauga; Tristan Smith of Waterloo; and Joshua Schel of Fonthill.

Seated (from left):  
 Jeffrey Masse of Kitchener; Marion Ma of Toronto; Institute Chair Gerry Mills; Ontario Gold Medallist Jacob Bell of Pickering; Lauren Ho of Toronto; Stephanie Gates of Peterborough; and Aakrit Kumar of Mississauga.



## VOLUNTEER LEADERSHIP

The generous efforts of the Institute's volunteers benefit all members and CA students. These contributions range from serving on the Disciplinary and other standing committees that deal with member and student status, to advising on the members' insurance and other value-added programs, and such public service and CA profile-raising activities as Free CA Tax Clinics and the CA\$H and \$OIN competitions for university and high school students, respectively.

The 2009-2010 standing committees and their Chairs were:



### Appeal

Chair:  
Allister R. Byrne, FCA  
Grant Thornton LLP  
Markham



### Applications

Chair:  
Nancy Y.T. Cheng, FCA  
Office of the Auditor General  
of Canada  
Ottawa



### Discipline

Chair:  
Marvin B. Martenfeld, FCA  
Meyers Norris Penny LLP  
Toronto



### Examinations

Chair:  
J. Mark Skeggs, CA  
PricewaterhouseCoopers LLP  
Toronto



### Practice Inspection

Chair:  
C. Lynn Bevan, CA  
RSM Richter LLP  
Toronto



### Professional Conduct

Chair:  
David S. Logan, CA  
Logan Katz LLP  
Ottawa

The following other volunteer leadership contributions are also recognized:

- Institute representatives on the *Public Accountants Council*: Colleen Gibb (Gibb Widdis, Ancaster), Ralph Neville (Consultant, Toronto), Erik Peters (Retired, Auditor General of Ontario, Ottawa), and Michael Walke (PricewaterhouseCoopers LLP, Toronto).
- Representatives to the inter-institute committees. This year's inter-institute representatives included Christine Allison (MD Funds Management Inc., Ottawa), Patricia Gonsalves (BDO Canada LLP, Burlington), and Paul Van Bakel (Ontario Die International, Kitchener), *UFE Board of Evaluators*; Jane Bowen (University of Ontario Institute of Technology, Oshawa) and John Gossling (Rogers AT&T Wireless, Toronto), Chair, *Competency Map Committee*; Rick Robertson (University of Western Ontario, London) and Tom Warner (Institute Vice-President and Registrar, Toronto), *International Qualifications Appraisal Board*; Gregg L. Clifton (Aurigen Canada Limited, Toronto), *Professional Liability Insurance Committee*. Ontario-nominated members of CICA Committees: Don Wray (retired, Waterdown), *Public Trust Committee*; Tony Staffieri (Bell Canada, Toronto) and Beth Wilson (KPMG LLP, Toronto), Chair, *Education and Qualifications Committee*; and Bonnie Foster (Ross, Pope & Company, Timmins) and Tom Warner (Institute Vice-President and Registrar, Toronto) *Rules Harmonization Committee*.
- The *Functions Advisory Group*, which does so much to put the "special" into the Convocation Ceremony, and the Annual Dinner Dance and other "special" events, Chair Dale Varney (PKF Hill LLP, Toronto).

- Volunteer advisers on the *Staff Pension Plan Committee*, Anita Ferrari, (Grant Thornton LLP, Toronto) and Kent Botham (BDO Dunwoody LLP, Markham).
- The over 1,600 member and student volunteers who were actively involved in the 2010 *Free CA Tax Clinics*.
- The several hundred members who have provided feedback on the direction and details of proposed standards changes in both the accounting and assurance areas; supported technical services advisory projects; assisted with the fees mediation program; and been involved in other Institute and District Association educational and charitable activities.
- The volunteers on the *Small Practices Advisory Committee*.

## THE COUNCIL AND MANAGEMENT TEAM, 2009-2010



**Front row (from left):** Rod Barr, President and Chief Executive Officer; D'Arcy Delamere, Public Representative to the Executive; Greg Gallant, Vice-Chair; Gerry Mills, Chair; Marrienne Bridge, Council Bylaws Review Committee Chair; Robert Scullion, Executive Member-at-Large; and Richard Johnston, Council Finance Committee Chair.

**Middle row (from left):** Julie Bertoia; Mary Lou Maher; Gino Scapillati; Colleen Gibb, Ontario Representative on CICA Board; John Murray, Vice-President of Standards Enforcement; Linda Thibeault; John Friday; and Nora Murrant, Executive Vice-President and COO.

**Back row (from left):** Garry Foster; Tim Kennish\*; Michael Banks; Alan Webb; Brian Leader, Vice-President of Learning; Bruce McConomy; Tom Warner, Vice-President and Registrar; and Peter Varley, Vice-President of Public Affairs.

**Not available for the photo:** Dina Palozzi \*; Isabel Meharry; Dianne McMullen, Council Membership Committee Chair; and Robert Wong\*.

\*Public Representatives



## DISTRICT ASSOCIATION PRESIDENTS, 2009-2010

District	President	Employer/Firm/Location
Central Ontario	Clyde R. Catton	BDO Canada LLP, Oshawa
Cochrane	Tracey-Lynn L. Potvin	Ross, Pope & Company LLP, Timmins
Eastern Ontario	Brent W.R. Wilson	Collins Barrow SEO LLP, Kingston
Essex-Kent	Carlos R. Redfern	Deloitte., Windsor
Etobicoke	Deborah A. Schaufele	Deborah A. Schaufele, CA, Toronto
Georgian Bay	David A. Holmes	David A. Holmes, Chartered Accountant, Barrie
Halton-Peel	Gul Nawaz	Nawaz Taub & Wasserman Chartered Accountants LLP, Mississauga
Hamilton	Giacomo J. Angelini	Deloitte., Toronto
Lambton	Brent F. Steeves	Hazlitt Steeves Harris LLP, Sarnia
Niagara	Stephanie L. Burke	John Deere Credit Inc., Burlington
North Bay	Gary Jodouin	Retired, North Bay
North York	Melanie E. Russell	Kalex Valuations Inc., Toronto
Northwestern Ontario	Joe Riccio	Grant Thornton LLP, Thunder Bay
Ottawa	Catherine M. Gaudet	Supreme Court of Canada, Ottawa
Renfrew	Kathleen A. Hoffman	Dean-Sinclair Chartered Accountants, Pembroke
Sault Ste. Marie	Liliana Silvano	Ontario Lottery & Gaming Corporation, Sault Ste. Marie
Scarborough	Brij K. Sharma	Brij K. Sharma Professional Corporation, Richmond Hill
Stormont-Dundas-Glengarry	B. Lee Mattice	Welch LLP, Cornwall
Sudbury	David A. Boyce	RBC Dominion Securities, Sudbury
Waterloo-Wellington	Eric J. Thomson	Group DKG, Toronto
Western Ontario	Ian J. Jeffreys	KPMG LLP, London
York	Peter H.S. Baek	Gardiner Roberts LLP, Toronto





**The Institute of Chartered Accountants of Ontario**

69 Bloor Street East, Toronto, Ontario M4W 1B3

Tel: 416 962.1841; Toll Free: 1 800 387.0735; Fax: 416 962.8900

Website: [www.icao.on.ca](http://www.icao.on.ca)