



**CPA**  
SASKATCHEWAN

# **ANNUAL REPORT**

## **2019/2020**

Celebrating 5 years as a unified profession.

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## About Us

The Institute of Chartered Professional Accountants of Saskatchewan (CPA Saskatchewan) is a self-regulatory body established under *The Accounting Profession Act*. The objectives of CPA Saskatchewan are to regulate the practice of the profession, govern the registrants in accordance with the Act and the Bylaws, and to assure the public of the knowledge, skill, proficiency and competency of registrants in the practice of professional accounting and other services provided by registrants.

CPA Saskatchewan protects the public and the visibility of the profession. Professional accountants represent all areas of expertise of the accounting profession, including assurance, financial accounting, management and management accounting, finance and taxation.

The CPA designation is Canada's pre-eminent accounting and business designation. With more than 5,000 members and 700 candidates in Saskatchewan, and over 217,000 members across Canada, CPAs provide crucial financial expertise to businesses in every sector of the economy.

This year CPA Saskatchewan celebrated its fifth year as a unified profession. Legislation to create the Institute of Chartered Professional Accountants of Saskatchewan was proclaimed on November 10, 2014. Professional accountants in Saskatchewan are now represented by a single, self-regulating body.



# Message from the CEO



CPA Saskatchewan is proud to celebrate another successful year. It has been my pleasure to lead our profession through the first years of CPA Saskatchewan. We celebrated the fifth anniversary of CPA Saskatchewan on November 10. The celebrations included activities with members in communities across the province and recognized our long-standing members through our new pin program.

We are excited about the future of the CPA profession. The CPA Saskatchewan Board provides excellent leadership and guidance in establishing our Strategic Plan and supporting the initiatives and objectives identified through the business planning process.

Our regulatory committee volunteers continue to provide leadership to the profession by ensuring that the high standards of our profession are maintained. They are the key decision makers in our regulatory framework.

The CPA profession continues its work on the Foresight: Reimagining the Profession project. Phase one of the project has concluded, and we have begun Phase 2. That work will explore how the profession will need to adapt including:

- measuring value beyond financials to capture societal expectations;
- harnessing the power of vast quantities of data to make decisions and establishing new models of governance and decision-making;
- developing new skills and competencies; and
- protecting integrity, trust and ethics.

CPA Saskatchewan has also continued to work closely with our western colleagues. This year saw the full implementation of the changes to the commercial structure of the CPA Western School of Business in an effort to better align our strategic priorities.

During the year, we were proud to sign the Indigenous Engagement Charter, which was specifically designed for Saskatchewan business. The Saskatchewan Chamber of Commerce is to be commended for this initiative. The Engagement Charter will support the calls to action put forth in the Truth and Reconciliation Commission's 2015 report.

As the end of the year neared, we faced the challenges of COVID-19. We were extremely disappointed that we had to postpone our March convocation and look forward to a future celebration with our successful 2019 CFE writers. The annual conference, several professional development courses, and our first Truth and Reconciliation event were all cancelled. Our staff transitioned to working remotely very quickly and are able to continue with all functions.

Despite the challenges of COVID-19, we look forward to the opportunities that will arise in the upcoming year. We will continue to focus on the protection of the public, as this is our priority as established in *The Accounting Profession Act*. We also are looking to offer additional opportunities for more creative member engagement.

As we continue to advance our profession and the value our members add to the business community and the greater communities where we live, I would like to thank our Board, volunteers, staff and members for their leadership and engagement. We will work together in the upcoming year to continue to strengthen the CPA profession.



# Message from the Chair

On behalf of the Board, I am pleased to present the 2019-20 Annual Report for CPA Saskatchewan. The Board of Directors gave direction to the management of CPA Saskatchewan through the approval of the business plan in February 2019. The focus this year was to engage our members through continual improvement in the programs and services offered. Some of these programs included:

- Celebrations across the province of five years as a unified profession;
- Implementation of the CPA Assist Program;
- Introduction of two new member recognition awards and long service pin program;
- Maintaining a strong professional development program; and
- Member outreach sessions in smaller urban centres.

Nationally we have been a large part of the CPA Canada Foresight project. Our CEO is part of the Foresight Phase 2 oversight committee, bringing a perspective of a smaller province to the table.

It is also our role as the board for the profession to ensure succession planning and we were pleased to announce the appointment of Leigha Hubick, CPA, CA as the Registrar effective April 1, 2019. I would like to take this opportunity to thank Bill Hill, FCPA, FCA, CMA, as he moves into his new role with CPA Saskatchewan. His commitment as Registrar since unification has brought strong leadership and has strengthened the profession. Thank you for your hard work and vision.

As our profession prepares for the future, changes are inevitable. We are preparing ourselves for these changes by being a front runner in setting the bar with our regulatory framework. CPA Saskatchewan has implemented rules and strategies to ensure our members are competent. We have drawn attention to our monitoring program and risk-based assessments and are proud to share some of our best practices with our colleagues across the country.

As part of planning for the future, this year the board reviewed our strategic plan, working with an outside consultant to define the strategic plan of CPA Saskatchewan for the next five years. We have enhanced our strategic direction and priorities and are looking forward to implementing them in the next year.

This year has not been without its challenges, as we all were required to quickly adapt our practices in March as COVID-19 became a threat to how we practice the profession. I have full confidence in the decisions made and am optimistic about the future of the profession. I would like to thank my fellow board members, and the regulatory committee volunteers who work tirelessly to provide quality services to our members through their commitment of protecting the public, growing the profession and engaging the membership. I am proud of the work being done to ensure a competent profession.

A handwritten signature in blue ink that reads "Diana Leray".

Diana Leray, CPA, CA

# Governance Structure



**Diana Leray, CPA, CA**  
**Chair**



**Carrie Carson, CPA, CA**  
**Vice-Chair**

CPA Saskatchewan is governed by a Board of 13 members, including 11 CPAs and two public appointees, in accordance with *The Accounting Profession Act* ("the Act"). This year, Morris Smysnuik was appointed to the Board on September 26, 2019 as Clay Dowling's term expired. There are four Committees of the Board including Audit, Future Innovations, Governance, and HR & Nominating.

Self-regulation is a power delegated by a government to regulate a profession in the public interest. Self-regulation recognizes the maturity and skill of a profession to govern registrants. Committee based decisions are the mechanism by which the profession governs itself. There are five regulatory committees. The Discipline Committee and Professional Conduct Committee are established under the Act. The Rules Committee, Registration Committee and Professional Practice Committee are established under the CPA Saskatchewan Bylaws. These committees of volunteer members and public representatives are the key decision makers in CPA Saskatchewan's regulatory framework.



Glen Bailey, FCPA, FCA



Paul Jacob, CPA, CMA



Disha Joshi, CPA, CA

### Committees of the Board

#### *Audit*

- Laurie Thomas, Chair*
- Paul Lepage*
- Travis Massier*
- Rodney Sieffert*



Bob Korol, FCPA, FCMA



Paul Lepage, CPA, CA



Travis Massier, CPA, CMA

#### *Future Innovations*

- Bob Korol*
- Paul Lepage*
- Paul Jacob*
- Laurie Thomas*



Rod Sieffert, CPA, CA



Darcy Spilchen, CPA, CA, CMA



Laurie Thomas, CPA, CMA

#### *Governance*

- Doug Kosloski, Chair*
- Glen Bailey*
- Bob Korol*
- Disha Joshi*

#### *HR & Nominating*

- Carrie Carson, Chair*
- Paul Jacob*
- Bob Korol*
- Morris Smysnuik*

### PUBLIC APPOINTEES



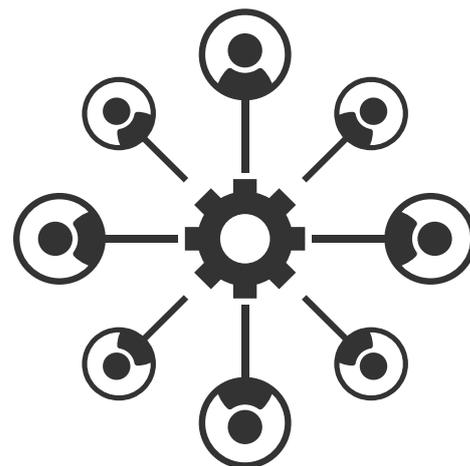
Doug Kosloski, Q.C.



Morris Smysnuik



Clay Dowling, P. Log



# Regulatory Committees

## Registration

The Registration Committee is required to review and make determinations on matters pertaining to the validity of a registrant's registration. Determinations related to applications to register, publication of registrant information and the ongoing practice and development, in addition to, restriction or suspension recommendations are made in the context of protecting the public.

The committee roster is below:

*Don Walker, CPA, CGA, Chair*

*James Barr, FCPA, FCA, Vice-Chair*

*Chelsey Berrecloth, CPA, CMA*

*Rhonda Burfitt, CPA, CMA*

*Anna Chornousenko, CPA, CA*

*Tiffany Eide, CPA, CA*

*Lana Gray BHRD, CPHR, CEC, Public Representative*

*Disha Joshi, CPA, CA, Board Liaison*

*Kama Leier, CPA, CA*

*Paul Lepage, CPA, CA, Board Liaison*

*Martin McInnis, FCPA, FCMA*

*Rebecca Preciado, CPA, CA*

*June Schultz, CPA, CMA*

## Rules

The role of the Rules Committee is to make recommendations to the Board for amendments or adoption of Rules. Rules means any right or obligation of a registrant or duty or power of the Institute that is set out in the Act, a Bylaw, a Board Rule and the Rules of Professional Conduct, as amended from time to time.

The committee roster is below:

*Victor Schwab, CPA, CA, Chair*

*Glen Bailey, FCPA, FCA, Board Liaison*

*Kevin Blelloch, CPA, CA*

*Carrie Carson, CPA, CA, Board Liaison*

*Linda Close, CPA, CMA*

*Ross Harwood, FCPA, FCA*

*Gayle Holman, FCPA, FCMA*

*Bob Korol, FCPA, FCMA, Board Liaison*

*Travis Massier, CPA, CMA, Board Liaison*

*James Salamon, FCPA, FCA*

*Laurie Thomas, CPA, CMA, Board Liaison*

## Discipline

The Discipline Committee is comprised of a non-member appointed by government, and volunteer CPAs (members of the Institute) and one or more public representatives appointed by the Board.

The role of the Discipline Committee is to conduct discipline hearings and make determinations relating to matters of professional misconduct and professional incompetence, and where guilt is determined, issue Orders which specify the sanctions imposed on the registrant.

The committee roster is below:

*Cary Hewitt, FCPA, FCA, Chair*

*Craig Hinz, FCPA, FCA, Vice-Chair*

*John Amundson, FCPA, FCA*

*Dave Barnard, CPA, CA*

*Merlis Belsher, FCPA, FCA*

*Jana Blais, CPA, CMA*

*Mark Borgares, FCPA, FCMA*

*Dwayne Dahl, CPA, CA*

*Judy Ferguson, FCPA, FCA*

*Asma Gehlen, CPA, CGA*

*Kyla Hillmer, CPA, CMA*

*Doug Kalesnikoff, FCPA, FCA*

*Annette Klassen, CPA, CGA*

*Doug Kosloski, Q.C., Board Liaison, Public Appointee*

*Laurette Lefol, CPA, CMA*

*Dan Li, CPA, CA*

*Daryl Lindsay, FCPA, FCA*

*Kelly Lutz, CPA, CA*

*Travis Massier, CPA, CMA*

*Ken McDougall, Public Representative*

*Jan McLellan Folk, FCPA, FCMA*

*Davey McLellan, CPA, CA*

*Shawn Peters, CPA, CA*

*Stuart Pollon, CPA, CA*

*Barry Remai, FCPA, FCA*

*Morina Rennie, FCPA, FCA, FCMA*

*James Salamon, FCPA, FCA*

*Al Scholz, PAg, CMC, ICD.D, Public Representative*

*Gerry Smysnuik, CPA, CA*

## Complaints and Hearings

	2019/20	2018/19	2017/18
Cases Carried Forward	27	25	14
New Cases	35	41	59
<b>CASES CONCLUDED</b>	<b>47</b>	<b>39</b>	<b>48</b>
Registrar's Determination	30	17	26
Resolution	9	2	2
PCC Determination (NFA)	2	10	15
Referred to Discipline	6	10	5
Hearings Carried Forward	8	11	14
New Referrals (PCC)	6	7	6

## Professional Practice

The Professional Practice Committee is required to review and make determinations on matters related to practice monitoring. This is accomplished by:

- a) Providing general oversight of the practice monitoring and licensing functions;
- b) Ensuring the licensing of a member or firm is carried out in compliance with the Rules;
- c) Ensuring that the inspection or review of records of a member or firm is carried out in compliance with the Rules;
- d) Determining consequences on the practice of a member or firm; and
- e) Making decisions as requested by the Registrar.

The committee roster is below:

*Sheila Fillion, CPA, CA, Chair*

*Dennis Pritchard, CPA, CGA, Vice-Chair*

*Sherri Brophy, CPA, CA*

*Asma Gehlen, CPA, CGA*

*Ted Lewis, CPA, CMA*

*Jeff Persic, CPA, CA, CGA*

*Marlyn Phillips-Leson, CPA, CGA*

*Lorelei R. Johns, CPA, CA*

*Adynea Russell, FCPA FCA*

*Trevor St. John, CPA, CA*

*Darcy Spilchen, CPA, CA, CMA, Board Liaison*

*Helen Sukovieff, Public Representative*

*Marla Yeadon, CPA, CGA*



## Professional Conduct

The Professional Conduct Committee is required to review written complaints alleging that a registrant is guilty of professional misconduct or professional incompetence. The Professional Conduct Committee may also be requested by the Board or Registrar to review complaints. In conducting its review of investigations into written complaints, the Professional Conduct Committee must apply a consistent decision model. This is accomplished by:

- a) Providing general oversight of the intake, enquiry, investigation and prosecution functions of CPA Saskatchewan, including the facilitation of complaint resolutions;
- b) Reviewing complaints alleging professional misconduct or professional incompetence;
- c) Ensuring that enquiry and investigation into complaints are carried out in compliance with *The Accounting Profession Act* and Bylaws and in a consistent and fair manner; and
- d) Determine whether a matter requires a formal complaint referred to the Discipline Committee for a hearing.

The committee roster is below:

*Ian Rea, FCPA, FCMA, Chair*

*Carolyn O'Quinn, CPA, CA, Vice-Chair*

*Shaun Augustin, CPA, CMA*

*Kathryn Bankowski, CPA, CA*

*Cheryl Bauer Hyde, FCUIC, CFP, Public Representative*

*Glen Berger, FCPA, FCA*

*Rochelle Burkowski, CPA, CMA*

*Joy Crawford, CPA, CMA*

*Doug Finnie, MBA, Pro Dir, Public Representative*

*Marc Franklin, CPA, CMA*

*Jeff Hansen, CPA, CA*

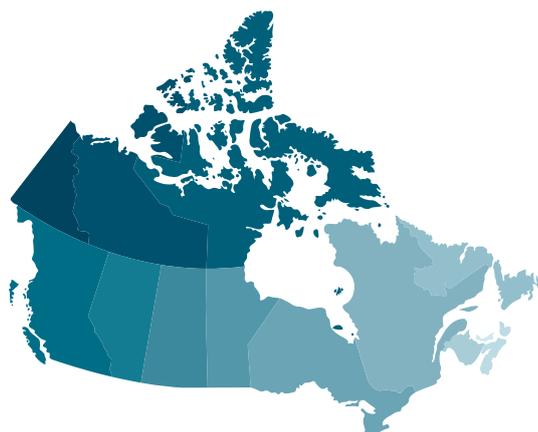
*Kristen McGowan, CPA, CA*

*Amanda Mulder, CPA*

*Juanita Pandya, CPA, CMA*

*Vicki Siwic, CPA, CA*





## National Collaboration

CPA Saskatchewan staff actively participate at both the regional and national level, leading the profession beyond our provincial borders. Our CEO Shelley Thiel, FCPA, FCA is a member of the Council of Chief Executives (CCE) which is the senior national committee responsible for the management of the profession. She was chair of the Professional Education Management Committee, one of the standing committees of the CCE until the completion of her term at March 31. She continues to represent Saskatchewan and Manitoba on the committee.

Bill Hill, FCPA, FCA, CMA, Senior Director Regulatory Affairs represents Saskatchewan and Manitoba on the Public Trust Committee, also a standing committee of the CCE. Leigha Hubick, CPA, CA, Registrar is a member of the Registration Task Force. Senior staff are also involved in many regional and national committees. This involvement provides opportunities for CPA Saskatchewan to be leaders of the profession across the country and to bring broader perspectives back to Saskatchewan. We also have many members who volunteer at the national and regional levels. It is through the commitment of all our volunteers that we are able to fulfill our responsibilities and build a stronger CPA profession.

CPA Saskatchewan was the secretariat for the Western Region Forum, which includes the Board Chairs, Vice-Chairs, and CEOs for the western provinces and territorial bodies. On July 1, 2019, CPA Manitoba assumed the role of secretariat.

### Stronger Together

Saskatchewan CPAs are also members of the Chartered Professional Accountants of Canada (CPA Canada). CPA Canada supports our members by conducting research into current and emerging business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government. They also issue guidance and publish professional literature on business and financial topics important to our members.

CPA Canada is one of the largest national accounting organizations in the world. It represents and supports more than 217,000 members as the Canadian profession united under a single designation.



## Strategic Plan

### Vision

The Canadian CPA is the pre-eminent, globally respected business and accounting designation.

### Mission

CPA Saskatchewan enhances the influence, relevance, and the value of the Canadian CPA profession by:

- Protecting the public interest;
- Supporting its members and candidates; and
- Contributing to economic and social development.

We will achieve this by focusing on Three Strategic Themes

Protection of the  
Public

Designation of  
Choice & Growth

Member  
Engagement

### Values

•Accountable •Transparent •Integrity •Excellence •Trust •Leadership



# Strategic Theme:

## Protection of the Public

The CPA profession in Saskatchewan is privileged to be self-regulated. Self-regulation is a power delegated by a government to regulate a profession in the public interest. Self-regulation recognizes the maturity, competence and skill of a profession to govern its own registrants (members, firms and candidates).

CPA Saskatchewan uses peer and committee-based decision-making processes as its key mechanism by which our profession governs itself, meaning that all decisions impacting registrants are made by a group of their peers.

The following strategic objectives guide our regulation:

- To ensure the career cycle competence and good character of registrants.
- To adopt effective regulatory processes to assure the key stakeholders of the competence and good character of registrants.

All regulatory processes adopted are aligned with CPA Saskatchewan's legislated mandate. CPA Saskatchewan strives to ensure our regulation is compatible with serving the public interest. Registrant education, proportionate regulation and regulation that is outcomes-focused are core principles in each of the following four regulatory functions:

1. Rules
2. Registration
3. Monitoring
4. Enforcement



# 1. Rules

The Rules function establishes the foundation for regulation. Rules are developed to ensure that a registrant can access, use, understand and comply. CPA Saskatchewan seeks to design regulation that results in an appropriate regulatory outcome for its registrants. With each development of and change in a Rule, registrant and stakeholder education is developed and made accessible.

In the last fiscal year, numerous amendments were made to the Regulatory Board Rules and Administrative Bylaws and Board Rules, including for example, the requirement for sole practitioner CPAs in public practice to appoint an assisting professional accountant, a change in timing of continuing professional development (CPD) reporting to April 15, and non-practice requirements. These were approved by the Board on October 11, 2019. For the first time in CPA Saskatchewan history, member consultation was sought on the amendments prior to board approval. We view this as a positive, key step in continuous improvements in our transparency and engagement with registrants.

## *Looking ahead...*

The new compilation engagement standard, CSRS 4200 was approved by the Assurance and Advisory Standard Board (AASB) at its meeting in Fall 2019. The new standard was published in the February 2020 CPA Canada Handbook update and will be effective for periods ending on or after December 14, 2021. Early application is permitted. The impact of this standard on regulation in Saskatchewan will be significant; because, based on our current interpretation of Section 18(1) of *The Accounting Profession Act*, compilations issued under CSRS 4200 will reference compliance with professional standards which is a reserved area of practice to licensed CPAs only. Meaning, performing compilation engagements will be a licensed service. As this will be a new tier of licensing, impacting over 200 firms, CPA Saskatchewan staff are working with other jurisdictions over the next year to assess the minimum requirements and develop an appropriate licensing tier for the compilation licence. Member consultation will be a key component of the plan.

## 2. Registration

CPA Saskatchewan captures various data from registrants and the public. The Registration function ensures data captured from registrants or on registrants is relevant and reliable. It is through the Registration function that key data is shared with the public. Data captured is integrated amongst each regulatory function for the purpose of risk identification.

### Requests from the Public

In 2019-20, CPA Saskatchewan launched its "Find a CPA" feature on our website. This enables the public to search by name or city to find the status of a CPA.

### Renewals

Two renewal cycles occur in a fiscal year at CPA Saskatchewan – Spring and Winter. Spring Renewals include member Continuing Professional Development reporting and declarations, registration renewal and fees payment. Winter Renewals include member and firm licensing, firm renewals, professional corporation renewal and fees payment. In 2019-20, the compliance rate through all renewals was over 99%.



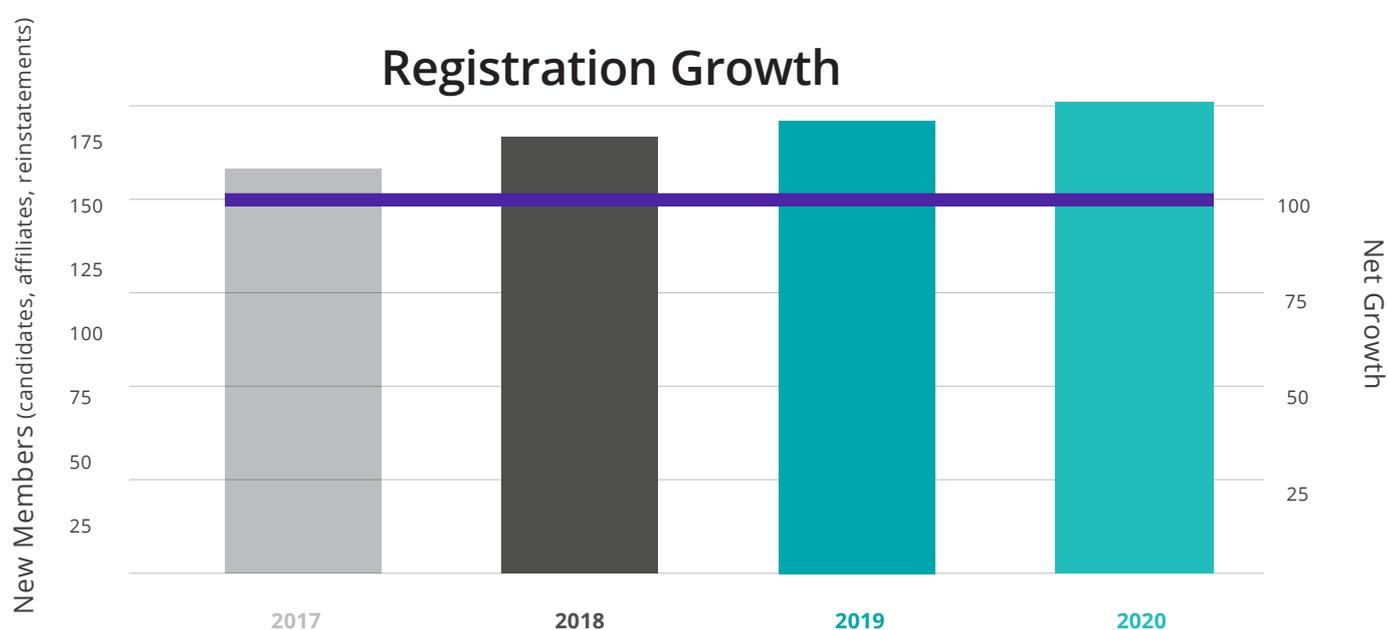
### Applications

Applications come to CPA Saskatchewan for registration as a member, firm or professional corporation and for licensing of a member and firm. During the year ended March 31, 2020, CPA Saskatchewan processed the following applications:



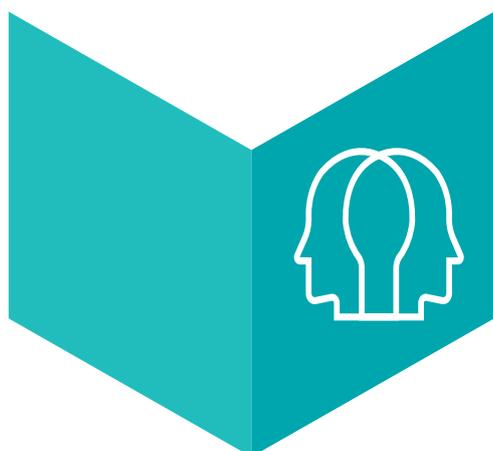
## Growth Trend

One key trend that CPA Saskatchewan monitors is the overall growth of our profession. The following graph displays the growth in new members compared to the overall (net) growth in active members. The growth in new members is based on new members admitted to CPA Saskatchewan. The net growth in active members is based on new members less the number of members who have left the profession as a result of resignation, death, or being cancelled/expelled and the number of members who are no longer actively practicing for the period of April 1 to March 31. The net growth in membership has remained consistent throughout the past four years whereas the number of new members admitted to the profession has increased each year.



## Looking ahead...

During 2019-20 CPA Saskatchewan embarked on an extensive database enhancement project, which is expected to re-build and significantly improve our existing database structure and is a multi-staged project. A key component of the new database is a wholly new CPA Saskatchewan member portal experience. The new database will include significant enhancements to data quality alerting, automation of regulatory compliance steps, correspondence tracking, and improved user experience for both staff and members. The project aligns with the regulatory framework and the strategic direction for each regulatory function. The objectives are to streamline and automate our processes where possible, such that member time to comply is kept as minimal as possible and ensuring staff capacity is used effectively.



## 3. Monitoring

The Monitoring function's role is to assess and analyze data to produce information that identifies risk to the public, and then to mitigate that risk with scalable and appropriate regulatory oversight. The objective of each process is to be proactive in the determination of risk and the application of a regulatory outcome. All registrants are subject to monitoring activities.

### CPD Verification

In 2019/20, 115 members were selected for the second annual CPD verification. In general, CPA Saskatchewan was very pleased with the results. Below are some of the key findings of the CPD verification:

- Generally, members are very active in pursuing high-quality skill development, often reporting significantly more than the required number of hours annually to meet the minimum requirements in all three years of the cycle.
- CPD activities reported are generally broad and diverse, representing the diverse roles and responsibilities of our members.
- Members completed their Practice of the Profession declarations well by linking their job functions and role directly to CPA technical competencies and then explaining how the CPD hours supported their defined role.
- Many members were diligent in referencing and organizing the support provided to aid in an efficient review, which was greatly appreciated.
- In general, members continue to demonstrate that they have access to high quality CPD learning activities not only through CPA Saskatchewan and CPA Canada but also through many other providers, associations, and employer offerings.

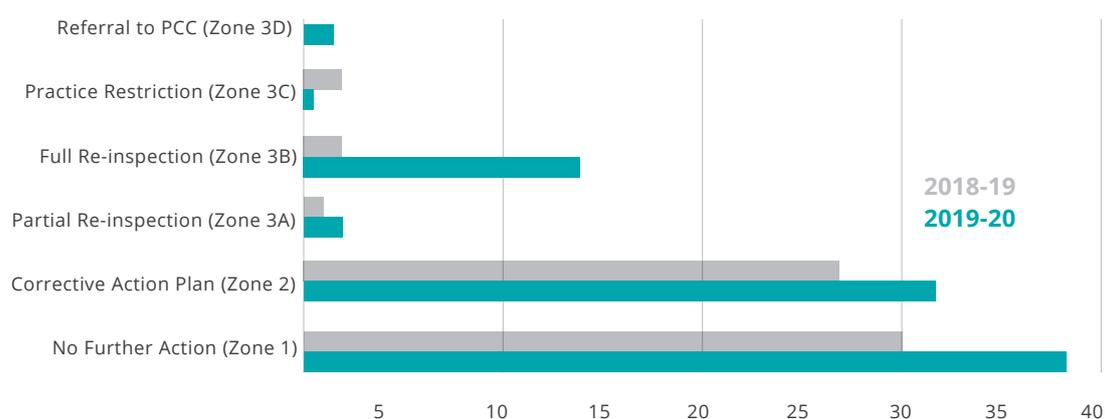
An article on tips regarding future CPD reporting requirements was published in Fall 2019 in CPA SK Connect. To help address findings noted through CPD verification and member questions, CPA Saskatchewan, through consultation and approval with regulatory committees, developed and published, ["A Guide on CPD Reporting"](#).

## Practice Inspection

Practice inspection of compliance with the standards of the profession occurs on every registered firm with inspectable services (i.e., firms that carry out audits, reviews and compilation engagements). Every registered firm is subject to a notice of practice inspection. If a firm does not perform inspectable services, the firm provides written confirmation of this to CPA Saskatchewan.

Practice inspections will occur for every registered firm with inspectable services at least once in a 4-year risk-adjusted cycle. Meaning, a firm may be inspected more than once within 4 years depending on the risk level of the firm.

The 2019-20 inspection cycle included 26 more inspections than 2018-19. Of these inspections, 33 were scheduled as offsite (i.e., desk inspections) in 2019-20 versus 35 in 2018-19. Inspection results range from no further action by the firm and requiring submission of an approved corrective action plan to address non-compliance with standards in the future (both considered the firm is overall in compliance with professional standards), partial or full reinspection, restrictions placed on the firm's practice, to a referral to professional conduct for further assessment (all considered the firm is overall not in compliance with professional standards).



## Looking ahead...

CPA Saskatchewan will continue to carry out practice administration reviews in the upcoming year based on risks identified through regulatory activities.

## 4. Enforcement

Enforcement is a mechanism to administer a system of justice that is appropriate to that registrant. The Enforcement function's role is to ensure that registrants who breach a Rule or are guilty of professional misconduct are fairly and reasonably sanctioned in a timely manner. Outcomes are intended to be rehabilitative, while punitive as necessary. All processes and outcomes are transparent to the registrants, the individual who raised the concern, and the public.

### Discipline Committee Rules

The Discipline Committee Process Cohort approved Discipline Committee Rules effective August 28, 2019, with the exception of a few Rules that were effective October 11, 2019. The Discipline Committee has the authority to issue its own rules.

### Intake and Enquiry Screening

Effective April 1, 2019, the intake screening process for concerns received from the public regarding registrants was significantly revised. In this process, concerns are evaluated for intent of the registrant actions and harm caused by the registrant at the initial review stages. This has also resulted in a formal interpretation of the definition of professional misconduct in Section 26 of *The Accounting Profession Act*. Only those concerns that represent allegations of professional misconduct are investigated and reported to the Professional Conduct Committee. Those that do not contain allegations of professional misconduct will proceed with an alternate outcome – for example, referral to another regulatory committee, potentially resulting in a practice restriction, imposing a condition or other consequence on a registrant, or a Registrar's directive.

In 2019-20 all existing active cases were re-evaluated under this revised process, resulting in more timely outcomes and communication.



### *Looking ahead...*

Guidance on the Discipline Committee Rules will be published. Discipline proceedings can be complex, as they are a legal process. The guidance will support the recently approved Discipline Committee Rules to support the understanding of CPA Saskatchewan disciplinary proceedings by the public and registrants.

## Stakeholder Relationships

In addition to our functional areas, CPA Saskatchewan's regulatory role is to establish and maintain stakeholder relationships with a variety of stakeholders. Over the last few years, CPA Saskatchewan established a task force to make recommendations to the Ministry of Justice (Office of the Public Registry Administration) with respect to assurance services provided by CPAs to Not-for-Profit Corporations.

Elections Saskatchewan reached out to CPA Saskatchewan for assistance in the development of an elections guide for auditors of electoral candidates. CPA Saskatchewan has continuously worked with the Elections Saskatchewan team and expects to host training sessions for auditors during 2020-21.

CPA Saskatchewan works with other self-regulatory professions through the Saskatchewan Self-Regulatory Working Group as well as the Canadian Network of Agencies for Regulation. The Law Society of Saskatchewan requested feedback from CPA Saskatchewan regarding its paper on the interpretation and delivery of legal services in Saskatchewan.

We also have a strong relationship with the Ministry of Finance who oversees our legislated processes.



# Strategic Theme: Designation of Choice & Growth

It is our continued goal to grow the profession, both in terms of the number of members and candidates as well as growth in the demand for CPAs in the marketplace. The CPA Professional Education Program (PEP) is developed by CPA Canada and delivered through our partnership with the CPA Western School of Business. CPA Saskatchewan's commitment to the excellence of our education program comes through our participation on national committees to ensure consistency among provincial bodies through national strategies and recommendations. Another critical component in the development of new CPAs is practical experience.



Jonathan Niegum

As of March 31, 2020, CPA Saskatchewan had a total of 703 candidates, 702 CPA and 1 legacy completer. The success of our candidates is the result of the quality of the CPA education program, facilitators, mentors and the strength of the candidates. This year we celebrated 142 candidates who successfully passed the September 2019 CFE. Unfortunately, the CPA Saskatchewan 2020 Convocation Ceremony and Dinner, scheduled for March 14 in Regina was postponed due to the COVID-19 pandemic. A CPA Saskatchewan Graduate feature was published in the Regina and Saskatoon newspapers on March 18 to celebrate the successful candidates.



April Polasek

CPA Saskatchewan is pleased to congratulate Jonathan Niegum and April Polasek who were named to the CPA Canada CFE Honour Roll this year. It is a significant accomplishment to be recognized as one of the top candidates from across the country.



**Employer Type (at Dec 31, 2019)**  
338 (54%) Firm  
265 (42%) Non-Firm  
24 (4%) Unemployed



**Experience Path (at Dec 31, 2019)**  
361 (58%) Pre-approved Program  
242 (39%) Experience Verification  
24 (4%) Unemployed

\*39 candidates have met the practical experience requirements and are not included.

We continue to raise awareness of the Canadian CPA profession through our partnerships in the business community. We have developed relationships with future employers, local Chambers of Commerce and many post secondary education programs. In partnership with CPA Canada and their Financial Literacy program, we were able to provide resources to our members that were used to connect with students and our communities by hosting education events across the province. We were also proud to be involved in the CPA Canada national branding strategy. This year one of Saskatchewan's CPAs was featured in the national marketing campaign. CeCe Baptiste, CPA, CMA is the Vice President, Finance at the Saskatchewan Indian Institute of Technology.

We were pleased to partner with JDC West this year as the host province for this prestigious event that promotes learning and growth for our future CPA Candidates.



### *Looking ahead...*

CPA Saskatchewan is also proud to have signed the Indigenous Engagement Charter, a Saskatchewan Chamber of Commerce initiative to improve the engagement of Indigenous Peoples in the economy. We are working with the Chamber to provide resources, education and support for our staff and members to assist in implementing the Calls to Action as presented in the Truth and Reconciliation Commission's Report.





## Strategic Theme: Member Engagement

Keeping CPAs engaged throughout their careers is key in continuing to develop a profession with members who are experts in business and carry the CPA designation that is globally respected. We have high expectations of our members to maintain excellence in their field.

We encourage our members to be proud of their designation! This was accomplished by sharing some member stories in the newsletter and by providing recognition to our members as they reach career milestones. CPA Saskatchewan launched its CPA Saskatchewan Anniversary Pins Program for CPAs who reached 25, 40 and 50 years as members. Anniversary pins were presented to members reaching those milestones in the last five years, at the Outreach Events in October held in Prince Albert, North Battleford, Moose Jaw, Weyburn, Yorkton and Swift Current. Pins were also presented at the 5th Anniversary Celebrations held in November 2019 in Saskatoon and Regina. Members who reached 10 years as members were also recognized by sending them a congratulatory letter signed by the CEO.



Member Outreach and 5th Anniversary Celebration in Yorkton



CPA Saskatchewan 5th Anniversary Celebration and Member Long Service Recognition in Saskatoon



James Barr, FCPA, FCA



Tim Herrod, FCPA, FCA



Mark Lang, FCPA, FCA

CPA Saskatchewan was pleased to host our Member Recognition Gala in Saskatoon on October 25. This event recognizes our many volunteers who provide countless hours of their time to the profession. We were pleased to congratulate James Barr, FCPA, FCA, Tim Herrod, FCPA, FCA, and Mark Lang, FCPA, FCA on receiving their FCPA designations.

Some of the other CPA Saskatchewan events that we celebrated included:

- 2019 Conference in Saskatoon held on June 18 and 19, with the theme “Shaping the Future of the Accounting Profession” where members heard from a variety of dynamic speakers, including keynote speakers Jim Carroll, FCPA, FCA, Todd Scaletta, FCPA, FCMA, and Shawn Kanungo, CPA, CA. This was a great opportunity to network with fellow members.
- The CPA Saskatchewan Forum, held in Regina on October 3 and 4, for practitioners primarily working in the tax field, where they heard tax and accounting experts and keynote speaker Julien Smith, CEO of Breather.
- The CPA Saskatchewan New Member Orientations held in Regina and Saskatoon in October 2019.

CPA Saskatchewan was proud to partner with CPA Alberta to bring our members the [CPA Assist program](#). CPA Assist provides confidential 24/7 counselling and wellness resources to our members, candidates and their immediate families. This program helps to ensure our members have the support they need to practice the accounting profession and stay healthy.



 **Assist**  
CPA ASSISTANCE AND  
WELLNESS PROGRAM

# Future of the Profession

CPA Saskatchewan continues to work towards creating a better future for CPAs as business leaders. In October, our board undertook a project to review the strategic plan that had been implemented during unification. After five years as a unified profession, it is time to shift our focus from coming together to moving forward. Our new plan is not drastically different but recognizes the changing environment. One of the new focuses of the strategic plan is on digital transformation. CPA Saskatchewan will look to embrace new opportunities in providing services to and engaging our members and candidates.

## Technology

As we continue to focus on our regulatory responsibility and the engagement of our members, CPA Saskatchewan has undertaken a project to enhance the capabilities of our member, candidate, and firm database. While keeping privacy and security top of mind, we are working to enhance the features to allow for better user experience, and to be able to provide relevant data to our stakeholders in a more efficient and effective manner. Phase one included the re-development of our member portal, improving the member experience in completing the annual renewal, reporting CPD and paying fees.

## Member Awards

Two new member awards were established. The Early Achievement Award is awarded to a recent CPA graduate who has demonstrated excellence, innovation and an ongoing commitment to the designation in the area of career, profession, community, volunteer service, charitable involvement or other service. The Lifetime Achievement Award is awarded to a CPA Saskatchewan member who has demonstrated leadership in the profession by supporting the CPA SK Mission and Vision throughout their career as a CPA. We look forward to receiving nominations for these new awards and celebrating with our members during the Member Recognition Gala.

# CPA Canada Foresight Project:

## *Reimagining the Profession*

In 2018, [Foresight](#) started as a series of consultations with CPAs and stakeholders to discuss the profession's most pressing issues. Foresight discussions are evolving and they're creating a new strategic direction for the profession. There's an urgent case for the accounting profession to embrace change.

To prepare for these unprecedented changes, CPA Canada led an ambitious multi-stakeholder process to look at how the drivers of change – economic, environmental, technological, geopolitical, and societal shifts – will impact the future of the accounting profession.

Throughout the consultation process, Foresight participants weighed in to create scenarios to identify future directions of the profession in the areas of external reporting, audit and assurance, tax, financial management, and strategy, risk and governance, as well as employment opportunities and skill sets needed for CPAs to remain industry leaders. The scenarios were refined over a series of cross-Canada workshops and through our digital engagement platform. The insights from these discussions led to the development of [The Way Forward](#).

Foresight inspired a renewed energy and eagerness to advance the profession. In this new world, we are exploring how the profession will need to pivot to new ways of doing things including:

- measuring value beyond financials to capture societal expectations;
- harnessing the power of vast quantities of data to make decisions and establishing new models of governance and decision-making;
- developing new skills and competencies;
- protecting integrity, trust and ethics.

We've created three teams – Data Governance, Value Creation, and Skills and Competencies (coming soon) – consisting of CPAs and industry experts to help us move the Foresight initiative forward.



# Financial Performance

CPA Saskatchewan is financially sound with unrestricted net assets of \$3.3M.

The results of operations for CPA Saskatchewan for the year ended March 31, 2020 are included in the financial statements. These statements show a deficit for the year of \$74,900.

The most significant sources of revenue included in the financial statements are from member, candidate, firm, and licensing fees. Revenue from professional development, conference and convocation is included in member services and events.

The most significant expenses are categorized in member services and events, regulatory functions, administration and education delivery. The member services and events include the costs of the professional development courses, conference and convocation. The regulatory costs include the costs to meet our primary objective of the protection of the public. The administration expenses include all salaries which is the largest expense in this category. The second most significant administration expense is occupancy costs.

Effective April 1, 2019, CPA Saskatchewan entered into two agreements signed between the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPA Western School of Business (CPAWSB). As per the Education Agreement and the Operating and Agency agreements, the CPAWSB now delivers and administers pre-certification education as an agent on behalf of each of the provincial bodies. The candidate/student dues and module fees collected by the CPAWSB on behalf of the provincial bodies is allocated based on the number of learners in each province. CPA Saskatchewan has recorded revenue of \$2,753,000 in the current year representing candidate/student dues and module fees. The CPAWSB charges a fee to the provincial bodies for the costs of providing education and administrative services. These are allocated to each provincial body based on the number of learners. In the current year, the CPAWSB charged CPA Saskatchewan \$2,434,000 for the delivery of education to our Saskatchewan candidates and students. This is recorded as education delivery expense.

# The Institute of Chartered Professional Accountants of Saskatchewan

## Financial Statements

March 31, 2020





## INDEPENDENT AUDITORS' REPORT

### *Opinion*

We have audited the accompanying financial statements of The Institute of Chartered Professional Accountants of Saskatchewan which comprise the statement of financial position as at March 31, 2020, and the statement of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Institute of Chartered Professional Accountants of Saskatchewan as at March 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent Auditors Report continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

May 26, 2020

Regina, Saskatchewan

**VIRTUS GROUP LLP**  
Chartered Professional Accountants

## Management's Responsibility for Financial Statements

The accompanying financial statements of **The Institute of Chartered Professional Accountants of Saskatchewan** (the "Institute") have been prepared by the Institute's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Institute's Board has delegated certain responsibilities to the Audit Committee, including the responsibility for reviewing the annual financial statements and meeting with management and external auditors on matters relating to the financial reporting process and the Institute's system of controls.

The Board has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.

A handwritten signature in cursive script that reads "Shelley Thiel". The signature is written in black ink on a white background and is positioned above a solid horizontal line.

Shelley Thiel, FCPA, FCA  
Chief Executive Officer

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2020**

<b>ASSETS</b>		<b>2020</b>	<b>2019</b>
<b>Current assets</b>			
Cash and short term investments (Note 3)		\$ 1,993,300	\$ 1,469,300
Accounts receivable (Note 8)		1,453,400	1,144,300
Prepaid expenses		86,500	71,800
		<u>3,533,200</u>	<u>2,685,400</u>
<b>Long term investments</b> (Note 3)		1,377,000	2,426,000
<b>Tangible capital assets</b> (Note 4)		465,700	343,800
		<u>\$ 5,375,900</u>	<u>\$ 5,455,200</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 379,000	\$ 357,600
GST Payable		-	37,100
<b>Fees received in advance</b>		1,209,200	1,197,900
		<u>1,588,200</u>	<u>1,592,600</u>
<b>NET ASSETS</b>			
<b>Net assets invested in tangible capital assets</b>		465,700	343,800
<b>Unrestricted surplus</b>		3,322,000	3,518,800
		<u>3,787,700</u>	<u>3,862,600</u>
		<u>\$ 5,375,900</u>	<u>\$ 5,455,200</u>
<b>Commitments</b> (Note 5)			



Board Member



Board Member

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2020**

	<b>Investment in tangible capital assets</b>	<b>Unrestricted surplus</b>	<b>Mar 31, 2020 Total</b>	<b>Mar 31, 2019 Total</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Opening balance</b>	\$ 343,800	\$ 3,518,800	\$ 3,862,600	\$ 3,775,200
<b>Amortization</b>	(93,700)	93,700	-	-
<b>Purchase of tangible capital assets</b>	215,600	(215,600)	-	-
<b>Excess (deficiency) of revenues over expenses</b>	-	(74,900)	(74,900)	87,400
<b>Ending balance</b>	<hr/> <u>\$ 465,700</u>	<hr/> <u>\$ 3,322,000</u>	<hr/> <u>\$ 3,787,700</u>	<hr/> <u>\$ 3,862,600</u>

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Member fees	\$ 2,373,000	\$ 2,355,400
Firm fees	385,900	389,800
Candidate/student fees	2,795,000	478,900
Member services and events	730,700	878,100
Regulatory functions	103,700	203,300
Other revenue	122,500	105,400
	<u>6,510,800</u>	<u>4,410,900</u>
<b>Expenses</b>		
Member services and events	724,600	776,500
Education delivery	2,434,200	-
Regulatory functions	338,400	590,500
Governance	101,200	78,000
Administration	2,987,300	2,878,500
	<u>6,585,700</u>	<u>4,323,500</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ (74,900)</u>	<u>\$ 87,400</u>

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ (74,900)	\$ 87,400
Amortization	93,700	76,700
Net change in non-cash current assets and liabilities related to operations (Note 6)	(328,200)	78,900
<b>Cash provided by operating activities</b>	<u>(309,400)</u>	<u>243,000</u>
<b>Investing activities</b>		
Decrease in long term investments	1,049,000	(263,900)
Purchase of tangible capital assets	(215,600)	(20,300)
<b>Cash used in investing activities</b>	<u>833,400</u>	<u>(284,200)</u>
<b>Net increase (decrease) in cash</b>	524,000	(41,200)
<b>Cash and short term investments beginning of year</b>	1,469,300	1,510,500
<b>Cash and short term investments end of year</b>	<u>\$ 1,993,300</u>	<u>\$ 1,469,300</u>

## THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. Nature of operations

The Institute of Chartered Professional Accountants of Saskatchewan (the "Institute") was established as a corporation by *The Accounting Profession Act* proclaimed in the Saskatchewan Legislature on November 10, 2014. It is a not-for-profit organization under the *Income Tax Act* and therefore is not subject to either federal or provincial income taxes. The objects of the Institute are to regulate the practice of the profession, govern the registrants in accordance with the Act and Bylaws and to assure the public of the knowledge, skill, proficiency and competency of registrants in the practice of professional accounting and other services provided.

### 2. Summary of significant accounting policies

#### Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses. Actual amounts could differ from these estimates.

#### Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the Institute becomes party to the contractual provisions of the financial instruments. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be reversed if the value subsequently improves.

#### Cash and cash equivalents

Cash is comprised of short term investments and demand deposits. The short term investments are highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

#### Investments

Investments are reported at fair market value.

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**2. Summary of significant accounting policies (continued)**

**Tangible capital assets**

Tangible capital assets are stated at cost less accumulated amortization. Office equipment and leasehold improvements are amortized on the straight-line basis over ten years. Computer hardware and software are amortized on the straight-line basis over three years.

**Revenue recognition**

Member fees, firm fees, and candidate/student fees are recorded as revenue in the accounting period to which they apply. Revenues from member services and events are recognized in the period when the events are held.

**3. Cash and investments**

	2020	2019
Long term investments	\$ 1,377,000	\$ 2,426,000
Short term investments	1,511,300	726,800
Marketable securities and cash	482,000	742,500
Total cash and investments	<u>\$ 3,370,300</u>	<u>\$ 3,895,300</u>

Long term investments consist of long term guaranteed investment certificates and federal, provincial, and A rated bonds with maturity dates ranging from June 2020 to December 2050 and an average interest rate of 2.66% (2019 - 2.53%).

Short-term investments consist of guaranteed investments certificates with an average interest rate of 2.32% (2019 - 1.55%)

**4. Tangible capital assets**

	Cost	Accumulated Amortization	Net Book Value 2020	Net Book Value 2019
Office equipment	\$ 231,300	\$ 162,700	\$ 68,600	\$ 71,100
Computer hardware	81,000	62,700	18,300	27,200
Computer software	487,800	313,700	174,200	-
Leasehold improvements	496,200	291,500	204,600	245,500
	<u>\$ 1,296,300</u>	<u>\$ 830,600</u>	<u>\$ 465,700</u>	<u>\$ 343,800</u>

During the period, tangible capital assets were amortized in the amount of \$93,700 (2019 - \$76,700).

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**5. Commitments**

The Institute is committed to annual lease payments for office space, computer software, and services as follows:

2021	\$599,900
2022	\$415,700
2023	\$363,300
2024	\$329,500
2025	\$192,200

**6. Net change in non-cash current assets and liabilities related to operations**

The net change in non-cash current assets and liabilities related to operations consists of:

	2020	2019
Decrease (increase) in accounts receivable	\$ (309,100)	\$ (915,200)
Decrease (increase) in prepaid expenses	(14,700)	(8,800)
Increase (decrease) in accounts payable & accrued liabilities	21,400	36,700
Increase (decrease) in GST payable	(37,100)	37,100
Increase (decrease) in dues and fees received in advance	11,300	929,100
	<u>\$ (328,200)</u>	<u>\$ 78,900</u>

**7. Chartered Professional Accountants of Canada (CPA Canada)**

CPA Saskatchewan has an agreement with Chartered Professional Accountants of Canada (CPA Canada) to work together to achieve a common mission and vision, to administer affairs in accordance with agreed principles, and to act in the spirit of trust to best serve the interests of the CPA profession and the public. The provincial associations such as the Institute share in the cost of the operations of the national committees. The Institute also collects member fees on behalf of CPA Canada and remits those to CPA Canada.

**8. Chartered Professional Accountants Western School of Business (CPAWSB)**

The Bylaws of the Institute allow the Board to approve an educational institution to administer the registration of candidates and the delivery of the CPA Canada professional education program. The CPA Western School of Business (CPAWSB) delivers and administers pre-certification education to candidates and students in the four western provinces and the territories, in accordance with an agreement signed by the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB, effective September 29, 2015. Effective June 1, 2018, the western CPA provincial bodies approved changes relating to the governance structure of CPAWSB. The Board of Directors of CPAWSB is now comprised of the CEOs from the four western provinces.

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**8. Chartered Professional Accountants Western School of Business (CPAWSB)  
(continued)**

CPAWSB is a registered charity incorporated under the Canada Not for Profit Corporations Act and is not subject to income taxes. In the event of dissolution or winding up of the corporation, all of its remaining assets after payment of liabilities shall be distributed to qualified donees as defined in Section 149.1(1) as amended, of the Income Tax Act (Canada), and therefore is not available to CPA Saskatchewan. Accordingly, no ownership interest of CPAWSB is reflected in the financial statements. If a member body withdraws from the agreement prior to operations ceasing, that body would have no right to any of the assets or other property of CPAWSB.

Effective April 1, 2019, CPA Saskatchewan has entered into two agreements between the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB. As per the operating agreement, CPAWSB will deliver and administer pre-certification education as an agent on behalf of each of the provincial bodies. The revenue earned and expenses incurred by CPAWSB will be allocated to each provincial body based on the number of learners in each province.

During the year, the CPAWSB collected annual candidate and student dues and course module fees of \$2,753,000 (2019 - \$0) on behalf of CPA Saskatchewan. The CPAWSB charged CPA Saskatchewan \$2,434,200 (2019 - \$0) for delivery of the education program. Prior to year end, CPAWSB collected annual candidate and student dues and course module fees of \$892,600 (2019 - \$926,400) on behalf of CPA Saskatchewan pertaining to the programs to be delivered on or after April 1, 2020, which are recorded as accounts receivable and deferred revenue.

Amounts due from CPAWSB at March 31, 2020 totaled \$1,225,091 (2019 - \$954,700) and are included in accounts receivable.

During the year ended March 31, 2020, CPA Saskatchewan charged \$16,700 (2019 - \$500,800) to CPAWSB for operating costs incurred on behalf of CPAWSB. The transactions are in the normal course of operations, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**9. CPA Insurance Plans West (CPAIPW)**

CPA Insurance Plans West (CPAIPW) administers benefits plans for members of the CPA bodies in Alberta, British Columbia, Manitoba, Saskatchewan and the Territories.

CPAIPW is a not for profit organization under the Income Tax Act and therefore is not subject to income taxes. The Board members are appointed by the western provincial bodies.

During the year ended March 31, 2020, the Institute paid benefit plan premiums for its employees to CPAIPW totaling \$62,400 (2019 - \$59,000). CPAIPW provided sponsorships to the Institute of \$4,500 (2019 - \$8,500). The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**10. Financial risk management**

The Institute has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Institute is exposed are:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk on the accounts receivable from its members, however, does not have a significant exposure to any individual customer or counterpart. In order to reduce its credit risk, the Institute regularly reviews outstanding accounts receivable and follows internal collection policies.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute's exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings, and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements and are considered adequate to meet the Institute's financial obligations.

**11. Subsequent Event**

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Institute is following health advisories and mandatory requirements from local, provincial and national health and government organizations. As a result, the Institute closed its office to the public, but has redeployed its employees to work from home. The financial impact, if any, on the Institute, once the pandemic ends, is unknown.

**12. Comparative Figures**

Certain comparative figures have been reclassified to conform to financial presentation adopted for the current year.



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