KEEPING PACE: A RECOMMENDATION FOR CGAA

by

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PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
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In the
Faculty
of
Business Administration

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Abstract

The Certified General Accountants Association (CGAA or Association) is one of three accounting regulatory bodies within Canada. As a regulatory body, the Association performs many duties, which include educating, certifying and governing its students and members. This paper will focus on the education and certification side of CGAA’s business model in addressing how the Association may continue to grow in the face of new external factors affecting CGAA’s Program of Professional Studies (PPS). The factors include the converging business models of competing accounting regulatory bodies, the threat of new entrants, the learning needs of an increasingly culturally diverse student population, and the power of technology to erase boundaries and improve upon the capabilities of distance education. In addition, CGAA’s student enrolments in the foundation levels of its PPS have dropped substantially over the past ten years. These factors are all influencing the intrinsic value in CGAA’s current education program and therefore the Association’s growth potential. CGAA must turn the challenges brought on by these changes into opportunities and capitalize on the benefits while remaining financially viable. Considering all these concerns, this paper delivers a recommendation determined to ensure the Association’s continued growth.

Keywords: Accounting; Certified General Accountants Association; Program of Professional Studies; PPS; and CGAA.
Executive Summary

In Canada, three approved regulated accounting bodies exist: the Certified General Accountants Association (CGAA), the Canadian Institute of Chartered Accountants (CICA), and the Society of Certified Management Accountants (SCMA). All three regulatory bodies are responsible for the education, certification and governance activities of their respective designations.

Despite a rising demand for accountants within Canada over the past decade new external factors are surfacing that will affect the choices the regulatory bodies will have to make in order to attract prospective students into their education programs. The factors include the converging business models of competing accounting regulatory bodies, the threat of new entrants, the learning needs of an increasingly culturally diverse student population, and the power of technology to erase boundaries and improve the capabilities of distance education. In addition, CGAA’s student enrolments in the foundation levels of its PPS have dropped substantially over the past ten years. This paper looks at each of the factors with a focus on their impacts on the education and certification side of the regulatory bodies’ business models, and more specifically at CGAA’s Program of Professional Studies (PPS).

Thus, the paper seeks to identify strategic moves CGAA will need to make in order to maintain a relevant and financially sustainable PPS ensuring that important tradeoffs have been considered. In doing so, the paper ultimately recommends that CGAA must divest itself of the development and delivery of its foundation level studies, replacing its open-access fading competitive advantage with a new competitive advantage. The paper recommends that CGAA’s new competitive advantage should be based upon the state-of-the-art use of technology in the content and delivery of the certification level of its PPS. If this is done effectively, the recommendation posits that CGAA will not only have the ability to address the socio-cultural needs of a growing body of culturally diverse students, it will also create a viable differentiation strategy against its current and potential competitors in the market. Overall, these changes should place CGAA firmly on a path of long-term sustainable growth, while staying current and relevant to the needs of today’s students and the business community that employs its students and members.
Dedication

I dedicate this paper to my family who have been pillars of support throughout my educational journey. As cheerleaders, championing me through my Executive Management Business Administration studies, they kept me motivated and focused. I thank them for their undying love, patience and for staying in the stands.

I also thank Michael who gave me the guilt-free mental space to pursue my graduate studies even in the face of the sacrifices we often had to make along the way. You have been very gracious.
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First, I would like to thank all my EMBA instructors who gave unselfishly of their wisdom. Their knowledge has expanded my horizons. I would also like to thank all the guest presenters who took time out of their schedules to share their stories with us.

In addition, I send my deepest thanks to Daniel Shapiro, Colleen Collins, and the rest of the SFU EMBA faculty for remaining responsive to the needs of the 2009 EMBA cohort and striving to deliver the best higher-learning experience possible. You made it an enjoyable experience. Thank you.

I would also like to say a special thank you to Mark Moore, my economics instructor and thesis supervisor, whose guidance, and patience kept me on track and focused – it was a long and tedious road, and your support was truly appreciated. Moreover, I extend my thanks to Mark Selman, for his time and efforts as my paper’s second reader.

Finally, I would like to thank the many people at my work for supporting me through this program and my thesis project. Thank you Bill Caulfield, may you rest in peace and to Bill Johnson for always pushing me to achieve my full potential, without your support this would not have been possible. I also thank the rest of my CGA-BC family for your continuous support and your encouraging words throughout my studies.
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Glossary of Terms

3Es  The 3Es signifies the three components required in a certification program: *Education*, *Examination* and *Experience*.

AASB  Assurance & Auditing Standard Setting Body - The responsibilities of the AASB include the following: developing and maintaining high-quality auditing and assurance standards, for both the private and public sectors, to respond to emerging needs of decision makers and assurance providers; ensuring that a rigorous due process is followed in developing auditing and assurance standards, including providing opportunities for input from all those affected by the standards; promoting adoption of international auditing standards; communicating effectively with those affected by, and interested in, auditing and assurance standards; and using its volunteer, staff and financial resources efficiently, effectively and economically (CICA-Canada, 2010).

AASOC  Auditing & Assurance Standard Setting Oversight Body - The Auditing and Assurance Standards Oversight Council (AASOC) is an independent body established in October 2002 by Canada's Chartered Accountants to oversee the activities of the Auditing and Assurance Standards Board (AASB). Reporting to the public and consisting of prominent leaders from business and regulators, it brings a broad perspective to complex issues facing standard setters, and supports the AASB in setting auditing and assurance standards in Canada and in contributing to the development of internationally accepted assurance standards. AASOC members, many of whom represent particular constituencies, include users, preparers of financial and other reports and auditors who provide assurance on these reports (CICA-Canada, n.d.).

ACCA  Association of Chartered Certified Accountants – The Association of Chartered Certified Accountants is a United Kingdom based, global body for professional accountants. The ACCA is comprised of 140,000 members and 404,000 students around the globe (ACCA, 2010).

ACSB  Accounting Standard Setting Body - The ACSB establishes accounting standards for Canadian enterprises and not-for-profit organizations. (CICA-Canada, 2010).

ACSOC  Accounting Standard Setting Oversight Council (ACSOC) is to serve the public interest by overseeing the activities of the Accounting Standards Board (ACSB) and the Public Sector Accounting Board (PSAB) (CICA-Canada, 2010).

AIT  Agreement for Internal Trade - is an intergovernmental trade agreement signed by Canadian First Ministers that came into force in 1995. Its purpose is to reduce
and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investment within Canada and to establish an open, efficient, and stable domestic market. (Agreement Internal Trade, n.d.).

**Association**

Association, when capitalized, is another name used in this paper for CGAA.

**CA**

Chartered Accountant – Accounting designation conferred by the CICA.

**CGA**

Certified General Accountant – Accounting designation conferred by the CGAA.

**CGAA**

Certified General Accountants Association – Founded in 1908, the Certified General Accountants Association of Canada is a self-regulating, professional association of 75,000 students and Certified General Accountants — CGAs (CGA-Canada, 2011).

**CGA-BC**

Certified General Accountants Association of British Columbia - One of twelve CGA provincial and territorial affiliate offices in Canada.

**CGA-Canada**

Certified General Accountants Association – CGAA’s national office.

**CICA**

Canadian Institute of Chartered Accountants – Founded in 1902, Chartered Accountants (CAs) represents Canada’s 78,000 CAs both nationally and internationally (CICA-Canada, n.d.).

**CMA**

Certified Management Accountant – Accounting designation conferred by the SCMA.

**FASB**

Financial Accounting Standards Board – FASB is the designated organization in the private sector responsible for establishing standards of financial accounting that governs the preparation of financial reports by nongovernmental entities within the United States. (Financial Accounting Standards Board, n.d.)

**HRSDC**

Human Resources and Skills Development – Human Resources and Skills Development Canada (HRSDC) is a department of the Government of Canada. HRSDC’s mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians’ quality of life (Human Resources and Skills Development, 2010).

**IAS**

International Auditing Standards – overseen by IFAC.

**IFAC**

International Federation of Accountants - IFAC is the global organization for the accountancy profession. It works with its 164 members and associates in 125 countries and jurisdictions to protect the public interest by encouraging high quality practices by the world's accountants. IFAC members and associates, which are primarily national professional accountancy bodies, represent 2.5 million accountants employed in public practice, industry and commerce, government, and academia. (IFAC, n.d.)
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards – overseen by IFAC.</td>
</tr>
<tr>
<td>NOC</td>
<td>National Occupation Codes - is the nationally accepted reference on occupations in Canada. It complies, organizes, analyzes and communicates over 30,000 job titles into 520 occupational groups (Human Resources and Skills Development Canada, 2008).</td>
</tr>
<tr>
<td>PACE</td>
<td>Professional Applications and Competence Evaluations – A name used to describe the certification level of CGAA’s PPS.</td>
</tr>
<tr>
<td>PCFARQ</td>
<td>Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications - The purpose of the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications is to articulate a new, joint vision for governments to take concerted action to improve the integration of immigrants and other internationally-trained workers into the Canadian labour market (Human Resources and Skills Development, 2009).</td>
</tr>
<tr>
<td>PPS</td>
<td>Program of Professional Studies – A name used to describe CGAA’s education program from Levels 1 through to PACE.</td>
</tr>
<tr>
<td>PSI</td>
<td>Post Secondary Institution i.e. colleges or universities.</td>
</tr>
<tr>
<td>SCMA</td>
<td>Society of Certified Management Accountants – Founded in 1920, CMA Canada is a self-regulating body that grants a professional designation in management accounting and regulates its 50,000 members and students under the authorization of provincial legislation (CMA-Canada, 2011).</td>
</tr>
</tbody>
</table>
Chapter 1: Introduction

1.1 Regulatory Body Overview

Regulatory bodies are generally not-for-profit organizations that are guided by a code of ethics in their mandate to set or enforce the standards of a profession intended to protect the interests of the public. Individuals seeking entrance into a regulated profession must complete the ‘3Es’ laid out by the regulatory body: education, examination and experience. Of the 3Es, most regulatory bodies include the examination activities in their operations, fewer include the education and even fewer include experience. Instead, many regulated professional bodies like the College of Chiropractics of BC, for example, will expect their pre-certificated members to have obtained their education and experience prior to seeking a license by way of examination (College of Chiropractors of BC, 2009).

In contrast, accounting regulatory bodies in Canada take an active role in the education and examination requirements of the certification process and to varying degrees, the experience requirements of their designations as well. Once a student successfully completes the 3Es they gain membership as a designated accountant of one of the three regulatory bodies. In Canada, three approved regulated accounting bodies exist: the Certified General Accountants Association (CGAA), the Canadian Institute of Chartered Accountants (CICA), and the Society of Certified Management Accountants (SCMA). All three regulatory bodies are responsible for the education, certification and governance activities of their respective designations and each is guided by goals that govern the performance of their responsibilities.
1.2 CGAA Overview

The Certified General Accountants Association was federally incorporated in 1908. The Association has three overarching goals: to increase its membership by providing relevant and reliable services to its members, students and the business community that employs its students and members; to protect the public’s interest; and to remain financially solvent. These goals help steer the strategic choices of the Association.

CGAA is comprised of a national office, CGA-Canada, as well as a number of domestic and international affiliate offices (CGA-Canada, 2011). CGA-Canada and the affiliate offices divide jurisdiction over the education, certification and governance activities on a federated basis (CGA-Canada, 2008). At the national level, a Board of Directors (BOD) comprised of eleven individuals runs CGA-Canada. However, the fifteen voting delegates who comprise the Affiliation Council¹ are responsible for steering the decisions of the BOD. Each affiliate office also has its own Board of Directors. Affiliate office BODs are voted in by CGA members, not students, resident in the jurisdiction of the affiliate office. For example, a CGA Manitoba member would have the right to vote in BOD members for the Manitoba Board. On an annual basis members and students pay dues to their affiliate office, in addition to the fees students are charged for the education program taken through their respective affiliate offices. This in turn supports the education, certification and governance activities performed by their affiliate office, with a portion of fees going to CGA-Canada to support similar activities performed at the national level².

¹ Affiliation Council members are comprised of a select number of Board Members from each affiliate office.
² From this point onward, CGAA includes both the national and affiliate CGA offices, unless otherwise noted.
From its earliest days, CGAA has a history of keeping pace with its changing environment - see Appendix A for key historical highlights related to its education program, often referred to as its Program of Professional Studies (PPS). Today, the PPS is comprised of twenty-one online courses: seventeen foundation\textsuperscript{3} level courses, which can be completed at post secondary institutions (PSIs)\textsuperscript{4} or directly through CGAA. In addition, all students take four\textsuperscript{5} certification level courses that must be completed through CGAA. The education program has a total of nineteen examinations, and 3-years of full-time practical work experience, approximately 5,850 hours. Students are required to complete these 3Es successfully in order to obtain their designation and become full-fledged CGA members.

Over the past decade, new external factors have surfaced that may impact CGAA’s continued growth. These factors include the converging business models of competing accounting regulatory bodies, the learning needs of an increasingly culturally diverse student population, and the power of technology to erase boundaries and improve the capabilities of distance education. In addition, CGAA’s student enrolments in the foundation levels of its PPS have dropped substantially over the past ten years. CGAA must pay heed to these changes in order to devise a strategic direction that will secure its long-term growth.

The intention of this paper is to provide CGAA with a recommended path to success. Chapter 2 will provide an overview of the regulatory bodies and standards setters in Canada and the current and projected market size of the regulatory designating bodies. Chapter 3 explores the systemic threats and opportunities that can affect the growth potential of all three regulatory bodies. Chapter 4 looks specifically at CGAA’s strengths and weaknesses that could impact its future.

\textsuperscript{3} In this paper, foundation level courses relate to any course requirements prior to certification level studies.

\textsuperscript{4} A Bachelor of Commerce, Bachelor of Administration, or Bachelor of Accountancy generally covers the courses taught in the foundation level of CGAA’s PPS.

\textsuperscript{5} Students must complete two mandatory Capstone certification courses, but can choose two elective courses out of the six-certification electives provided.
direction. Chapter 5 and 6 summarizes the findings of the preceding chapters and recommends a path to success based on identifying the important tradeoffs that must be made in order to ensure the long-term growth of CGAA. Finally, Chapter 7 provides a summary of next steps CGAA should undertake in pursuing the recommend path.
Chapter 2: Accounting Regulatory Bodies in Canada

2.1 Regulatory Organizations

The primary concern of accounting regulatory bodies’ is protecting the interest of the public by ensuring that designated accountants are both ethical and corporately socially responsible in the performance of their duties. The past improprieties of the accounting profession from Enron to Nortel have only strengthened this underlying directive and elevated the importance of the code of ethical principles followed by the members and students of each regulatory body – see Appendix B for a list of recent accounting failures. The standard setting and oversight bodies, all of which are self-regulating, develop the rules and guidelines that must be adhered to by the regulatory bodies in educating and governing their members and students in the performance of their duties. The figure below provides an overview of the various bodies involved in regulating the accounting profession in Canada.
The top layer is the International Federation of Accountants (IFAC), which is the international accounting standard setting body that oversees the accounting and auditing standards set by all countries that have adopted International Reporting Standards (IFRS) and International Auditing Standards (IAS). Since Canada adopted these international standards in 2010 and 2011 respectively, Canadian accounting and auditing standard setting bodies can no longer set standards independent from the guidelines set forth by IFAC.
The middle layer shows the Canadian accounting-setting bodies. While the middle layer is now heavily influenced by IFAC, it is also influenced by the CICA, since the Canadian standard setters and oversight committee members have historically and to this day, been mainly comprised of CA professionals (see Appendix C). Legally, the application of accounting standards only applies to publicly accountable organizations, approximately 2,812 in Canada, which is minute in comparison to the number of non-publicly accountable organizations in the Canadian marketplace, approximately 2.3 million (Industry Canada, 2010). Nonetheless, the standards set by these bodies are usually adopted by non-publicly accountable organizations, making the standards the official basis of communication for all financial reporting across Canada.

The bottom layer, and the focus of this paper, reflects the three Canadian regulatory bodies: the Certified General Accountants Association (CGAA) founded in 1908 (CGA-Canada, 2011); the Canadian Institute of Chartered Accountants (CICA) founded in 1902 (CICA-Canada, n.d.); and the Society of Certified Management Accountants (SCMA) founded in 1920 (Accounting in Canada n.d. CMA). Each body derives self-regulating authority under federal, provincial and territorial Canadian statutes. Through that authority each body is responsible for educating, certifying and governing their students and members. Thus, the key product sold by each of the three regulatory bodies through their education and certification processes is their designation: CGA, CMA, or CA. Customers of the regulatory bodies tend to be university graduates holding accounting or business degrees and increasingly, foreign educated professionals now residing in Canada. A designation’s value is reflected in the education of those holding a designation, which translates into the higher salaries commanded by designation holders (discussed later). Holders

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6 Publically accountable organizations would include publicly traded companies; Crown Corporations; government bodies; and not-for-profit organizations using public funds.

of any one of the three designations receive recognition for their credentials across Canada. However, the portability of these Canadian designations outside of Canada is not guaranteed. Conversely, individuals holding non-Canadian accounting designations residing in Canada do not receive a high degree of recognition for their accounting credentials within Canada, which is why many foreign educated accountants will seek out a Canadian accounting designation.

2.2 Value of a Designation

While the three incumbent regulatory bodies hold the greatest degree of prominence in the Canadian marketplace due to their ability to designate accountants, the figure below shows the other players who also provide education in the areas of accounting and finance.

Figure 2: Map of the Competitive Landscape

Figure Source: Author

Similar to the engineering profession where an engineer is not considered a professional engineer until the Canadian licence is conferred (Engineers Canada, 2008); accountants are not considered

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8 The acronyms found in the Direct Substitutes upper left oval are as follows: Certified Internal Auditor (CIA), Chartered Financial Analyst (CFA), and Certified Business Valuator. The acronyms found in the lower right Direct Threat oval are as follows: Association of Chartered Certified Accountants (ACCA) and Certified Public Accountant (CPA). The players in this figure will be discussed further in subsequent chapters.
professional accountants until they receive a designation or certification from one of the three authorized regulatory accounting bodies in Canada. However, unlike engineers who are required by law to hold a license before providing their services (Engineers Canada, 2008), undesignated accountants can practice without a license. The one exception pertains to the provision of assurance services, such as the signing of official audit reports, which by law requires the signing accountant to hold a designation conferred by one of the three provincially authorized accounting regulatory bodies. For example, in the province of British Columbia, the BC Companies Act expressly spells out this restriction stating that CAs and CGAs hold this authority (Queen's Printer, 2011). Provinces and territories across Canada have similar legislation specifically identifying which accounting designations are permitted to provide assurance services. However, since uncertified accountants are allowed to practice the profession of accountancy within Canada, individuals who do not hold a designation from one of the three regulatory bodies can still vie for employment opportunities sought out by designated accounting professionals.

To the benefit of regulatory bodies, even though very few accounting positions actually require a designation, the Canadian marketplace has come to value the certifications conferred by the various accounting bodies. It appears that employers see a designated accountant or students of one of the regulatory bodies as having met a minimum standard of proficiency. Therefore, job postings for accounting positions often specify the need for the applicant to hold a designation or to be studying towards a designation. Appendix D, Section A, provides a listing of twenty

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9 The words designation and certification are used interchangeably throughout this paper.
randomly\textsuperscript{10} selected accounting postings extracted from Working.com, a job search board.

Within Section A, the job postings were separated into three categories: jobs requiring an accounting designation; jobs requiring the applicant to be working towards an accounting designation; and jobs which did not require an accounting designation. \textbf{Table 1} below reflects that positions specifying the need for an accounting designation appear to command the highest salaries, salaries for jobs requiring the applicants to be in the process of obtaining a designation were lower, and jobs that did not require a designation offered the lowest salaries:

\begin{table}[h]
\centering
\begin{tabular}{|l|c|}
\hline
\textbf{Job Requirement} & \textbf{Salary Range Offered for the position of Senior Accountant} \\
\hline
Accounting Designation Required & $70,000 - $80,000 \\
Accounting Designation in-progress Required & $50,000 - $60,000 \\
No Accounting Designation Required & $45,000 - $65,000 \\
\hline
\end{tabular}
\caption{Comparative: Salary Offering for Designated & Non-designated Senior Accountant Positions}
\end{table}

Table Source: Author based on \textit{Appendix D, Section A} Part 1: \#4 and \#5; PART 2: \#10 and \#11; and Part 3: \#19 and \#20).

Designated accountants work either as public accountants or as private accountants. Public Accountants work in public practice firms, often for one of the “big four”\textsuperscript{11} firms, and private accountants are employed as internal accountants within an organization or within the government. Both internal and external accounts provide a similar suite of tax, audit, financial

\textsuperscript{10} The table is based on the salaries offered for the position of \textit{Senior Accountant} found in \textit{Appendix D, Section A}. In reviewing these particular job titles, it was noted that the job requirements sometimes requested a designated accountant fill the role, sometimes a student working towards a designation, or sometimes no requirement of a designation was listed. These three categories are noted under the “Job Requirement” heading of this table. For each of these three categories, the lowest and highest salary noted for the position is reported under the “Salary Range Offered for...” heading. In some cases two job postings within a single category were used – one to show the lowest salary reflected for the category and the other to show the highest salary reflected for that same category. Readers are cautioned that the sample selection found in Appendix D did not follow the classical methods of selecting a sample set from a population. However the selection was not predefined. The samples obtained were derived simply by looking at the job descriptions heading. Only after the job description was expanded was it determined whether or not a designation was mentioned, which lead to the classification of the position into one of the three categories found in Section A.

\textsuperscript{11} Deloitte Touche Tohmatsu; PricewaterhouseCoopers; Ernst & Young; and KPMG.
accounting, cost accounting and other related financial services to their clients or employers, though, as mentioned previously, only public accountants have the right to sign-off on audits.

2.3 Regulatory Market Size

According to the Government of Canada’s workingincanada.ca website, 170,990 job openings (demand) and 168,983 job seekers (supply) will occur under the National Occupation Code (NOC) 1111-Financial Auditor & Accountants and NOC 0111-Financial Manager job categories over a period of 10 years, 2009–2018 resulting in a slight excess of supply over demand – see table below (Government of Canada, 2011).

Table 2: Supply and Demand for Professional Accountants

<table>
<thead>
<tr>
<th>Demand: Estimated Job Openings for Educated Accounting Professionals</th>
<th>Job Openings</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion Demand (new types of accounting jobs)</td>
<td>47,222</td>
<td>28%</td>
</tr>
<tr>
<td>Retirements</td>
<td>101,609</td>
<td>59%</td>
</tr>
<tr>
<td>Deaths</td>
<td>15,309</td>
<td>9%</td>
</tr>
<tr>
<td>Emigration (leaving Canada)</td>
<td>6,849</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Projected Job Openings</strong></td>
<td><strong>170,990</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supply: Estimated Job Seekers for Senior Accounting Positions</th>
<th>Job Seekers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Leavers (graduates)</td>
<td>128,412</td>
<td>76%</td>
</tr>
<tr>
<td>Immigration (entering Canada)</td>
<td>27,265</td>
<td>16%</td>
</tr>
<tr>
<td>Net Mobility (entrants from other provinces/territories)</td>
<td>13,306</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total Projected Job Seekers</strong></td>
<td><strong>168,983</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table Source: Adapted from the Government of Canada Financial Auditors & Accountants and Financial Managers Statistics (Government of Canada, 2011)

Of the two projections provided by the government of Canada, the total supply of accountants (job seekers) provides a good estimate for the overall market size of potential designation seekers. However, the number is inflated, since not all job seekers will be likely designation seekers. A

---

12 The Canadian Government has compiled over 30,000 job titles into 520 occupational groups known as National Occupation Codes (NOC) (Human Resources and Skills Development Canada, 2008).
A truer projection of the likely number of designation seekers can be derived by gaining a sense of what percentage of total accounting related jobs request that an applicant hold a designation. To help derive this estimate, the Working.com job board was utilized. As at February 27, 2011, the total number of Working.com accounting/finance related job postings requesting a designation was approximately 563 and the aggregated total number of all accounting/finance related job postings was 1,194. This results in a ratio of 0.47 [563 postings requesting designation status / 1,194 total accounting and finance postings]. Thus, forty-seven percent can be used as a proxy for the likely percentage of individuals who will seek out an accounting designation to enhance their career opportunities or more specifically become designated accountants. Consequently, the estimated annual market size of potential designation graduates across Canada is 7,968 [168,983 job seekers x 0.47 proxy ratio / 10 years].

**Figure 3**

Estimated Market Size per Year (2009-2018) of Potential Designation Seekers

The figure above shows the annual expected demand calculated on a constant average per year basis, but these numbers are likely to fluctuate based on the state of the economy, since the economy is the key driver that either motivates or discourages individuals from seeking a higher

---

13 This number is likely to include erroneous finance and accounting related positions that would never require a designation, such as bookkeeping positions – the proportion of these jobs included in this number cannot be determined.

14 In the absence of any official estimates for the expected rate of growth, the aggregate supply figure is straight-lined over the 10-year period.

15 The numbers in this figure have been rounded up to the nearest hundredth.
education. The desire for higher education tends to be countercyclical, so a growing economy, with falling unemployment rates will reduce enrolments below what they would otherwise be expected.\textsuperscript{16} Looking into the immediate future, the Bank of Montréal’s unemployment figures for Canada show a steady decline from a rate of 8\% in 2010 to estimated rates of 7.5\% in 2011 and 7.2\% in 2012 (BMO, 2010). Therefore, the improving health of the Canadian economy will likely diminish the expected growth rate of designation seekers in the upcoming years below what might otherwise be expected.

\section*{2.4 Competition among Regulatory Bodies}

Collectively, the CGAA, SCMA and CICA currently have a total of approximately 218,000 members and students, as shown in the table below:

\begin{table}
\begin{center}
\begin{tabular}{|l|c|c|c|c|c|c|c|}
\hline
Regulatory Bodies & \# of Students and Members & \% of Members and Student Industry Comparative & \% of Members and Student Firm Comparative \\
\hline
 & Total & Members & Students & Total & Members & Students & Total & Members & Students \\
\hline
CICA & 89,000 & 77,000 & 12,000 & 41\% & 47\% & 23\% & 100\% & 87\% & 13\% \\
CGAA & 75,000 & 46,300 & 28,700 & 34\% & 28\% & 54\% & 100\% & 62\% & 38\% \\
SCMA & 54,000 & 42,000 & 12,000 & 25\% & 25\% & 23\% & 100\% & 78\% & 22\% \\
\hline
Total & 218,000 & 165,300 & 52,700 & 100\% & 100\% & 100\% & N/A & N/A & N/A \\
\hline
\end{tabular}
\end{center}
\end{table}

\textbf{Table 3:} Current Accounting Regulatory Body Member & Student Statistics \textsuperscript{17}

\begin{itemize}
\item [a.] Total Members & Students
\item [b.] Total Members (only)
\item [c.] Total Students (only)
\end{itemize}

Table Source: Author – Compiled from data found on the websites of the three regulatory bodies (CICA-Canada, 2010 2009-2010 Annual Report), (CGA-Canada, 2010, About CGA-Canada); and (CMA-Canada, 2010, 2009-2010 Annual Report).

\textsuperscript{16} Statistic Canada’s five-year registration results from the 2004 to 2009 reveals that the highest increase in enrolment over the five-year period occurred during the 2008-2009 academic year, a year-over-year increase of almost 4\%, a year in which unemployment rose substantially due to a severe recession (Statistics Canada, 2010 \textit{University enrolments by registration status and sex, by province}.)

\textsuperscript{17} CICA’s student numbers inferred from page 16 of the CICA 2009-2010 Annual Report. The estimated breakdown for CGAA’s student and member numbers based on a 38\% and 62\% allocation of aggregated student and member numbers – see Table 8, Footnote 1 for more information.
CGAA is the only regulatory body that offers the full range of foundation level studies in its PPS, in addition to its certification level studies. Therefore, its student numbers include both foundation and certification level students. SCMA and CICA do not offer nearly the same degree of foundation level studies, so their student numbers mainly reflect certification level students. Thus, removing the estimated number of CGAA’s foundation level students\(^{18}\) helps make the data of each of the regulatory bodies more comparable, as shown in the table below.

**Table 4:** Current Accounting Regulatory Body Member & Student Statistics (Removal of CGAA Foundation Level Students)

<table>
<thead>
<tr>
<th>Regulatory Bodies</th>
<th># of Members and Students</th>
<th>Comparative</th>
<th>Comparative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Members</td>
<td>Students</td>
<td>Total Members</td>
</tr>
<tr>
<td>CICA</td>
<td>89,000</td>
<td>77,000</td>
<td>12,000</td>
</tr>
<tr>
<td>CGAA</td>
<td>59,789</td>
<td>46,300</td>
<td>13,489</td>
</tr>
<tr>
<td>SCMA</td>
<td>54,000</td>
<td>42,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Total</td>
<td>202,789</td>
<td>165,300</td>
<td>37,489</td>
</tr>
</tbody>
</table>

Table Source: Author - Compiled by removing CGAA’s estimated number of foundation level students from the data contained in Table 3.

These data reflect that CICA currently holds the greatest market share of combined students and members. However, even with the removal of CGAA’s foundation level students, CGAA still holds the greatest number of students, though it is only slightly ahead of SCMA and CICA.

Although national data are unavailable for the regulatory bodies, CGAA-BC data for the province of British Columbia show that CICA-BC, CGA-BC and SCMA-BC’s compound net annual

\(^{18}\) CGAA’s estimated certification level students equal approximately forty-seven percent of its total student population, per CGAA internal reports.
growth rates\textsuperscript{19} over the past 7-years for their aggregated student and member numbers were 3.6%, 3% and 1.7% respectively (CGA-BC, 2011). Since CICA’s aggregated student and member body holds the greatest percentage of members relative to its competitors, at forty-seven percent, it will likely be most impacted by the effects of the increasing number of retiring baby-boomers, possibly drawing down on their market share in the future. Nonetheless, if these past provincial net growth patterns persist into the future and if they closely reflect the national expected growth rates, CICA will likely maintain its leading market share, all else being equal.

Each regulatory body requires students admitted to their programs to successfully complete their 3Es in order to obtain certification. In many ways the paths are very similar, but there are subtle differences between the requirements contained in each regulatory body’s 3Es. For example, there are differences in the number courses required to be completed at the foundation and certification levels, type of undergraduate degree accepted by the regulatory body, depth of technical coverage contained in the education programs, delivery methods used to deploy the education, number of examinations required, and places where practical work experience can be obtained. Appendix E provides a detailed overview of the 3Es required by each designation. The points worth noting are as follows:

\textit{Foundation Education}

The certification educational requirements of each regulatory body are proprietary and therefore, rarely fully outsourced to PSIs nor exchanged between the regulatory bodies (see row 5 of Appendix E for the certification level requirements). In contrast, the foundation level requirements for the programs of the three regulatory bodies are usually

\textsuperscript{19} Growth rates reflect the year-over-year difference between the aggregated net effects of new student acquisitions, student attrition, student graduations (into membership) and member retirements or deaths on the overall annual student and member numbers each year.
fulfilled at PSIs, with CGAA offering the biggest exception. CGAA not only develops and delivers its certification level courses, it also develops and delivers all of its foundation level course requirements as well – SCMA develops and delivers a small foundation level bridging program, but nothing to the extent of what the CGAA program provides at the foundation level (see row 1 of Appendix E).

**Modes of Delivery**

The education delivery of each regulatory body is similar in that they all utilize a mixture of online distance learning and in-class traditional methods. However, the degree to which each is used varies across the incumbent regulators. CICA and SCMA courses both require a minimum of 12 days face time, while CGAA courses are primarily offered online with minimal to no mandatory face time required (see row 6 of Appendix E).

**Competency Coverage**

Technical and non-technical\(^{20}\) competency acquisition are important areas of coverage for all three regulators, and the differences between the competencies covered by each regulator is relatively low, although CGAA offers the greatest level of technical and non-technical depth in its program. For example, CGAA carries three additional technical areas of coverage and two additional non-technical areas of coverage not expressly reflected in the curriculums of its competitors (see row 8 and 9 of Appendix E, which provides a reconciliation of CGAA’s courses to those of SCMA and CICA.)

**Practical Work Experience**

CGAA and SCMA have a long history of allowing students to obtain their practical experience requirements both in public and private accounting positions. Historically,

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\(^{20}\) Technical competencies are related to accounting, finance, audit, taxation, etc. Non-technical competences are related to leadership, team-work, professionalism, ethics, presentation skills, etc.
this has provided them with an edge over the CICA, since the CICA only allowed their students to obtain their work experience in public accounting positions. However, as at September 1, 2007, CICA students, may now obtain their practical experience in private accounting positions as well (CICA-Canada, n.d.), although the public accounting route is still the dominant articling path for the CA designation.

Though refraining from price-based competition\(^{21}\), regulatory bodies use advertisements to highlight the differences among the education and certification requirements of their respective programs, or as a means to influence how the business community and prospective students view their programs. For example, the current tag line for CGAA is “we see more than numbers” used to highlight that CGAs are more than technical accountants. SCMA’s promotion spells out competencies such as “…uses strategic thinking and leadership” as a way to highlight the strategic focus SCMA would like associated with their brand. The CICA has recently begun employing a campaign that profiles CA’s as real people using words such as “proud …grandfather” and “…Harley rider” in an attempt to make the CICA image more approachable. **Appendix F** provides samples of recent advertisements for all three of the regulatory bodies which were featured in the February 2011 BC Business Magazine.

While each of the regulated bodies is proud of the differences in their programs, the business models of each of the regulatory bodies are becoming increasingly similar in the technical and non-technical competencies covered in their programs, the use of technology in delivering the education, and in the places where students can obtain their work experience. In addition, employers appear to see less of a distinction between the designations. Scanning the job

\(^{21}\) Prices based on obtaining a designation within the province of British Columbia: CGAA program costs at $10,800 – Professional Applications and Competence Evaluations (PACE) level and Level 4 courses included (CGA-BC, 2009); SCMA program costs at $10,200 – Strategic Leadership Program (SLP) (CMA-BC, 2009); and CICA program costs at $10,315 – CA School of Business (CASB) (CICA-BC, 2009).
postings found in Appendix D, Section A, Part 1 and 2, provides some evidence to support this. Many of the positions call for any one of the three designations to apply for their job posting, with little to no preference shown for one designation over the other.

The fact that employers are beginning to see all three designations as equivalent poses a challenge for regulatory bodies. The more the regulatory bodies look the same to prospective students, the more difficult it becomes for any one body to capture significant market share over the competing designations. On the positive side, this ongoing convergence provides an opportunity for one of the designations to make meaningful changes to its program in order to distinguish itself from its competitors.
Chapter 3: External Environment: Opportunities & Threats

The CGAA and its competing accounting regulatory bodies each seek growth in membership through their ability to attract students to their education programs. This chapter describes the opportunities and threats affecting that goal.

3.1 Post Secondary Education

Post secondary institutions serve an important role in providing the degrees and foundation level studies individuals require in their pursuit of an accounting designation. Therefore, PSIs are strong complements to the education provided by regulatory bodies. The table below reflects the number of Canadian PSI accounting/finance programs that would adequately prepare students to enter into the certification programs of regulatory accounting bodies.

<table>
<thead>
<tr>
<th>Post Secondary Level</th>
<th>Number of Accounting/Finance/Business Programs Offered Across Canada(^{22}) (Association of Colleges and Universities of Canada, n.d.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting/finance related undergraduate level certificate/diploma</td>
<td>31</td>
</tr>
<tr>
<td>Accounting/finance related bachelor's degree</td>
<td>104</td>
</tr>
</tbody>
</table>

Table Source: – see citation notes within table

\(^{22}\) The table was derived by running a search using the following criteria: Search Academic Programs → Database Search → All Languages: Selected all languages → Field of Study: Selected all Accounting and Finance Positions under the ‘Business, Management, Marketing, and Related Studies’ → Program Levels: Selected all program levels. This search returned a total of 45 Canadian universities offering postgraduate and undergraduate programs with accounting, finance or business concentrations.
However, when PSIs offer accounting education at the postgraduate levels they act as substitutes, since the education provided by postgraduate programs may compete for the same prospective students. **Table 6** below reflects the number of Canadian PSIs that offer postgraduate studies in the field of accounting and finance.

**Table 6**: PSI Postgraduate Programs: Accounting, Finance, Business Concentrations

<table>
<thead>
<tr>
<th>Post Secondary Institution Level</th>
<th>Number of Accounting/Finance/Business Programs Offered Across Canada&lt;sup&gt;23&lt;/sup&gt; (Association of Colleges and Universities of Canada, n.d.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting/finance graduate level certificate/</td>
<td>9</td>
</tr>
<tr>
<td>diploma</td>
<td></td>
</tr>
<tr>
<td>Accounting/finance Master's degree (MBA)</td>
<td>27</td>
</tr>
<tr>
<td>Accounting/finance doctorate</td>
<td>5</td>
</tr>
</tbody>
</table>

Table Source: Author – extracted from various websites - see citation notes within table

Of the postgraduate credentials conferred by PSIs, the MBA is the closest direct threat to regulatory bodies. The job postings pulled from Working.com on April 9, 2011 indicate that out of the ninety-three MBA positions listed, in forty-three of them, the MBA degree was listed as an acceptable alternative to the designations delivered by regulatory bodies. So, forty-six percent of the job postings asking for MBA credentials, appear to be competing against the designations of regulatory bodies. **Appendix D, Section C**, provides a sample listing of the job postings requesting any one of the accounting regulatory body designations or an MBA credential.

Though any immediate threats appear low, regulatory bodies should be cognizant of this fact.

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<sup>23</sup> The table was derived by running a search using the following criteria: Search Academic Programs → Database Search → All Languages: Selected all languages → Field of Study: Selected all Accounting and Finance Positions under the ‘Business, Management, Marketing, and Related Studies’ → Program Levels: Selected all program levels. This search returned a total of 45 Canadian universities offering postgraduate and undergraduate programs with accounting, finance or business concentrations.
3.2 Niche Designations and Foreign Accounting Bodies

Niche financial designations such as Certified Internal Auditors (CIA) and Certified Forensic Investigator (CFI) and foreign accounting bodies such as the Association Chartered Certified Accountants (ACCA) and Certified Public Accountants (CPA) also act as substitutes. The table that follows provides a detailed listing of the various finance and accounting credentialing bodies along with their member counts in order to provide a sense of the size of these associations.

Table 7: Non-Canadian Accounting Designations & Niche Business Related Designations

<table>
<thead>
<tr>
<th>1. Non-Canadian Accounting Designations</th>
<th>Based</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Public Accountant (CPA)</td>
<td>United States</td>
<td>370,000²³</td>
</tr>
<tr>
<td>Chartered Institute of Management Accountants (CIMA)</td>
<td>United Kingdom</td>
<td>172,000²⁶</td>
</tr>
<tr>
<td>Association Chartered Certified Accountants (ACCA)</td>
<td>UK (Global)</td>
<td>140,000²⁷</td>
</tr>
<tr>
<td>Chartered Institute of Public Finance &amp; Accountancy (CIPFA)</td>
<td>United Kingdom</td>
<td>14,000²⁸</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Various Niche Designations</th>
<th>Based</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Internal Auditor (CIA)</td>
<td>United States (Global)</td>
<td>170,000²⁹</td>
</tr>
<tr>
<td>Certified Financial Planner (CFP)</td>
<td>Canada (Global)</td>
<td>126,000³⁰</td>
</tr>
<tr>
<td>Certified Financial Analyst (CFA)</td>
<td>United States (Global)</td>
<td>100,000³¹</td>
</tr>
<tr>
<td>Certified Information Systems Auditor (CISA)</td>
<td>United States (Global)</td>
<td>95,000³²</td>
</tr>
<tr>
<td>Certified Aboriginal Financial Manager (CAFMI)</td>
<td>Canada</td>
<td>1,608³³</td>
</tr>
<tr>
<td>Chartered Business Valuators (CBV)</td>
<td>Canada</td>
<td>1,000³⁴</td>
</tr>
</tbody>
</table>

Table Source: Author – extracted from various websites - see citation notes within table.

²⁴ Sources provided in following footnotes:
²⁵ (American Institute of CPAs, 2011)
²⁶ (Chartered Institute of Management Accountants, 2010)
²⁷ (ACCA, 2010 About Us.)
²⁸ (The Chartered Institute of Public Finance & Accountancy, n.d.)
²⁹ (The Institute of Internal Auditors, 2010)
³⁰ (Financial Planning Standards Council, 2011)
³¹ (The Global Association of Investment Professionals, 2011)
³² (Information Systems Audit and Control Association, 2011)
³³ (Aboriginal Financial Officers Association, 2010)
³⁴ (Chartered Business Valuators, n.d)
The likelihood of any one of these credentials encroaching on the market share of the incumbent regulatory bodies ultimately lies in the value that employers see in these designations as compared to what value they see in the CGA, CMA and CA designations. The job postings pulled from Working.com on February 26, 2011 (see Appendix G) indicate the level of demand for the various credentials, summarized in the chart that follows:

Figure 4: Employer Demand for Various Credentials

<table>
<thead>
<tr>
<th>Credential</th>
<th>Search Results</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGA</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>CAF</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>ACCA</td>
<td>1</td>
<td>0.09%</td>
</tr>
<tr>
<td>CFIA</td>
<td>2</td>
<td>0.19%</td>
</tr>
<tr>
<td>CFP</td>
<td>5</td>
<td>0.46%</td>
</tr>
<tr>
<td>CIGA</td>
<td>17</td>
<td>1.58%</td>
</tr>
<tr>
<td>CIA</td>
<td>20</td>
<td>1.86%</td>
</tr>
<tr>
<td>CFA</td>
<td>24</td>
<td>2.23%</td>
</tr>
<tr>
<td>CFP</td>
<td>29</td>
<td>2.70%</td>
</tr>
<tr>
<td>CA</td>
<td>265</td>
<td>24.63%</td>
</tr>
<tr>
<td>CMA</td>
<td>351</td>
<td>32.62%</td>
</tr>
<tr>
<td>CGA</td>
<td>362</td>
<td>33.64%</td>
</tr>
</tbody>
</table>

Table Source: Author – extracted from data found in Appendix G

---

The table reflects the number of results returned for a particular credential within the Working.com job board as at February 26, 2011. However, the number reflected for the CA credential may not be accurate as it was not possible to pull search results on the characters ‘CA’ since it returned erroneous data, which included any character combination of ‘ca’ including website addresses. Therefore, in order to derive the estimated ‘CA’ count, a search was conducted on the following combinations: CGA and CA; CMA and CA; and CGA, CMA, and CA. The result that returned the highest number was used to reflect the estimated demand for the CA credential.
Based on these findings, employers show the highest level of demand for the CGA, CMA and CA designations, an aggregate percentage of ninety-one percent, with the CGAA designation returning the greatest number of job postings. Even though the demand for the regulatory bodies in contrast to other designations is very strong, incumbent regulatory bodies cannot afford to be complacent. In fact, an unsettling threat is currently posed by the ACCA, which based on the data in the table above, only shows one job-posting request.

The ACCA is a United Kingdom based international accounting regulatory body, founded in 1904, now comprised of over 140,000 members and 400,000 students worldwide (ACCA, 2010). While it does not hold statutory status as a designating body in Canada, the ACCA has 1,100 Canadian members and 400 Canadian students (ACCA, 2010). In February 2001, the ACCA submitted a paper to the Ontario government under the Red Tape Commission in an attempt to gain recognition as a provincially recognized designation in the province of Ontario (ACCA, 2001). This attempt met with defeat, likely due to Ontario CICA’s negative reaction to the paper (evidenced in ACCA’s June 2001 response to the commission, criticizing Ontario’s CICA for erecting unfair barriers to entry (ACCA, 2001)). Different special interest groups hold varying opinions as to whether or not opposing ACCA’s statutory status is corporately socially responsible. However, preventing ACCA’s status does protect market shares for all three incumbent accounting regulatory bodies.

Undeterred by the CICA’s response, ACCA has not given up on its attempts to become a recognized designating body in Canada. As part of its newest efforts to establish itself in Canada,

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36 Statutory rights would require the ACCA body obtain federal and provincial incorporation as a self-regulating body (similar to the rights granted to CGAA, CICA and SCMA).

37 The body created by the Conservative government in Ontario in 1996 to deal with the 1995 election commitment to reduce red tape for small businesses and individuals and to promote business planning within the broader public sector. It consists of seven Conservative Members of Provincial Parliament and six staff members drawn from the Ontario civil service (Wikipedia, 2009 Red Tape).
it has recently accredited the Toronto based London School of Business and Finance to administer its program and examinations per, (Globe & Mail, 2011). As ACCA continues to try to gain a place in the Canadian market, many factors favour its efforts - they include the following:

- the financial and administrative resources behind the ACCA designation allowing it to pursue its efforts for a sustained duration;\(^{38}\)

- the portability of the global designation, which will be attractive to Canadian prospective students;\(^{39}\)

- the fact that the designation already holds Mutual Recognition Agreements (MRA)\(^{40}\) with CGAA giving it more credibility that it can leverage when lobbying the government for statutory status;

- the fact that a growing number of foreign trained accounting professionals entering Canada will already carry the ACCA designation (or at least be aware of it), adding to the ease in which it can build brand recognition in Canada;

- Canada’s recent adoption of international accounting standards, discussed below, further diminishing any arguments that domestic regulatory bodies may have against the education taught under the ACCA’s program of studies, thereby strengthening ACCA’s arguments when lobbying the government for statutory status; and

- Canada’s Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications (PCFARQ) initiatives, which are focused on removing barriers faced by foreign educated individuals looking to practice their profession within Canada.

\(^{38}\) ACCA’s 2009-2010 Annual Report indicated it had operating revenues of £132 million with only a small operating deficit of £3.0 million (ACCA, 2010).

\(^{39}\) Examples of some of the countries in which ACCA is recognized are: All European Union countries; Australia, New Zealand, South Africa; Zimbabwe; Ethiopia; Zambia; Egypt; China; Singapore; Taiwan; Malaysia; Barbados; Jamaica and Trinidad and Tobago (Wikipedia, 2011 ACCA).

\(^{40}\) The MRA between ACCA and CGAA is one in which both regulatory bodies recognize one another’s 3Es and therefore, there is minimal additional requirements for one designation to obtain the designation of the other body.
These factors taken together will likely see ACCA, and other foreign accounting credentials, gain prominence in Canada and compete more directly with incumbent accounting regulatory bodies, even if they do not receive statutory status.

### 3.3 Global Environment

The interconnectedness of business around the world has weakened Canada’s need to continue setting its own accounting and auditing standards. Instead, Canada adopted IFAC’s\(^{41}\) International Auditing Standards (IAS) and International Financial Reporting Standards (IFRS) in 2010 and 2011 respectively. This move assists Canadian companies in competing in the global market by increasing the integrity of financial reporting and reducing the costs associated with reconciling financial reports around the globe. However, adopting IAS and IFRS also reduces Canada’s ability to set the direction for the accounting profession within its borders, and particularly diminishes CICA’s role in this regard. The diminished standard setting role CICA will likely hold in the future will help level the playing field between all three incumbent regulatory bodies and will provide CGAA and SCMA with an opportunity to become more active in setting standards for the profession at the international level. This type of international engagement can have positive spin-offs for CGAA and SCMA in marketing their brands to prospective students and to the hiring business community.

In addition, Canada’s Agreement on Internal Trade (AIT) initiatives may further reduce the standard setting advantage of the CICA. The AIT is an intergovernmental trade agreement signed by Canadian First Ministers that came into force in 1995. Its mandate is to ensure the free movement of persons, goods, services, and investment within Canada, and to establish an open,  

\(^{41}\)Through its independent standard-setting boards, IFAC develops international standards on ethics, auditing and assurance, education, and public sector accounting standards for accounting practitioners around the world (IFAC, n.d.).
efficient, and stable domestic market (Agreement Internal Trade, n.d.). This government initiative is currently seeking the input of all three regulatory bodies in ensuring the mobility of designated accountants across the country. In its desire to seek fairness for designated accountants, it is looking to remove artificial barriers placed on the profession. If the outcomes of this initiative favour CGAA and SCMA, these two designations may receive the right to provide assurance services in the province of Ontario without the need to replicate CICA-ON’s education model (refer to the last column in Appendix E). This will likely allow these two bodies to attract more prospective students to their programs. On the other hand, if AIT outcomes favour CICA, then the opportunity for CGAA and SCMA to increase their market size, particularly in the province of Ontario, will diminish.

### 3.4 Changing Demographics

According to the 2008 *Canadian Demographics at a Glance* report, death rates will exceed birth rates by 2030, making immigration Canada’s only source of population growth in the future (Statistics Canada, 2008). Over the past 5-years, Canada has received an average of 250,000 new immigrants each year, and the yearly intake will remain at this level into the foreseeable future (Citizenship and Immigration Canada, 2010). The top ten source countries for Canada are shown in Appendix H, which reflects that at the very least just over 100,000 newcomers or forty-two percent of all newcomers each year will arrive from backgrounds where English or French is not their first language (Statistics Canada, 2008). If these statistics hold true for potential job seekers, then 11,400 [27,265 x .42] out of the 27,265 immigrants reflected in Table 2 (see supply section), will arrive from culturally diverse backgrounds or 1,140 [11,400 ÷ 10]

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42 Assurance services are a part of the services performed by public accountants; refer to Chapter 1 for discussions on public accountants.

43 The year 2030 applies Statistics Canada’s medium birth rate scenario. The low birth rate scenario would see deaths exceed births by around 2020.
years] each year of which 536\textsuperscript{44} [1,140 x .47 \textsuperscript{45}] will likely seek an official accounting designation.

Individuals from countries with different official languages and socio-cultural backgrounds are likely to have different worldviews, learning styles and language proficiency levels that may impede their success in both obtaining a Canadian designation or in advancing their careers as accounting professionals in Canada. – \textbf{Appendices I and J} provide examples of the different learning styles and socio-cultural dimensions. The Alliance of Sector Councils\textsuperscript{46} noted that in 2006 the national unemployment rate for immigrants was close to twelve percent, compared to a rate of five percent for people born in Canada. It went on to say that immigrants find work, but only forty-two percent work in their intended occupations (Alliance of Sector Councils, n.d. \textit{The Alliance of Sector Councils}).

Regulatory bodies interested in attracting newcomers into their respective designations should be sensitive to the needs of this group of prospective students. Newcomers who are unable to succeed in a regulatory body’s program of study or who are unable to advance their careers once designated become poor ambassadors for their designations. Therefore, regulatory bodies looking to attract newcomers may be at risk of losing market share if they are not ensuring the success rates of their students. This will most likely require the incorporation of special curricula into their programs of study, which specifically address the needs of foreign-born accountants in Canada.

\textsuperscript{44} This is a rough estimate based on known projections and estimates. The actual figure may be higher or lower – more research would be required to validate this assumption.

\textsuperscript{45} The .47 factor was derived in Chapter 2 (see section 2.3 Regulatory Market Size) and is related to the estimated percentage of annual job seekers expected to be interested in obtaining a designation.

\textsuperscript{46} Sector councils are industry-led partnership organizations that address skills development problems and implement solutions in key sectors of the economy (Sector Council, n.d.).
3.5 Technological Innovations

Technological innovations may help or hurt the growth of the regulatory bodies. Technological innovations, specifically the World Wide Web and other information technologies, have reduced or eliminated the boundaries of traditional learning facilities. Regulatory bodies that can effectively use technology have an increased opportunity to attract prospective students outside of Canada. This is further aided by Canada’s move to IFRS and IAS, allowing the education contained in a regulatory body’s program of studies to be portable to any country that has adopted international accounting standards. In addition, regulatory bodies that can use technological innovations in creative ways, for example, introducing online interactive business simulations run in unstructured virtual settings like Second Life\(^{47}\), will most likely attract a new generation of learners.

However, technological change has also reduced the need for accounting technicians. That is, anything performed by an accountant that can be codified has been or will continue to be overtaken by technology and software applications may even be outsourced to workers in emerging countries\(^{48}\). Consequently, education provided by designations weighted too heavily towards the mechanics of completing a technical task\(^{49}\), rather than on the planning, monitoring, evaluating and decision-making aspects of the profession may find the knowledge contained within their designations becoming obsolete.

\(^{47}\) Second Life is a virtual world developed by Linden Lab launched on June 23, 2003 (Wikipedia, 2011 Second Life)

\(^{48}\) Emerging countries such as India appear to be encouraging North American businesses to outsource accounting related tasks to India as evidenced by a simple Google search on “outsourcing accounting jobs to India”.

\(^{49}\) Examples of technical tasks include the following: calculating bonds, performing financial statement consolidations and performing foreign currency financial statement translations.
Chapter 4: Internal Environment: Strengths & Weaknesses

4.1 CGAA’s Value Proposition

As seen in Chapter 2, each regulatory body delivers the 3Es: Education, Examination and Experience (refer also to Appendix E). However, there are differences in how each regulatory body does this. Gaining an understanding of CGAA’s competitive advantage is best understood by identifying what it does differently relative to its competitors. The figure that follows expands on six key activities related to the 3Es performed by the various regulatory bodies. The data provided by the author in the figure are chosen on a scale of 0 to 2 to indicate the degree to which each regulatory is involved with or performs the activity under review – the higher the score, the greater the involvement.

Figure 5 CGGA’s Value Map

The ratings assigned to each of the designations in this scale are based on an accumulation of data, which include: results from various student and member CGAA branding and satisfaction surveys and information received by the author from attending various CGAA, SCMA, and CICA student recruitment events and reading various CGAA magazines, SCMA magazines and CICA magazines.
Convergence points on the graph indicate activities that are performed quite similarly among regulatory bodies and divergent points indicate activities that are performed differently. Sometimes the points where a business or enterprise differs from its competition identifies an area of weakness or risk, but it may also identify its sources of competitive advantages. For CGAA, its competitive advantages relate to its online classroom delivery method (over traditional face-to-face) and its in-depth coverage of technical professional skills as reflected in its student surveys\textsuperscript{51}.

The first source of advantage assists CGAA in providing education to a larger number of students. In addition to attracting recent undergraduate students, the online delivery method is able to attract more mature adult learners, including newcomers to Canada. Since mature adult learners often have a number of competing responsibilities in their lives, they see the flexibility to study on their own schedule as attractive. The 2010 CGAA Student Survey provides evidence of this showing CGAA’s flexibility as one of the top three reasons why students rate CGAA’s program positively (Synovate, 2010). The technical breadth and depth of CGAA’s program is another one of the top three reasons students rate the program positively, with students stating that the knowledge they receive in the program is relevant and applicable to the requirements of their work environments.

Returning to the graph, two areas point to CGAA’s weaknesses: its continued development and delivery of its foundation level studies, and its lack of in-depth coverage of non-technical professional skills. This is not to say that non-technical skills or the softer skills such as...
teamwork, leadership, and presentation skills are neglected. However, they are not covered in the same depth as they are by CGAA’s competitors. This is mainly due to CGAA’s online mode of delivery that does not afford its students with the same opportunities to interact with their peers and instructors in person (though newer advancements in the use of technology can correct this as seen in the research of Gareth Morgan and Jean Adams of York University – see Appendix K). However, until newer technology is incorporated into the program CGAA’s online model of learning will remain weaker in this dimension.

A greater concern for CGAA, and its key weakness, is the development of its foundation level courses. Historically, the development and delivery of CGAA’s foundation studies aided in its ability to provide open access opportunities to prospective students. Individuals with little accounting education could join the CGAA program and complete all their foundation level studies directly through CGAA prior to entering the certification level of the program. However, over the past 10 years more CGAA students are obtaining their foundation level studies directly through PSIs, as indicated by the twenty percent drop in enrolments at the foundation level of the program in the face of rising student admissions. The movement away from completing the foundation level studies with CGAA is largely due to two factors. First, since 1998, CGAA began to require its students to hold an undergraduate degree prior to certification. While this was a positive improvement to the overall quality of the program, its institution began to lead more students to PSIs, where students can complete their foundation level studies while obtaining their undergraduate degree. Second, CGAA has increasingly provided transfer credits to students that complete their foundation level studies at PSIs. Since these two factors are unlikely to be reversed, the diminishing enrolments in CGAA’s foundation level courses are most likely to continue. Thus, while the foundation education CGAA produces is still relevant and seen by PSIs as a benchmark on which to base their own accounting curricula, the overhead costs associated

52 Per internal statistical reports.
with maintaining the seventeen foundation level courses are not financially sustainable, given the diminishing enrolments in these courses.

### 4.2 Historical Growth Rates and Financials

The historical data and financial results provided in this section demonstrate the financial problems associated with maintaining the foundation level courses offered by CGAA.

CGAA’s Annual Reports for the period of 2002-2003 through to 2009-2010 show that the Association has achieved steady growth in its overall student and member numbers at a national compound growth rate of 3.3% – from 58,000, in 2003 to 73,000, in 2010. Details are provided in the table below:

**Table 8: Historical CGAA Student and Member Numbers**

<table>
<thead>
<tr>
<th>Historical Student and Member Estimated Breakdown</th>
<th>Total Students and Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the period of 2002 to 2010</td>
<td></td>
</tr>
<tr>
<td>Estimated Students</td>
<td>27,912</td>
</tr>
<tr>
<td>Estimated Members</td>
<td>45,089</td>
</tr>
</tbody>
</table>

**Footnotes:**

1 Annual reports do not provide a breakdown between students and members, save for the 2006-2007 Annual Report. The 2006-2007 report indicated that students were 38% of the 68,000 grand total and members were 62% - this breakdown became the basis to estimate the student versus member breakdown across all years.

Table Source: Author – figures extracted from CGAA’s Annual Reports – see Company Documents section of Bibliography

The problem for CGAA is that even in the face of its overall increasing student numbers, the number taking foundation level studies with CGAA has declined by over twenty percent since
2001 as evidenced by internal statistical reports\textsuperscript{53}. This decline coincides with the period during which the degree requirement became mandatory as previously discussed. CGAA’s financial figures over the past 5-years also reflect the results of its diminishing student revenues in the face of increasing education development costs – see the financial figures below:

Table 9: CGAA Historical Financial Figures\textsuperscript{54}

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($000)</td>
<td>%</td>
<td>($000)</td>
<td>%</td>
<td>($000)</td>
</tr>
<tr>
<td><strong>Statement of Operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>$14,396</td>
<td>47%</td>
<td>$13,094</td>
<td>45%</td>
<td>$11,729</td>
</tr>
<tr>
<td>Student</td>
<td>$12,686</td>
<td>41%</td>
<td>$12,354</td>
<td>43%</td>
<td>$12,244</td>
</tr>
<tr>
<td>International</td>
<td>$556</td>
<td>2%</td>
<td>$411</td>
<td>1%</td>
<td>$628</td>
</tr>
<tr>
<td>Other</td>
<td>$2,967</td>
<td>10%</td>
<td>$3,194</td>
<td>11%</td>
<td>$2,863</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$30,605</td>
<td>100%</td>
<td>$29,053</td>
<td>100%</td>
<td>$27,464</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Affairs</td>
<td>$4,084</td>
<td>13%</td>
<td>$4,003</td>
<td>14%</td>
<td>$3,339</td>
</tr>
<tr>
<td>Research and Standards Development</td>
<td>$1,875</td>
<td>6%</td>
<td>$1,702</td>
<td>6%</td>
<td>$1,552</td>
</tr>
<tr>
<td>Government Relations</td>
<td>$1,127</td>
<td>4%</td>
<td>$1,114</td>
<td>4%</td>
<td>$1,258</td>
</tr>
<tr>
<td>International</td>
<td>$1,245</td>
<td>4%</td>
<td>$1,504</td>
<td>5%</td>
<td>$1,339</td>
</tr>
<tr>
<td>Education and Professional Services</td>
<td>$12,531</td>
<td>41%</td>
<td>$11,507</td>
<td>40%</td>
<td>$10,278</td>
</tr>
<tr>
<td>Corporate</td>
<td>$2,845</td>
<td>9%</td>
<td>$2,562</td>
<td>9%</td>
<td>$2,445</td>
</tr>
<tr>
<td>Administration</td>
<td>$6,113</td>
<td>20%</td>
<td>$5,866</td>
<td>20%</td>
<td>$5,775</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$29,820</td>
<td>97%</td>
<td>$28,258</td>
<td>97%</td>
<td>$25,086</td>
</tr>
<tr>
<td><strong>Excess/(Deficiency) of Revenues</strong></td>
<td>$785</td>
<td>3%</td>
<td>$795</td>
<td>3%</td>
<td>$1,478</td>
</tr>
<tr>
<td><strong>Excess/(Deficiency) of PPS Revenues</strong></td>
<td>$155</td>
<td>1%</td>
<td>$847</td>
<td>3%</td>
<td>$1,966</td>
</tr>
</tbody>
</table>

Table Source: Author – figures extracted from CGAA’s Annual Reports - see Company Documents section of Bibliography

\textsuperscript{53} Students that choose to take their foundation studies at PSIs may still enroll as students within the CGAA PPS in order to obtain a valid CGA student number that often provides them with some advantage when hunting for jobs in the labour market. Therefore, student numbers can increase, but this is not necessarily an indication of how many students are actively taking courses in CGAA’s PPS.

\textsuperscript{54} The financial figures relate to CGA-Canada’s financial position and do not reflect the consolidated financial statements of the affiliate offices, who maintain separate regional financial statements.
The financial statements show that CGAA’s Student Revenues declined from forty-eight percent of revenue in the 2005-2006 fiscal year to just over forty-one percent of revenues in the 2009-2010 fiscal year. Education expenses rose from thirty-eight percent of revenue in the 2005-2006 fiscal year to forty-one percent in the 2009-2010 fiscal year, due to the costs of improving the online delivery of the program and the increasing costs of employing the subject matter experts who produce the material. Consequently, operating margins from education have dropped from ten percent of revenues in 2006 to just one percent in 2010.
Chapter 5: A Path to Sustainable Growth

5.1 External and Internal Environment Synopsis

Chapter 3 provided an understanding of the opportunities and threats existing within the external environment confronting all three regulatory bodies. Chapter 4 provided an overview of CGAA’s strengths and weaknesses. Based on those findings, the list below summarizes the events most likely to occur:

*External Environmental Opportunities and Threats*

- During the period of 2005 to 2009, PSIs across Canada saw enrollments in their business programs increase by fourteen percent from 165,306 to 189,201 annual enrollments (Statistics Canada, 2010) and all indicators suggest that continued growth is expected. Thus, the continued high demand for business studies will likely prevent PSIs from discontinuing their undergraduate business programs, which contain the foundation level content required by regulatory bodies. Therefore, regulatory bodies should be able to continue to rely on PSIs to offer courses to students that transfer into their certification programs.

- The small number of postgraduate programs offering accounting or finance education will likely have no impact on the market shares of the regulatory bodies. Even MBAs, (holding the postgraduate degree which appears to pose the greatest potential concern since they are likely to compete alongside accounting designation holders for similar positions) do not pose a credible threat to designated accountants. This is because the number of job postings requesting a CGA, CMA, CA or MBA is low in comparison to the number of job postings exclusively requesting a CGA, CMA, or CA. This is likely to
continue for any regulatory body that continues to provide the full breadth of cost and financial accounting, taxation, and assurance content in their programs, as these areas are not likely to be the focus of MBA programs.

- Niche foreign or domestic designations along with the various foreign accounting bodies are unlikely to have any impact on the incumbent regulatory bodies, with the exception of ACCA. While ACCA currently holds little prominence in Canada, this is likely to change since many factors support its inevitable entry as a serious competitor in the field of accounting within the Canadian marketplace, with or without receiving statutory status.

- Canada’s adoption of the international standards set by IFRS and IAS will likely diminish CICA’s standard setting role. However, its long history of standard setting in Canada and its likely strong hold on any accounting standards set for Canadian non-publicly accountable enterprises will likely prevent CGAA and SCMA from gaining any significant standard setting prominence in the near future. However, the continued movement to IFRS and IAS by other countries will likely allow the content taught by regulators to become more portable outside of Canada.

- The initiatives under AIT currently have a strong likelihood of aiding CGAA’s growth in the province of Ontario (this would also be true for SCMA).

- Increasing percentages of potential students from non-English or non-French backgrounds will likely increase the need for regulatory bodies to address the socio-cultural and language needs of these potential students in order to ensure they will succeed in their studies and within the workforce.

- Online learning technological advancements will allow regulatory bodies a greater ability to create value for their students through improved online education, although it will come at a cost.
Technological advances will continue to reduce the need for accountants to learn the mechanics behind a technical activity, and will increase the need for learning how to use technological tools in helping to plan, manage, measure, and evaluate finance and accounting related decisions.

Internal Environmental Strengths and Weaknesses

- CGAA’s students and prospective students will likely continue to appreciate the online mode of learning.
- CGAA’s students and prospective students will likely continue to appreciate the level of technical coverage contained in CGAA’s courses since it appears to be appreciated by the labour market.
- CGAA will likely continue to lose foundation level students to PSIs since the introduction of the degree requirement and its transfer credit policies with PSIs are unlikely to be reversed.

This list of likely events is extensive, but the positive or negative consequences associated with the events are not all equal. Confronted with limited resources, attention should be given to those issues, which, if not addressed, pose the greatest threats or lost opportunities. From CGAA’s perspective, four events require immediate attention: ACCA’s potential growth in Canada; technology’s ability to create a new competitive advantage for CGAA; increasing number of newcomers with socio-cultural and language challenges; and CGAA’s declining foundation level enrolments. These four events are addressed in the section that follows.

5.2 CGAA’s Future Direction

First, ACCA’s potential growth in Canada is an event that CGAA should begin to try to mitigate. Current combined indicators seem to suggest it is no longer a matter of ‘if ACCA will achieve growth in Canada’ but simply a matter of ‘when ACCA will achieve that growth’. The problem for regulators is that as ACCA gains prominence in Canada, it will reduce the market share of all
three incumbent regulatory bodies, as it competes for a share of the finite number of prospective students the market has to offer. In this scenario CGAA, which currently holds an MRA with ACCA, is likely to lose the greatest percentage of market share since the ACCA designation would become its closest Canadian substitute and the portability of the ACCA designation may become more desirable.

Second, CGAA should look to harness the power of technology to improve upon its PPS and its ability to attract more students intrigued by learning in an innovative environment supported by technology. Indeed, CGAA’s long-term use of technology in the deployment of its PPS provides it with an opportunity to continue building upon its online mode of delivery, but using increasingly more advanced technological innovations to improve the learning experience of its students and to support the acquisition of a wider range of technical and non-technical learning outcomes. No other regulatory body is currently providing a state-of-the-art online learning experience for students. So if done well, CGAA has an opportunity to gain a competitive advantage in this area of its operations. However, if CGAA does not take the lead in its use of technology, it runs the risk of leaving this opportunity to another one of the regulatory bodies, or to a new entrant like ACCA.

Third, CGAA must address the increasing number of newcomers with socio-cultural and language challenges, since leaving these challenges unaddressed could impede a newcomer’s education and career advancement and their ability to be powerful brand ambassadors for the CGAA designation. The reason this is a concern is because poor ambassadorship could ultimately lead to reduced labour market demand for the CGA designation, which in turn could lower the number of prospective students choosing CGAA. CGAA must be particularly vigilant in trying to avoid these negative repercussions, since its online learning model is attractive to mature students. Mature students are attracted to CGAA’s online learning environment since it
allows them to manage their study time against the competing responsibilities faced by adults.
Therefore, newcomers seeking a designation, who are often mature adults, will likely gravitate to
CGAA’s PPS, leading to a disproportionately large share of newcomers in the CGAA program.
This makes it important for CGAA to support newcomers in order to ensure their success and
mitigate the downside risks that could occur in the absence of any supports.

Finally, CGAA must address its declining foundation level enrolments. Based on the
continuous downward trends already reflected in CGAA’s historical financial statements, it is
reasonable to assume a similar pattern will persist in the future. For example, CGA-BC internal
statistical reports reflect that even though CGA-BC has received a slight lift in non-business
bachelor degree holders (the student segment most likely to take foundation level studies with
CGAA), twenty-five percent in 2001 to thirty-eight percent in 2010, it has lost a much greater
percentage share of prospective foundation level students in other areas of its student in-take.
The data reflects that in 2001 nineteen percent of admitted CGA-BC students were holding a
business bachelor’s degree; by 2010 this number rose to forty-seven percent, resulting in a
substantial drop in the number of students who need foundation level studies upon entry as these
students are likely to enter the PPS directly at the certification level. Moreover, the number of
students entering the program without a degree has dropped from fifty-six percent in 2001 to only
fifteen percent by 2010, reflecting the drop in the number of students who would have previously
taken their foundation studies with CGAA, but who are now turning to PSIs to obtain their
foundation level studies in conjunction with their degrees (see Appendix L for more details). If
these statistics hold true for the rest of the country, it is not surprising to see the continued drop in
CGAA’s revenue margins. Furthermore, it is not unreasonable to expect that the foundation level

55 Students holding non-business bachelor degrees will satisfy CGAA’s degree requirement. However,
these students are required to take a number of foundation level courses in order to fill the missing
accounting and finance subject areas not covered in their undergraduate degrees, prior to gaining
admittance into the certification level of CGAA’s program.
courses will continue to reflect a decline rather than make a sudden recovery, since the decline in enrolments is driven by a policy decision that is unlikely to be reversed i.e. the mandatory degree requirement.

The projected financials that follow is based on extrapolations made from CGAA’s publicly available historical financial statements (see Table 9):

Table 10: CGAA Projected Financial Figures

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(5000)</td>
<td>%</td>
<td>(5000)</td>
<td>%</td>
<td>(5000)</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>18,358</td>
<td>48%</td>
<td>17,642</td>
<td>48%</td>
<td>16,896</td>
</tr>
<tr>
<td>Student</td>
<td>15,620</td>
<td>41%</td>
<td>15,089</td>
<td>41%</td>
<td>14,574</td>
</tr>
<tr>
<td>International</td>
<td>709</td>
<td>2%</td>
<td>681</td>
<td>2%</td>
<td>653</td>
</tr>
<tr>
<td>Other</td>
<td>3,784</td>
<td>10%</td>
<td>3,636</td>
<td>10%</td>
<td>3,482</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>38,470</td>
<td>100%</td>
<td>37,048</td>
<td>100%</td>
<td>35,604</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Affairs</td>
<td>4,509</td>
<td>12%</td>
<td>4,421</td>
<td>12%</td>
<td>4,334</td>
</tr>
<tr>
<td>Research and Standards Dev.</td>
<td>2,070</td>
<td>5%</td>
<td>2,030</td>
<td>5%</td>
<td>1,990</td>
</tr>
<tr>
<td>Government Relations</td>
<td>1,244</td>
<td>3%</td>
<td>1,220</td>
<td>3%</td>
<td>1,196</td>
</tr>
<tr>
<td>International</td>
<td>1,375</td>
<td>4%</td>
<td>1,348</td>
<td>4%</td>
<td>1,321</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>19,758</td>
<td>51%</td>
<td>19,839</td>
<td>51%</td>
<td>19,632</td>
</tr>
<tr>
<td><strong>Excess/(Deficiency) of Revenues</strong></td>
<td>-376</td>
<td>-1%</td>
<td>-441</td>
<td>1%</td>
<td>-626</td>
</tr>
<tr>
<td><strong>Excess/(Deficiency) of PPS Revenues</strong></td>
<td>(4,137)</td>
<td>-11%</td>
<td>(2,804)</td>
<td>-8%</td>
<td>(2,058)</td>
</tr>
</tbody>
</table>

Table Source: Author – Based on 2009-2010 Annual Financial Statements with the assumptions found in the footnotes

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No insider information behind the estimates was available. Projections are based on making assumptions against the trends found in the publicly available annual reports so the reader is cautioned in the use of this financial projection in making important decisions. Note: The financial projections relate to CGA-Canada’s financial position and do not reflect the consolidated financial statements of the affiliate offices, who maintain separate regional financial statements.
Based on CGAA’s projected continued decline in education related revenues, the financials not only call into question CGAA’s ability to maintain a financially sustainable PPS, they also call into question CGAA’s ability to make the major enhancements that would be necessary to adequately address the key strengths, weaknesses, threats and opportunities presented by its internal and external environments.

5.3 Identifying CGAA’s Best Strategic Direction

To address the concerns above, there are two broad strategic directions CGAA could consider to help ensure the financial sustainability of its PPS and its ability to address the internal and external factors deemed crucial to its growth.

1. Discontinue the development and delivery of CGAA’s seventeen foundation level courses.

This cost-cutting measure would result in improved margins and allow CGAA to reallocate its resources to address the internal and external environmental factors requiring attention. CGAA would use the freed up resources to: invest in technological improvements for its program in an effort to create a state-of-the-art learning experience for its remaining certification level courses; and to improve the learning resources provided for newcomers to address the socio-cultural and language challenges they may face. In addition, the technological improvements would aid in improving a student’s acquisition of technical and non-technical competencies through online education. Together, these improvements would help CGAA attract more students and defend its position against a new entrant like ACCA. Additionally, CGAA would invest in aggressive branding initiatives that would continue to strengthen its presence and position in the Canadian marketplace in an attempt to further fortify itself against the force of a new entrant like ACCA –
see Appendix M for the estimated financial projections associated with this alternative.

2. **Continue the development and delivery of CGAA’s seventeen foundation level courses, but find new global customers for these products.**

This avenue presents a path that has become more realistic, since around the globe more and more countries are adopting IFRS – approximately 140 countries are moving towards or are actively employing IFRS (Deloitte IAS Plus, 2010). However, not all countries have the financial wherewithal or intellectual capital to develop and maintain accounting training and education programs on their own. CGAA would look to sell its IFRS and IAS courses directly to the governments of these countries or through the education channels within those countries rather than requiring the global users of their products to be actively enrolled ‘due paying’ CGAA students. The revenues obtained from simply selling the products abroad, with no attachment to developing students, would help supplement the continued development of all seventeen foundation level courses for the Canadian market. Countries like China, Morocco, and Korea provide good examples of initial target countries since they are not only IFRS users, but also on Canada’s top 10 list of source countries – refer to Appendix H, which would add the advantage of delivering accounting training to potential Canadian citizens. If this occurs, not only would all courses in CGAA’s PPS be financially sustainable, any excess revenues could be used to address the pressing internal and external environmental factors requiring attention in the same manner as suggested above – see Appendix N for the estimated financial projections associated with this alternative.

57 See Glossary for definition of IFRS and IAS.
58 CGAA’s IFRS and IAS courses would include: FA1, FA2, FA3, FA4, AT1, AU1, AU2, BC1 and BC2.
Both of these broad strategic directions have their advantages and risks. In the first suggestion, CGAA would benefit by preventing the continued downward trending of its marginal revenues, which CGA-Canada confirms is related to the continued development and delivery of its foundation level courses\(^{59}\). This would allow it to focus on its certification program, with the intention of creating an online learning experience that surpasses those delivered by its competitors. The main drawback with this direction is the unknown additional costs that may be incurred related to the new course enhancements and the unknown degree to which, removing CGAA’s open access diminishing competitive advantage afforded by its foundation courses, may in fact, affect the number of students enrolling at the certification level. In addition, CGAA’s certification level courses would become burdened with one hundred percent of the overhead costs now shouldered by both the certification and foundation level courses.

In the second suggestion, CGAA has an opportunity to improve the financial viability of its foundation level courses by selling them internationally. Since CGAA is already in the business of developing the foundation courses for its PPS, it has an opportunity to find new customers for its products in foreign markets, something its competitors are not in a position to undertake. The down side of this alternative is that it is highly risky. In his book *Strategy and Business Landscape*, Pankaj Ghemawat discusses the CAGE Distance Framework, which examines the numerous challenges facing businesses looking to gain customers in foreign countries. These challenges span four dimensions: cultural distance, administrative distance; geographic distance and economic distance (Ghemawat, 2010). Using this framework, the table below captures the challenges most likely to affect CGAA if it adopted this particular strategic direction:

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\(^{59}\) On April 21, 2011, discussions with CGA-Canada confirmed that the diminishing marginal revenues are related to dropping enrolments in CGAA’s foundation level courses.
The problem is that the distance that separates CGAA and a prospective country on any one of these dimensions greatly increases its risk of failure. This problem is compounded for CGAA, since the customers most likely to be attracted to its courses will reside in emerging economies, and therefore present not just one, but numerous CAGE distance challenges. Furthermore, the recent economic downturn in the global economy, which has affected the purchasing power of many countries, adds to the challenge of undertaking an initiative of this nature at this time. Even if CGAA can successfully navigate through the challenges of going global, it will still require a certain level of aggregated global demand to ensure the financial investments in marketing and customization required to take the courses global will be realized in positive rates of return.

Without a requisite level of demand, the costs associated with going global would only continue to draw down on its operating margins. Thus, rather than improve its financial position and afford CGAA the ability to address its domestic threats and opportunities, the global initiative

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60 CGAA is selling intellectual property and therefore, it is not impacted by many of the challenges faced by organizations trying to sell tangible products within a country, for example climate concerns, time-zone concerns and geographic landscape concerns.
would simply diminish CGAA’s competitive position even further at a time when CGAA must be focused on a more certain path of sustainability.

Therefore, CGAA’s divestment of its foundation level studies, the first option, offers the best broad strategic direction for its future. Unlike the global strategy, which is fraught with an array of ‘what ifs’ that could impair CGAA’s ability to meet with success, divesting the foundation level courses presents fewer risks and the better projected financial outcome for CGAA. In order to address the cost related concerns associated with this direction, CGAA would need to ensure that any financial investments related to making enhancements to its certification program and the lost contributions to its overhead expenditures are covered by an increased number of projected certification level enrolments. All things considered, the greatest barrier to accepting this direction will likely not be related to making a financial investment. It will be a psychological one. Since CGAA’s foundation level courses have long been a cherished component of its business model, divesting an area of its operations that was once core to its competitive advantage may be difficult for some to accept. Consequently, if a divesting strategy is adopted, CGAA will likely need to rely on strong, visionary leadership to help champion the new strategic direction.
Chapter 6: Divesting Foundation Level Studies

The divesting strategy presented in the previous chapter presents two reasonable alternatives to CGAA. CGAA could choose the route of its competitors and cease offering foundation level studies. However, this alternative may impose a hardship on the minority of students who are not able to commit to the face-time requirements of many PSIs. Conversely, in an attempt to support the select minority, CGAA may partner with an outside partner, most likely a PSI, in offering its foundation level courses online on behalf of CGAA. PSIs familiar with online delivery such as Athabasca University, Laurentian University, University of New Brunswick, Thompson Rivers University, Queen’s University, and Simon Fraser University would all make potential partners.

To evaluate which alternative is best, the paper will use evaluation criteria that, if attained, will achieve CGAA’s ultimate goals of protecting the public interest, increasing membership, and maintaining a financially solvent PPS. Because protection of the public interest is assumed to be accomplished primarily through CGAA’s governance of its members, the specific criteria will focus on the last two goals. The criteria are:

1. Increase employer satisfaction with CGAs (as measured by the number of employers calling for a CGA designation, and by the success of CGAs in obtaining senior financial positions).

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61 This minority is likely comprised of students who hold non-business degrees that, while accepted by CGAA, do not cover the required content in accounting and finance. Therefore the individual must still pick up their missing courses in these subject areas, either through CGAA or a PSI. Some of these students would choose CGAA.
2. Increase student satisfaction with the CGAA education and certification process (as measured by the number choosing to become CGAA students, and the number recommending the CGA designation to others.)

3. Increase net operating income from the education and certification programs (as measured by reductions in expenses, increases in revenues, or both.)

In Table 12 below, each of the two options for divesting the foundation program, as well as the status quo of keeping the program intact, are evaluated against these three criteria. Financial solvency is considered the most important goal and is given a fifty percent weight. The other two goals are equally weighted, at twenty-five percent each. The table shows the impacts (high, medium, low or none) that each option is predicted to have on each of the criteria. The greater the positive impact, the higher the score (impacts are valued as 0 for none, 1 for low, 3 for medium and 5 for high). The weighted total scores are calculated for each option in the last row:

Table 12: Alternative Criteria Assessment Summary

<table>
<thead>
<tr>
<th>Measurable Evaluation Criteria</th>
<th>Weightings</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase employer satisfaction with CGAAs (as measured by the number</td>
<td>25%</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>of employers calling for a CGAA designation, and by the success of CGAAs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in obtaining senior financial positions).</td>
<td></td>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>2. Increase student satisfaction with the CGAA education and certification</td>
<td>25%</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>process (as measured by the number choosing to become CGAA students,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and the number recommending the CGA to others.)</td>
<td></td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>3. Increase net operating income from the education and certification</td>
<td>50%</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>programs (as measured by reductions in expenses, or increases in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>revenues, or both.)</td>
<td></td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

| Weighted Score | 100% | 1 | 4.5 | 3.5 |

Table Source: Author
The table reflects that the status quo alternative returns the lowest expected value since it does nothing to actively address the issues CGAA is facing and by a narrow margin, the divesting without a partnership provides the best expected value.

Full divestiture with no partnership will likely give CGAA the greatest ability to improve student satisfaction. It provides CGGA with greater freedom to craft and market its certification program without being concerned about the constraints or limitations that would require consideration under a partnership arrangement. Furthermore, it helps CGAA avoid the risk of hold-up which is more likely to occur within partnership arrangements (for example, parties unwilling or unable to adhere to the partnership agreement once reliance is established and resources have been committed). CGAA would also be unable to prevent PSIs, which are provincially regulated, from entering agreements with competitor organizations. Any one of these outcomes, which reduce CGAA’s control over its program, could negatively affect student satisfaction levels. Of course, the reverse is also true. A solid partnership with the right PSI might offer greater benefits to CGAA over what it could achieve on its own, but this analysis takes the more conservative approach.

Divesting without a partnership will also reduce costs, but with a higher degree of cost savings expected. This is because CGAA would no longer have any resource commitments to its foundation studies, whereas the partnership alternative will likely require some level of continued financial investment. Therefore, fully divesting of the foundation level studies places CGAA in a stronger financial position to address the balance of critical factors it is facing in its internal and external environments.
The final criterion discussed, increasing employer satisfaction, is where partnering with a PSI is likely to be the best alternative. This is due to the fact that most PSIs will have a deeper pool of subject-matter expertise that can be leveraged in CGAA’s quest to expand upon the non-technical, socio-cultural, and language proficiencies of its domestically educated (and more importantly, foreign educated) students. That is, PSIs are in a stronger position to integrate these skills into any foundation level curriculum they develop, since they will likely have the in-house expertise. In addition, CGAA could also take advantage of their partners’ subject-matter expertise when incorporating these competencies into their certification courses.

Assuming a continued downward trend in the number of CGAA students apt to acquire their foundation level studies online, CGAA would be wise to fully divest of its foundation level courses without engaging in any partnership arrangements. Statistics taken from CGA-BC’s enrolments provide an example of the degree to which CGAA’s foundation level prospective students have diminished over the past 10-years, from eighty-one percent in 2001 to thirty-eight percent in 2010 (see Appendix L). However, if this downward trend has stopped, i.e. will remain at around thirty-eight percent into the future, then CGAA would be wise to consider a partnership arrangement. If well structured, a partnership would still allow CGAA to be in a financial position to deal with the larger strategic internal and external factors impacting its long-term growth. At the same time, a partnership would ensure that its small segment of adult learners who gravitate to online learning still have a path to obtain their foundation level studies online. In either case, CGAA would reallocate its resources recognized by lowering its commitment to its foundation level studies and use them to address the balance of external and internal environmental factors affecting its future.

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62 The rating provided to this criterion assumes that CGAA and its partner PSI can draw up an agreement where soft-skills acquisition is part-and parcel of the PSI’s online foundation courses.
Chapter 7: Recommendation

As a certifying regulatory body, true growth is not determined by the number of students a regulatory body may have, but in the number of students who become members. The intention of this paper was to provide CGAA with a recommended path that ensures that it keeps pace with its changing environment in order to secure its future growth. Having scanned its external and internal environments, CGAA’s greatest challenges to its future growth come from the following: the threat of new entrants like ACCA; the inability to meet the socio-cultural or language needs of a growing body of newcomers; and its diminishing foundation level course enrolments and associated revenues. The scan also revealed the opportunities technology can provide, not only in improving upon the acquisition of non-technical competencies, but also in creating a new compelling competitive advantage for CGAA through the development of a truly interactive multi-media learning experience. However, CGAA must have the financial resources at its disposal in order to address these threats and opportunities appropriately.

Based on the findings in this paper the recommended action plan to CGAA is as follows:

Foundation Level Courses

- Full divestiture of all foundation courses in order to release financial resources that can be used to improve upon the certification level of the program, and engage in more aggressive marketing initiatives (see below). The low number of students expected to desire obtaining their foundation level courses from CGAA into the future does not appear to justify the costs and risks associated with entering into a partnership arrangement with a PSI to provide this service, particularly since many more PSIs have already begun to offer their courses online.
Certification Level Courses

- Incorporate interactive multi-media learning technologies within the learning modules, including the incorporation of simulated ‘virtual’ business cases (while ensuring that the costs of such modifications are in line with projected enrolments).

- Incorporate socio-cultural learning outcomes within the learning modules that provide students with an opportunity to respond not only to the technical aspects of a case, but to the socio-cultural behaviours expected within the business circumstances presented.

- Institute a language proficiency test prior to admission into the CGAA program in order to proactively assess the language proficiency needs of incoming students.

- Engage in aggressive branding activities that highlight CGAA’s new competitive advantage as a way to build CGAA’s image and its brand equity and fend off new entrants like ACCA.

Overall, undertaking this suggested plan of action will place CGAA firmly on a path of long-term sustainable growth, while staying true to its overarching goals: to increase its membership by providing relevant and reliable services to its members, students and the business community that employs its students and members; to protect the public’s interest; and to remain financially solvent.
Closing remarks from the author:

This paper was intended to deliver an objective recommendation to CGAA. No disrespect to any designation, PSIs or any other source, resource, or entity, discussed was intended either intentionally or unintentionally, so if any offense was taken, kindly accept my apology.
Appendices
Appendix A – Historical PPS Highlights

The table below provides a summary of key historical events related to CGAA’s Program of Professional Studies:

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Innovative Moves in Education</th>
</tr>
</thead>
</table>
| 1908       | **Birth of the CGA designation**  
John Leslie, Assistant Comptroller of the Canadian Pacific Railway, and two fellow railway accountants, E.B. Manning and F.A. Cousins, form the Canadian Accountants' Association. John Leslie is the association's first president. The association organizes lectures for members and funds a professional library. |
| 1950s      | **Innovation education program**  
CGA-BC and the University of British Columbia's School of Commerce develop an innovative five-year extension program, available on campus or by correspondence. The program is later adopted in other jurisdictions and becomes a national curriculum standard. |
| 1987 – 1991| **Competency-based accounting education pioneered**  
A major revision of the education program, known as Program 90, is completed. Competency-based objectives, management emphasis and integration of ethics and information technology become hallmarks of the revised program. |
| 1998       | **Degree becomes a requirement**  
A national requirement is instituted for CGAs to obtain a bachelor's degree prior to certification. Partnerships are developed with universities to provide distance-learning options for degree completion and the certification level of the program is enhanced to include a new certification Capstone course – PA1: Professional Application. |
| 2004       | **Education program goes fully online**  
The CGA education program moves to a fully online distance learning model. CGA-Canada enhances its certification model. Laurentian University and CGA-Canada team up to offer online MBA program for CGAs. |
| 2006       | **Certification level enhanced**  
Certification level of the program is enhanced to include an additional Capstone course – PA2: Professional Application. |

Table Source: Adapted from CGA-Canada's History at a Glance Listing (CGA-Canada, 2011)
Appendix B – Summary of Recent Accounting Improprieties

The Accounting profession in North America experienced a number of accounting improprieties during the early part of the new millennium, which were the result of unethical and corporately socially irresponsible behaviours of both accounting professionals and business leaders. The table below provides a listing of some of the more significant improprieties:

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Year</th>
<th>Accounting Impropriety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enron</td>
<td>US</td>
<td>Dec-2001</td>
<td>Enron files for bankruptcy amid a flood of questionable accounting practices (Including using SPE's or special purpose entities to hide liabilities; and bank loans to create artificial revenues.)</td>
</tr>
<tr>
<td>Worldcom</td>
<td>US</td>
<td>Jul-2002</td>
<td>WorldCom files for bankruptcy: largest bankruptcy in US history. WorldCom overstated profits by up to $11 billion (<em>misclassifying</em> expenses as capital, booking reserves instead of write-offs.)</td>
</tr>
<tr>
<td>Various</td>
<td>US/Canada</td>
<td>2002</td>
<td>An estimated 2/3 of Fortune 500 have had a significant restatement of profits in 2001 or 2002.</td>
</tr>
<tr>
<td>Hollinger</td>
<td>US/Canada</td>
<td>Nov-2003</td>
<td>Hollinger International fires Conrad Black as CEO: unauthorized and unreported payments to Black (<em>non compete fees</em>) on transactions while company posted $200 million loss.</td>
</tr>
<tr>
<td>Nortel</td>
<td>Canada</td>
<td>May-2004</td>
<td>Cease trading order issued against Nortel insiders as a result of new revelations of accounting misstatements, termination of senior financial officers, and delays in disclosing restated financial results</td>
</tr>
</tbody>
</table>

Table Source: Extraction from a 2004 Browns Governance Report (Brown Governance Inc., 2004)
Appendix C – Standard Setting Members by Credentials

The table below reflects the number of different credentialed professionals involved in the standard setting process:

<table>
<thead>
<tr>
<th>Standard Setting and Oversight Boards</th>
<th>Total</th>
<th>CAs</th>
<th>CGAs</th>
<th>CMAs</th>
<th>MBAs</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Standards Oversight Board (ACSOC)</td>
<td>21</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Accounting Standards Board (ACSB)</td>
<td>10</td>
<td>8</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Public Sector Accounting Board (PSAB)</td>
<td>9</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Auditing and Assurance Standards Oversight Council (AASOC)</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Auditing and Assurance Standards Board (AASB)</td>
<td>13</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table Source: Author – extracted from 2009-2010 Accounting Standards Oversight Board Annual Report (CICA-Canada, 2010)
Appendix D – Sample Job Positions

SECTION A: REGULATED ACCOUNTANTS
The job postings that follow are extractions taken from the Working.com job board on February 25, 2011. The Search Criteria was ‘Accountant’ positions with a total returned value of 1,194 items. The job postings listed in the next three parts (PART 1, 2 and 3) were not predetermined, but rather selected randomly from the drop down lists that appeared, although preference was given to RobertHalf postings because of the structured and consistent format of their postings.

PART 1: Job Search Criteria: Accounting Positions (returned CGA, CMA or CA designates)

1. Controller

'Manufacturing' to $85k +

Another David Aplin exclusive! Our well known client has entrusted us with the recruitment for their newly created role of Controller. You have a Canadian accounting designation (CMA, CGA or CA) and the motivation and energy to succeed in this rapidly changing company. Ideally you will have 2 years of post designation experience in a similar role however candidates who have reached the Manager level in a firm will also be considered if they have worked with publicly listed manufacturing clients. Experience with manufacturing, implementation of an ERP System, and IFRS understanding would be definite advantages.

Reporting to the Director, Finance you will be responsible for monthly financial statements, financial forecasts and budgeting, and mentoring a team of 6 accountants performing costing, accounts payable, and accounts receivable functions. You will also manage the internal and external audit audits, CSOX, and tax compliance. An ERP implementation will be only one of many projects you will have the ability to be involved with.

Please submit your resume in confidence as quickly as possible to Diane Kerley CMA if you would like to be considered for this role.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34901793&viewType=main&networkView=main&offset=120
Retrieved: February 25, 2011

2. Cost Specialist

Post Date: 02/11/2011
Location: Rockland, ON
Assignment: Full-time
Pay Rate: $70000 to $75000 per year
Start Date: 04/26/2010
Industry: Manufacturing - Other
Job Order Number: 503-027465

Requirements:
Our client is looking for a Cost Accounting Expert to join its organization. The ideal candidate will hold a University Degree followed by designation as a Certified Management Accountant (CMA) and 6 or more years of cost accounting experience within a large manufacturing environment. The ideal candidate will have stellar communication, analytical and technology skills complemented by exemplary interpersonal skills and the ability to take excellent direction. Experience working within a large ERP is essential for consideration while fluent bilingual skills in communicating in both French and English is a definite asset. For more information and confidential consideration, contact Tracy Vorstandlechner at tracy.vorstandlechner@roberthalf.com, quoting the job reference - Cost Specialist (#503-027465) - in the subject line of your email, or call (613) 236-4253.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34789304&viewType=main&networkView=main&offset=260
Retrieved: February 25, 2011
PART 2: Job Search Criteria: Accounting Positions (returned CGA, CMA or CA students)

6. Accountant
Great Opportunity for Growth
Post Date: 02/09/2011
Location: Winnipeg, MB
Assignment: Full-time

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34388292&viewType=main&networkView=main&offset=100
Retrieved: February 25, 2011
**7. Accounts Payable Accountant Need For Mining Company (14 mth)**

Post Date: 02/21/2011  
Location: Vancouver, BC  
Assignment: Full-time  
Pay Rate: $45,000 to $50,000 per year  
Start Date: 02/28/2011  
Industry: Mining  
Job Order Number: 506-022808  

**Requirements:**

The ideal person for this role will have 3 or more years of full cycle accounts payable experience and be pursuing an accounting designation (CGA, CMA). In addition you have excellent attention to detail, are highly organized and are able to multitask effectively. You also possess great verbal and written communication skill and have the ability to follow through on tasks, seeing them to completion. Previous experience using an ERP system is preferred. If working in a busy yet fun environment sounds like the fit for you and you have the skills necessary, please contact Chris Moubert at chris.moubert@roberthalf.com Please be sure to quote reference number 506-022808 when responding to this fantastic opportunity.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34836892&viewType=main&networkView=main&offset=20  
Retrieved: February 25, 2011

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**8. Assistant Accounting Manager**

Post Date: 02/21/2011  
Location: Calgary, AB  
Assignment: Full-time  
Pay Rate: $55,000 to $70,000 per year  
Start Date: 02/07/2011  
Industry: Transportation - Other  
Job Order Number: 517-013654  

**Requirements:**

An Established Transportation Services Company is looking for an Assistant Accounting Manager. The successful candidate will be a designated or nearing designation Accountant with progressive experience and proven management experience. This position requires exceptional team building skills, as you will be supervising junior staff and working closely with both operations and managers in various areas.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34732744&viewType=main&networkView=main&offset=120  
Retrieved: February 25, 2011

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**9. Full Cycle Bookkeeper**

Post Date: 01/19/2011  
Location: Winnipeg, MB  
Assignment: Full-time  
Pay Rate: $32000.00 to $38000.00 per year  
Start Date: 02/01/2011  
Industry: Wholesale Distribution  
Job Order Number: 514-014524  

**Requirements:**

As the ideal candidate you will have five years of experience in a full cycle accounting role accompanied by completion of the early stages of an accounting designation (CGA/CMA). You must be reliable, organized, friendly, and be a great team player. You possess strong oral and written communication skills, the ability to multitask and prioritize effectively. Also, you will have experience working with ACCPAC. Please forward your resume in confidence to Daniel Lambert Dan.Lambert@roberthalf.com, quoting job order # 514-014524 in the subject line of your e-mail.

http://workingatlanticjobs.canada.com/careers/jobsearch/detail?jobId=34678784&viewType=main&networkView=main  
Retrieved: February 25, 2011
10. Senior Accountant
Post Date: 02/24/2011
Location: West Mississauga, ON
Assignment: Full-time
Pay Rate: $55000 to $60000 per year
Start Date: 03/28/2011
Industry: Insurance
Job Order Number: 501-033328
Requirements:
The ideal candidate must be enrolled in a designated program (CGA/CMA) and within 1 year of completing it coupled with either a college or university education. A minimum of 5 years experience in a finance department and advanced Excel skills are also mandatory. Exposure to FRx and Hyperion are assets. If you would like to be considered for this role, please email your resume to paula.cruickshank@roberthalf.com and quote Snr.Acct in the subject line. Only those candidates being considered will be contacted.

11. Senior Accountant
Post Date: 02/21/2011
Location: Vancouver, BC
Assignment: Full-time
Pay Rate: $50,000 to $60,000 per year
Start Date: 02/21/2011
Industry: Consulting/Engineering
Job Order Number: 506-022741
Requirements:
As the ideal person for this role you have 3 or more years of experience and are actively pursuing a CGA accounting designation. Experience in both public practice and industry will be considered a big asset. You have strong computer skills and are proficient with MS Excel at an advanced level. In addition you have exemplary time management capabilities as well as excellent written and verbal communications skills. This is a fantastic opportunity for somebody looking to move into a management position very quickly. If you enjoy working in a professional atmosphere and you have the skills required; please contact Chris Moubert at chris.moubert@roberthalf.com. Please be sure to quote reference number 506-022741 in all correspondence regarding this position.

PART 3: Job Search Criteria: Accounting Positions (returned non designated positions)

12. Accountant
Post Date: 01/10/2011
Location: Burnaby, BC
Assignment: Full-time
Pay Rate: $40,000 to $45,000 per year
Start Date: 03/15/2010
Job Order Number: 523-006043
Requirements:
The ideal Accountant will have accounting experience in the construction industry and experience using Timberline, Jonas or a comparable ERP system. If you are a motivated self-starter who shows initiative, is flexible and has excellent technical skills, please send your resume in Word Format to chris.kumar@roberthalf.com quoting job # 523-006043 in the Subject line.

13. Accounts Payable Coordinator
Post Date: 02/09/2011
Location: Oakville, ON
14. Accounts Receivable Clerk
Post Date: 02/24/2011
Location: Mississauga, ON
Assignment: Full-time
Pay Rate: $45000 to $55000 per year
Start Date: 02/14/2011
Industry: Non-Classified Establishments
Job Order Number: 501-033075
Requirements:
If you have three or more years' experience with collections, accounting knowledge and have a CCP Designation or enrolled in the CCP Programme, you may be just the person our client is looking for. Familiarity with Access, as well as advanced working knowledge of Microsoft Excel skills is mandatory. PeopleSoft Financials would be an asset. If you enjoy interacting with people and can provide excellent customer service, this may be an opportunity worth pursuing. Please email your resume to jane.janniere@roberthalf.com and quote File #501-033075.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=33810373&viewType=main&networkView=main&offset=160
Retrieved: February 25, 2011

15. Assistant Controller
Post Date: 02/21/2011
Location: Surrey, BC
Assignment: Full-time
Pay Rate: $70,000 to $75,000 per year
Start Date: 04/11/2011
Industry: Food Processing
Job Order Number: 515-011332
Requirements:
To qualify for this dynamic opportunity you will have a combination of education and experience, and will therefore be qualified by experience. Experience with an ERP system is essential. It is not required to hold a designation but you must be able to demonstrate some accounting education, preferably within a formal designation programme. This position is ideal for someone looking for a long term opportunity in a continually growing dynamic company. Please forward your resume to patricia.hazelwood@roberthalf.com

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=35123901&viewType=main&networkView=main&offset=160
Retrieved: February 25, 2011

16. Financial Analyst
Post Date: 02/24/2011
Location: Calgary, AB
Assignment: Full-time
Pay Rate: $90000 to $100000 per year
Start Date: 01/31/2011
Job Order Number: 500-030624
Requirements:
We are looking for a professional accountant who is also pursuing their CFA. The successful candidate will be the individual who recognize that they are working in a smaller firm and everyone pitches in. For immediate consideration for this challenging role, please forward your resume to murray.bandura@roberthalf.com and quote job number 500-030624 - Finance Manager.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=33033867&viewType=main&networkView=main&offset=200
### 17. Full Charge Bookkeeper
**QuickBooks Needed**
- **Post Date:** 02/21/2011
- **Location:** Langley, BC
- **Assignment:** Temporary
- **Pay Rate:** $19.00 to $20.00 per hour
- **Start Date:** 02/11/2011
- **Job Order Number:** 515-011291

**Requirements:**
Bookkeeper needed immediately! We are currently in need for a qualified Full Charge Bookkeeper to work with our client on a temporary assignment. Strong technical skills as well as an extensive history in bookkeeping or accounting are necessary traits to succeed in this dynamic role. The ideal candidate will have the ability to process full cycle accounting from matching, batching, coding, and posting, and have working knowledge of QuickBooks. If you are a self starter who is able to multitask effectively with strong communication, organizational and customer service skills, we want to hear from you.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=3493534&viewType=main&networkView=main&offset=

Retrieved: February 25, 2011

### 18. Intermediate Accountant
- **Post Date:** 02/17/2011
- **Location:** Burlington, ON
- **Assignment:** Full-time
- **Pay Rate:** $45,000 to $50,000 per year
- **Start Date:** 03/31/2011
- **Industry:** Transportation - Other
- **Job Order Number:** 507-014376

**Requirements:**
The ideal candidate for this role will have 2+ years of experience at an intermediate accounting level. You will have strong Excel skills, and excellent communication skills. Robert Half specializes in recruiting services for accounting & financial professionals on a full-time basis. If you meet the qualification for this position, please forward your resume to kerri.petrachek@roberthalf.com and quote file # 507-014376.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34971964&viewType=main&networkView=main&offset=180

Feb, 25, 2011

### 19. Senior Accountant
- **Post Date:** 02/24/2011
- **Location:** Calgary, AB
- **Assignment:** Full-time
- **Pay Rate:** $55,000 to $65,000 per year
- **Start Date:** 03/07/2011
- **Industry:** Manufacturing - Machinery
- **Job Order Number:** 500-030966

**Requirements:**
Our client, a downtown Service Company, requires a bright Senior Accountant. The ideal Senior Accountant will have experience in full cycle Accounting, exceptional Excel skills and a desire to succeed. The candidate must have extensive knowledge of Simply Accounting as well as worked as the sole accountant in a growing company. For immediate consideration for this Senior Accountant role, please contact Jennifer Jankowski at 403-237-9363 or via email at jennifer.jankowski@roberthalf.com.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=35032345&viewType=main&networkView=main&offset=20

Retrieved: February 25, 2011

### 20. Senior Accountant
- **Post Date:** 02/24/2011
- **Location:** Vancouver, BC
- **Assignment:** Full-time
- **Pay Rate:** $45,000 to $60,000 per year
- **Start Date:** 03/15/2011
- **Industry:** CA Firm - Other
- **Job Order Number:** 506-022821

**Requirements:**
The successful candidate should have previous experience working in public practice in the T1 and T3 area. Candidates...
pursuing their designation is an asset, but not mandatory for this role. This is an excellent opportunity for a motivated person to move into Management position. If you thrive in a small close knit dynamic environment, please contact Fideli Eng at fideli.eng@roberthalf.com or 604-688-7572 please be sure to quote job reference # 506-022821.

http://workingatlantic.working.com/careers/jobsearch/detail?categories=canwestcategoryaccountants&location=&jobId=34902864&viewType=main&networkView=main&offset=200
Retrieved: February 25, 2011

SECTION B: VARIOUS NON-REGULATED ACCOUNTANTS

The job postings that follow are extractions taken from the Working.com job board on February 27, 2011. The search criteria was either MBA, CPA, CISA, ACCA, and CIA as these positions were determined to most likely reflect overlaps with Canadian accounting designations, if any overlaps were present. The job postings chosen were not predetermined, but rather selected randomly from the drop down lists that appeared, although preference was given to RobertHalf postings because of the structured and consistent format of their postings.

PART 1: Job Search Criteria: MBA Job Postings

1. Manager, Business Development
   Post Date: 01/10/2011
   Location: Toronto, ON
   Assignment: Full-time
   Pay Rate: DOE
   Start Date: 01/04/2011
   Industry: Legal Services
   Job Order Number: 516-002892

   Requirements:
   To be considered, you possess a bachelors degree or MBA with experience in investment banking, capital markets or financial services combined with marketing or account management in a financial or legal services organization combined with a strong business acumen, excellent project management skills and the ability to delegate effectively. Excellent time management skills are required to be successful in this role. Advanced-level proficiency in the English language and fundamental proficiency in web-based research and Internet resources is also required. For immediate and confidential consideration, please e-mail your resume to michelle.yee@rhies.com citing job number 516-002892 in the subject line of your e-mail and indicate your salary expectations.

http://workingatlantic.working.com/careers/jobsearch/detail?searchType=resuts&networkView=main&kAndEntire=mba&location=&jobId=33536240&viewType=main&networkView=main&offset=
Retrieved: February 27, 2011

2. Manager of Global Cash Operations
   Post Date: 02/24/2011
   Location: Calgary, AB
   Assignment: Interim/Project
   Pay Rate: $65 to $75 per hour
   Industry: Oil & Gas Exploration and Production
   Job Order Number: 05000-9545092

   Requirements:
   Our client, a major oil and gas company based in downtown Calgary, is currently seeking a Manager of Global Cash Operations to join their team for a 9-month contract opportunity. The successful Manager of Global Cash Operations will be a designated professional (CA, CMA, CGA, CFA or MBA). This position will be responsible for overseeing the company’s cash requirements locally and internationally, in addition to supervising treasury staff in the company’s operations around the world. This is a nine-month contract position with a pay range between $65-75 per hour, commensurate upon experience.
### 3. Auditor - Internal

**Post Date:** 02/17/2011  
**Location:** Toronto, ON  
**Assignment:** Interim/Project  
**Pay Rate:** $35 to $40 per hour  
**Start Date:** 02/21/2011  
**Industry:** Retail - Other  
**Job Order Number:** 505-032535  
**Requirements:**

The ideal candidate for the Internal Auditor role would hold an accounting designation (CA, CGA, CMA, CPA - CIA or CISA is an asset) along with a minimum of 3 to 4 years experience in Internal Audit. Retail experience is an asset, and excellent verbal and written communication skills are critical as the Internal Auditor will be required to communicate with various levels of management. The candidate should have experience in process documentation, risk assessment, audit planning/execution and report writing. Please note if you are already registered with Robert Half Management Resources you need not respond to this add. If you have what it takes to succeed in this role, please email your resume with "Internal Auditor" in the subject line to: north.york@rhmr.com.

### 4. US Tax Professional

**Post Date:** 02/24/2011  
**Location:** Calgary, AB  
**Assignment:** Full-time  
**Pay Rate:** $125000 to $200000 per year  
**Start Date:** 02/21/2011  
**Industry:** Professional Services/Wealth Management  
**Job Order Number:** 500-030683  
**Requirements:**

Our client is searching for two US Tax Professionals who are confident, articulate, creative and committed to customized tax solutions for their clients. This dynamic and team focused practice will provide opportunities to apply you existing skills and add to them as well. In additional to tax planning, you will be responsible for reviewing the work of more junior staff and networking to develop business contacts and opportunities. Work with the best team in the business. Call Adam Nalepa at 403-237-9363 for immediate consideration or email adam.nalepa@roberthalf.com quoting reference number 500-030683.  
**Description:**

Are you passionate about tax? Our client, a boutique firm specializing in tax is seeking two US Tax professionals to provide leadership and support of their US Tax team. If you have 5+ years experience as a Tax Professional specializing in US Tax Compliance (Personal, Corporate, Partnership & Trusts) or 5+ years of management within a US Tax team performing estate planning this could be the right role for you. As a US Tax Professional, you are either a practicing Tax lawyer or possess a professional accounting designation preferably CPA, combined with being active in tax associations and have ideally written articles and lectured within the tax community. You are driven to succeed and thrive in an environment of like minded peers!
PART 3: Job Search Criteria: CISA Job Postings

5. IT Lead required for Risk & Compliance Team
Post Date: 02/24/2011
Location: Calgary, AB
Assignment: Full-time
Pay Rate: DOE
Start Date: 03/28/2011
Industry: Telecommunications
Job Order Number: 500-030942
Requirements: To qualify for this role you will be a designated CA, CGA, CMA or CPA Accountant complimented with a CISA or CIA designation. You will have five years post designation progressive experience; those with exposure to Oracle will be given preference. For immediate consideration of this exceptional opportunity please contact Coralie Alton-Werth at 403-237-9363 or by email at coralie.alton.werth@roberthalf.com. Please be sure to quote reference number 500-030942 in all correspondence. Robert Half Finance & Accounting would like to take this opportunity to express our gratitude to all applicants in advance however due to time restraints only those in consideration of this opportunity will be contacted. All applicants must have the current legal ability to work in Canada.

6. Senior Internal Auditor
Post Date: 02/24/2011
Location: Mississauga, ON
Assignment: Full-time
Pay Rate: $110000 to $120000 per year
Start Date: 03/01/2011
Industry: Medical Service
Job Order Number: 501-033174
Requirements: Success in this role calls for strong analytical skills and an advanced understanding of retail processes. The ideal candidate will have completed a University undergraduate degree with professional designation, Certified Systems Auditor (CISA) or Chartered Accountant (CA), Certified General Accountant (CGA), Certified Management Accountant (CMA). If you are interested in this opportunity, please contact me directly at tobias.liu@roberthalf.com and quote File #501-033174

PART 4: Job Search Criteria: ACCA Job Postings

7. Location: ON - ConCord
Salary: $65K to $75K per year
Updated: 02/14/2011
Entered: 02/10/2011

Our International client located in the GTA is looking for a Senior Financial Analyst/Senior Accountant with manufacturing or distribution experience to work on a long term contract.

Qualifications
• Manufacturing or Distribution experience
• ACCA or CA from Ireland is preferred.

Responsibilities
• Support local finance function with all routine financial functions,
• Accounts preparation,
• Assist with preparation for financial audit
• Detailed financial analysis on all business lines
• Inventory reconciliations and detailed review of all variances
• Balance sheet and control accounts reconciliation
• Detailed review of sales and margins by order
• Review of all variances
• Profitability analysis of various lines of business
• Cash flow forecasting
• Foreign currency reporting
• Support local operations teams with various projects
• Warranty analysis
• Ensure inventory movements are all recorded on timely basis
• Ensure all shipments are invoiced on timely basis

http://workingatlantic.working.com/careers/jobsearch/detail?searchType=results&networkView=main&kAndEntire=acca&location=&jobId=34730274&viewType=main&networkView=main&offset=
Retrieved: February 27, 2011

PART 5: Job Search Criteria: CIA Job Postings

<table>
<thead>
<tr>
<th>8. SOX Testing Analyst</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Date: 02/22/2011</td>
</tr>
<tr>
<td>Location: Vancouver, BC</td>
</tr>
<tr>
<td>Assignment: Interim/Project</td>
</tr>
<tr>
<td>Pay Rate: $35 to $40 per hour</td>
</tr>
<tr>
<td>Start Date: 03/07/2011</td>
</tr>
<tr>
<td>Job Order Number: 506-022858</td>
</tr>
</tbody>
</table>

Requirements:
You are a designated accountant (CA/CIA/CMA) with strong hands-on SOX/internal audit compliance experience. You have done SOX internal control testing and can perform gap analysis and walk-throughs. You have solid written and verbal communication skills, relevant audit experience, strong analytical skills, and are able to work independently. You are a quick learner with excellent interpersonal and time-management skills, and are a team player who is highly-motivated and detail-oriented.

http://workingatlantic.working.com/careers/jobsearch/detail?searchType=results&networkView=main&kAndEntire=cia&location=&jobId=35170710&viewType=main&networkView=main&offset=
Retrieved: February 27, 2011

<table>
<thead>
<tr>
<th>9. Senior Associate - Internal Audit</th>
</tr>
</thead>
</table>

Qualifications:
- Accounting designation (CA, CGA, CMA) an asset;
- CIA (Certified Internal Auditor) - attained, in-progress, or willingness to pursue shortly after commencing employment;
- Minimum 2-4 years experience in internal auditing / internal controls (SOX, NI 52-109);
- Related practical experience in the public sector and other related local industries (eg. Financial services, healthcare);
- Strong hands on experience with internal audit working practices (project planning, execution and reporting) and SOX / NI-52-109, including related documentation requirements / assessments (performing walkthroughs, testing)

http://workingatlantic.working.com/careers/jobsearch/detail?searchType=results&networkView=main&kAndEntire=cia&location=&jobId=35205278&viewType=main&networkView=main&offset=
Retrieved: February 27, 2011

SECTION C: REGULATED ACCOUNTANTS AND MBA JOB POSTINGS
The job postings found in the table that follows were pulled from Working.com on April 9, 2011. The positions reflect the job postings that requested either a MBA, CGA, CMA or CA designation.
### PART 1: Job Search Criteria: Accounting Positions (returned MBAs, CGAs, CMAs or CAs)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Location</th>
<th>Updated</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting &amp; Financial</td>
<td>Vancouver, BC</td>
<td>04/07/2011</td>
<td>anonymous</td>
</tr>
<tr>
<td>Financial / IT Systems Auditor</td>
<td>Guelph, ON</td>
<td>04/07/2011</td>
<td>Robert Half Management Resources</td>
</tr>
<tr>
<td>Financial Analyst</td>
<td>Mississauga, ON</td>
<td>04/07/2011</td>
<td>Robert Half Finance &amp; Accounting</td>
</tr>
<tr>
<td>Internal Controls Manager</td>
<td>Cambridge, ON</td>
<td>04/07/2011</td>
<td>Robert Half Finance &amp; Accounting</td>
</tr>
</tbody>
</table>

**Figure Source:** Working.com
Appendix E – 3Es Comparative

The overall 3E requirements, Education, Examination and Experience, for each specific designation are the same across the country. However, the CA education requirements differ slightly in Eastern than in Western Canada. The following table provides a summary of the education requirements of each regulatory body – two columns are used to describe the CA education requirements, one column for eastern Canada and one for western Canada\(^{63}\).

<table>
<thead>
<tr>
<th>Education</th>
<th>CGA (Accounting in Canada)</th>
<th>CMA (Accounting in Canada)</th>
<th>CA Western Canada (CICA-BC)</th>
<th>CA Eastern Canada (CICA-ON)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pre-certification Education</td>
<td>Courses covered in undergrad OR taken directly through CGA</td>
<td>Courses covered in undergrad OR taken through CMA’s Accelerated Program</td>
<td>Courses covered in undergrad</td>
<td>Courses covered in undergrad</td>
</tr>
<tr>
<td>2. Degree Required</td>
<td>Yes</td>
<td>Yes, but some exceptions</td>
<td>Yes, but some exceptions</td>
<td>Yes</td>
</tr>
<tr>
<td>Re or Post Certification Studies</td>
<td>Pre-Certification Studies (with some exceptions)</td>
<td>Pre-Certification Studies</td>
<td>Pre-Certification Studies</td>
<td></td>
</tr>
<tr>
<td>Certification Level Requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Certification Program Name</td>
<td>PACE Program</td>
<td>SLP-Strategic Leadership Program</td>
<td>CASB Program</td>
<td>SQA Program</td>
</tr>
<tr>
<td>4. Program Duration</td>
<td>48 wks</td>
<td>48 wks</td>
<td>40 wks</td>
<td>3 weeks (plus self-study time)</td>
</tr>
<tr>
<td>5. Program Design</td>
<td>4 courses</td>
<td>2 Focus areas: Development and Application</td>
<td>1 Business case</td>
<td>1 Boot camp</td>
</tr>
<tr>
<td>Total of 40 Modules</td>
<td>Total 6 Modules</td>
<td>Total of 6 Modules</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Delivery Mode</td>
<td>Online (in-class not mandatory)</td>
<td>Online &amp; in-class</td>
<td>Online &amp; in-class</td>
<td>Online &amp; in-class</td>
</tr>
<tr>
<td>Mandatory Face-time: NA</td>
<td>Mandatory Face-time: approx. 12 days</td>
<td>Mandatory Face-time: approx. 15 days</td>
<td>Mandatory Face-time: approx. 15 days</td>
<td></td>
</tr>
<tr>
<td>7. Assessments</td>
<td>4 courses containing multiple choice questions, online group discussions, case based scenario long and short essay responses</td>
<td>Series of written assignments</td>
<td>Business simulation in which cohorts of students play different roles throughout the simulation</td>
<td>Case studies, group work, presentations</td>
</tr>
</tbody>
</table>

Continued next page.

\(^{63}\) The CA path reflects differences in Quebec and some of the other Maritime Provinces, which are not explored in this paper.
Continued from previous page:

<table>
<thead>
<tr>
<th>8. Certification Competency Coverage</th>
<th>CGA (Accounting in Canada)</th>
<th>CMA (Accounting in Canada)</th>
<th>CA Western Canada (CICA-BC)</th>
<th>CA Eastern Canada (CICA-ON)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Skills</td>
<td>Functional Competencies</td>
<td>Technical Competencies</td>
<td>Functional Competencies</td>
<td>Technical Competencies</td>
</tr>
<tr>
<td>Professional Knowledge Competencies</td>
<td>1. Financial accounting and reporting</td>
<td>A. 8-Strategic Management</td>
<td></td>
<td>K. 8.9-Governance, strategy, and risk management</td>
</tr>
<tr>
<td></td>
<td>2. Management accounting</td>
<td>B. 5-Risk Management and Governance</td>
<td></td>
<td>L. 4-Finance</td>
</tr>
<tr>
<td></td>
<td>3. Assurance and other related services</td>
<td>C. 5-Performance Management</td>
<td></td>
<td>M. 7-Taxation</td>
</tr>
<tr>
<td></td>
<td>4. Finance and financial planning</td>
<td>D. 2.4-Performance Measurement</td>
<td></td>
<td>N. 3-Assurance</td>
</tr>
<tr>
<td></td>
<td>5. Business environment</td>
<td>E. 4-Financial Management</td>
<td></td>
<td>O. 1.5-Performance measurement and reporting</td>
</tr>
<tr>
<td></td>
<td>7. Taxation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Competencies</td>
<td>Enabling Competencies</td>
<td>Pervasive Competencies</td>
<td>Enabling Competencies</td>
<td>Pervasive Competencies</td>
</tr>
<tr>
<td>8. Strategic and organizational leadership</td>
<td>G. 14,15-Problem Solving and Decision Making</td>
<td>Q. 11, 12, 16-Ethical behaviour and professionalism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Organizational effectiveness</td>
<td>H. 8,19-Leadership and Group Dynamics</td>
<td>R. 13,19-Professional skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Individual and team leadership and development</td>
<td>I. 11,16-Professionalism and Ethical Behaviour</td>
<td>S. 18-Personal attributes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>J. 13-Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionalism Competencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Ethics and trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Stakeholder focus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Integrative approach</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Problem solving</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Professional development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Professional self-evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 9. Course Coverage Reconciliation: Mining Areas of Coverage Using CGA as Benchmark | No apparent outstanding competencies areas of coverage | 3, 6, 7 (technical) | 5, 6, 7, 8 (technical) | See Western Canada |

<table>
<thead>
<tr>
<th>10. Examinations</th>
<th>Written at the end of each course</th>
<th>Written prior to starting the SLP</th>
<th>Written over a 3 day period</th>
<th>Written prior to starting the SOA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MC Exam (4 hrs)</td>
<td>1 UFE Exam (13 hrs)</td>
<td></td>
<td>MC Entrance Exam (4 hrs)</td>
</tr>
<tr>
<td></td>
<td>Written prior to starting the SLP</td>
<td>1 SOA Exam (8 hrs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Case Based Exam Written Midway through the program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Group Board Presentation</td>
<td>1 UFE Exam (13 hrs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Presented at the end of the program</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. Minimum Months</th>
<th>36 months</th>
<th>24 months</th>
<th>36 months</th>
<th>36 months</th>
</tr>
</thead>
</table>

| 12. Articling Positions Allowable | Public or Private Accounting responsibilities (in any industry) | Public or Private Accounting responsibilities (in any industry) | Public or Private Accounting responsibilities (must be an Approved Training Office pre-authorized by the CICA.) | Public or Private Accounting responsibilities (must be an Approved Training Office pre-authorized by the CICA.) |

---

Table Source: Author - Education and Examination Extracted from (Accounting in Canada); (CICA-BC, n.d.); and (CICA-ON, 2011) and Practical Work Experience Extracted (CGA-Canada, 2009 Practical Experience); (CMA-BC, 2010 Practical Experience Requirements); and (CICA-BC, n.d. CA Practical Experience Requirements)
Appendix F – Sample Magazine Advertisements

The next three pages provide recent samples of CGAA, SCMA, and CICA advertisements all appearing in the same BC Business magazine:

**Sample: CGA Advertisement:** (BC Business, 2011)

![Image of CGA Advertisement](image-url)
I USE FINANCIAL DATA TO BUILD VIRTUAL WORLDS.

As a project consultant, Sheela uses strategic thinking and leadership skills to manage the financial planning of the various business and financial projects. She encourages her team to follow through with the projects, focusing on financial planning and decision making. When she was at university, Sheela excelled in her studies and didn’t want to be a regular consultant. So, she decided to go on further education. She later joined the CMA program. Now, two years later, Sheela is now hired by a major company. She can concentrate 100% of her time on focusing on her job.

Create Possibilities.

becomescma.com  CMA Certified Management Accountants™
CAs do so much more

Larry Van Hatten, FCA

Recently retired partner and BC Leadership Team member, Ernst & Young LLP.

Managing partner of Ellis Foster (prior to its merger with Ernst & Young) as it developed into one of Canada’s most successful mid-sized CA firms.

Respected advisor to the broker-dealer community.

Thrives on working with entrepreneurs to help them realize their financial goals.

Past chair and director, BC Children’s Hospital Foundation.

Volunteer and ex-player, Richmond Rugby Club.

2000 Community Service Award recipient, ICASI.

Enthusiastic golfer, skier and Harley rider.

Devoted husband, father, and papa.

Larry Van Hatten, FCA, one of BC’s 10,000 CAs.
Appendix G – Job Postings by Credentials

The table below provides a summary of the number of results returned for various credentials based on the information present in Working.com’s website as at February 26, 2011:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Designation</th>
<th>Number of Results Returned</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGA</td>
<td>Certified General Accountant</td>
<td>362</td>
<td>31%</td>
</tr>
<tr>
<td>CMA</td>
<td>Certified Management Accountants</td>
<td>351</td>
<td>30%</td>
</tr>
<tr>
<td>CA</td>
<td>Chartered Accountants</td>
<td>266\textsuperscript{64}</td>
<td>23%</td>
</tr>
<tr>
<td>MBA</td>
<td>Masters of Business Administration</td>
<td>79</td>
<td>7%</td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
<td>29</td>
<td>3%</td>
</tr>
<tr>
<td>CFA</td>
<td>Certified Financial Accountant</td>
<td>24</td>
<td>2%</td>
</tr>
<tr>
<td>CIA</td>
<td>Certified Internal Auditors</td>
<td>20</td>
<td>2%</td>
</tr>
<tr>
<td>CISA</td>
<td>Certified Information Systems Auditor</td>
<td>17</td>
<td>1%</td>
</tr>
<tr>
<td>CFP</td>
<td>Certified Financial Planner</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>CBV</td>
<td>Certified Business Valuator</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>ACCA</td>
<td>Association of Chartered Certified Accountants</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>CAFM</td>
<td>Certified Aboriginal Financial Manager</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>CPFA</td>
<td>Chartered Public Finance Accountant</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1155</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table Source: Author (Information to populate Table from Working.com, as at February 26, 2011).

\textsuperscript{64} The table reflects the number of times any designation’s title appeared within the job postings as at February 26, 2011. However the table’s intention of the table is not to provide the number of credential combination ‘results’ that were prevalent in the job postings, for example, how many times the combination “CGA or CMA may apply” occurred in the search board. The one exception is the number reflected for the ‘CA’ results. This is because it was not possible to pull accurate search results on the characters ‘CA’ on its own as this returned erroneous data, which included any, character combination of ‘ca’ including website addresses. Therefore, in order to derive the estimated ‘CA’ count, the search was conducted on a combined word search that included all three designations in the same search request i.e. “CGA, CMA, and CA”. This means it is probable that the CA count reflected is slightly higher than shown in the figure, though it is difficult to determine how much higher.
Appendix H – Immigration: Canada’s Top 10 Source Countries

The table below provides a summary of the top 10 source countries from which newcomers to Canada have originated over the past five years:

<table>
<thead>
<tr>
<th>Source country</th>
<th>English or French Speaking Country</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 China, People's Republic of</td>
<td>No</td>
<td>42,292</td>
<td>33,079</td>
<td>27,013</td>
<td>29,337</td>
<td>29,049</td>
</tr>
<tr>
<td>2 Philippines</td>
<td>No</td>
<td>17,525</td>
<td>17,718</td>
<td>19,066</td>
<td>23,726</td>
<td>27,277</td>
</tr>
<tr>
<td>3 India</td>
<td>No</td>
<td>33,142</td>
<td>30,750</td>
<td>26,049</td>
<td>24,548</td>
<td>26,122</td>
</tr>
<tr>
<td>4 United States</td>
<td>Yes</td>
<td>9,263</td>
<td>10,943</td>
<td>10,449</td>
<td>11,216</td>
<td>9,723</td>
</tr>
<tr>
<td>5 United Kingdom</td>
<td>Yes</td>
<td>5,864</td>
<td>6,541</td>
<td>8,129</td>
<td>9,243</td>
<td>9,566</td>
</tr>
<tr>
<td>6 France</td>
<td>Yes</td>
<td>5,430</td>
<td>4,915</td>
<td>5,526</td>
<td>6,384</td>
<td>7,300</td>
</tr>
<tr>
<td>7 Pakistan</td>
<td>No</td>
<td>13,575</td>
<td>12,329</td>
<td>9,545</td>
<td>8,052</td>
<td>6,214</td>
</tr>
<tr>
<td>8 Iran</td>
<td>No</td>
<td>5,502</td>
<td>7,073</td>
<td>6,663</td>
<td>6,010</td>
<td>6,065</td>
</tr>
<tr>
<td>9 Korea, Republic of</td>
<td>No</td>
<td>5,819</td>
<td>6,178</td>
<td>5,866</td>
<td>7,246</td>
<td>5,864</td>
</tr>
<tr>
<td>10 Morocco</td>
<td>No</td>
<td>2,692</td>
<td>3,109</td>
<td>3,789</td>
<td>3,906</td>
<td>5,222</td>
</tr>
<tr>
<td><strong>Total Immigration-Top 10 Source Countries</strong></td>
<td></td>
<td><strong>141,104</strong></td>
<td><strong>132,635</strong></td>
<td><strong>122,095</strong></td>
<td><strong>129,668</strong></td>
<td><strong>132,402</strong></td>
</tr>
<tr>
<td><strong>Total Immigration To Canada</strong></td>
<td></td>
<td><strong>262,241</strong></td>
<td><strong>251,642</strong></td>
<td><strong>236,754</strong></td>
<td><strong>247,247</strong></td>
<td><strong>252,179</strong></td>
</tr>
<tr>
<td>% of Immigration from Top 10 Source Countries</td>
<td></td>
<td>54%</td>
<td>53%</td>
<td>52%</td>
<td>52%</td>
<td>53%</td>
</tr>
<tr>
<td>% of Immigration from Non English or French Speaking Countries</td>
<td></td>
<td>46%</td>
<td>44%</td>
<td>41%</td>
<td>42%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Table Source: Adapted from Statistics Canada’s Facts and figures 2009 – Immigration overview: Permanent and temporary residents table (Citizenship and Immigration Canada, 2010)
Appendix I – Learning Styles

Studies have shown that cultural backgrounds can affect the choice of learning styles preferred. As an example, the table that follows contains summarized information on the learning preferences of individuals categorised by nine different languages across six different learning style preferences:

<table>
<thead>
<tr>
<th>Language</th>
<th>Visual</th>
<th>Auditory</th>
<th>Kinesthetic</th>
<th>Tactile</th>
<th>Group</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabic</td>
<td>13.75</td>
<td>14.06</td>
<td>15.00</td>
<td>14.53</td>
<td>11.51</td>
<td>12.84</td>
</tr>
<tr>
<td>Spanish</td>
<td>13.39</td>
<td>13.29</td>
<td>15.11</td>
<td>14.18</td>
<td>10.79</td>
<td>12.79</td>
</tr>
<tr>
<td>Japanese</td>
<td>12.52</td>
<td>12.67</td>
<td>13.29</td>
<td>13.32</td>
<td>10.35</td>
<td>12.05</td>
</tr>
<tr>
<td>Malay</td>
<td>12.84</td>
<td>13.14</td>
<td>14.33</td>
<td>13.94</td>
<td>12.75</td>
<td>11.65</td>
</tr>
<tr>
<td>Indonesian</td>
<td>13.41</td>
<td>13.28</td>
<td>13.90</td>
<td>13.47</td>
<td>11.15</td>
<td>13.07</td>
</tr>
<tr>
<td>English</td>
<td>12.12</td>
<td>13.82</td>
<td>13.64</td>
<td>12.69</td>
<td>10.08</td>
<td>13.13</td>
</tr>
</tbody>
</table>

Note: Preference means 13.50 and above = major learning style preference; means of 11.50–13.49 = minor learning style preference; means of 11.49 or less = negative learning style preference.

Table Source: The Learning Style Preferences of ESL Students (Reid, 1987)

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65 Study performed by Joy Reid accomplished instructor and author on the subject of instructing non-native English speakers (Good Reads, 2011).
Appendix J – Hoefstede Cultural Dimension Descriptive

The socio-cultural dimension work undertaken by Professor Geert Hoefstede delivers a tremendous body of knowledge around the cultural predispositions of individuals based on the following five factors: Power Distance Index (PDI); Individualism (IDV); Masculinity (MAS); Uncertainty Avoidance Index (UAI); and Long-Term Orientation (LTO) (see following page for a description of these dimensions):

The table that follows provides a listing of Hoefstede’s cultural dimension scores for the top 10 source countries identified in Appendix X. Scores closer to 100 indicate a high affinity with the dimension, the lower the score the lower the affinity.

<table>
<thead>
<tr>
<th>Country</th>
<th>Power Distance (PDI)</th>
<th>Individualism (IDV)</th>
<th>Masculinity (MAS)</th>
<th>Uncertainty Avoidance Index (UAI)</th>
<th>Long-Term Orientation (LTO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>Canada 39</td>
<td>80</td>
<td>52</td>
<td>48</td>
<td>23</td>
</tr>
<tr>
<td>1</td>
<td>China 80</td>
<td>20</td>
<td>66</td>
<td>30</td>
<td>118</td>
</tr>
<tr>
<td>2</td>
<td>France 68</td>
<td>71</td>
<td>43</td>
<td>86</td>
<td>Scores Available</td>
</tr>
<tr>
<td>3</td>
<td>India 77</td>
<td>48</td>
<td>56</td>
<td>40</td>
<td>61</td>
</tr>
<tr>
<td>4</td>
<td>Iran 58</td>
<td>41</td>
<td>43</td>
<td>59</td>
<td>Scores Available</td>
</tr>
<tr>
<td>5</td>
<td>Morocco 70</td>
<td>46</td>
<td>53</td>
<td>68</td>
<td>Scores Available</td>
</tr>
<tr>
<td>6</td>
<td>Pakistan 55</td>
<td>14</td>
<td>50</td>
<td>70</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Philippines 94</td>
<td>32</td>
<td>64</td>
<td>44</td>
<td>19</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom 35</td>
<td>89</td>
<td>66</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>9</td>
<td>United States 40</td>
<td>91</td>
<td>62</td>
<td>46</td>
<td>29</td>
</tr>
<tr>
<td>10</td>
<td>Korea Scores</td>
<td>Scores</td>
<td>Scores</td>
<td>Scores</td>
<td>Scores</td>
</tr>
</tbody>
</table>

Table Source: Augmented from Geert Hoefstede Cultural Dimension Scores (Itim International, 2009)
Continued from previous page:

An explanation of each of the cultural dimensions is provided in the summary that follows (Itim International, 2009):

<table>
<thead>
<tr>
<th>Power Distance (PDI)</th>
<th>Individualism (IDV)</th>
<th>Masculinity (MAS)</th>
<th>Uncertainty Avoidance Index (UAI)</th>
<th>Long-Term Orientation (LTO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance Index (PDI) that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society’s level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that ‘all societies are unequal, but some are more unequal than others’.</td>
<td>Individualism (IDV) on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word ‘collectivism’ in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.</td>
<td>Masculinity (MAS) versus its opposite, femininity, refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women’s values differ less among societies than men’s values; (b) men’s values from one country to another contain a dimension from very assertive and competitive to maximally different from women’s values on the one side, to modest and caring and similar to women’s values on the other. The assertive pole has been called ‘masculine’ and the modest, caring pole ‘feminine’. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men’s values and women’s values.</td>
<td>Uncertainty Avoidance Index (UAI) deals with a society’s tolerance for uncertainty and ambiguity; it ultimately refers to man’s search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; ‘there can only be one Truth and we have it’. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.</td>
<td>Long-Term Orientation (LTO) versus short-term orientation; this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars. It can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one’s ‘face’. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.</td>
</tr>
</tbody>
</table>
Appendix K – First Generation and Second Generation E-Learning

Empirical evidence suggests that traditional in-classroom learning provides greater opportunities to build the softer non-technical competencies, the skills that are becoming increasingly important to accountants. However, new evidence indicates that advancements in technologies and their use can now help educators successfully develop soft competency skills in their students using technology. The table that follows is taken from a recommendation paper written by Gareth Morgan and Jean Adams of York University to adult educators employing the use of online learning technologies:

![Table: A Summary of Key Differences Between First Generation and Second Generation E-Learning](image)


This table provides educators with guidelines on which online methods work for supporting the acquisition of purely technical competencies (First Generation) methods and which are best used for the acquisition of softer competencies (Second Generation) methods. Regulators can use this knowledge in thinking of ways to use Second Generation techniques to develop soft skill acquisition in their students.
Appendix L – Student In-take Comparative

The charts that follow provide an overview of CGA-BC’s student intake for 2001 and 2010, reflecting the decline in students requiring the foundation level studies, which is seen to be a result of the degree requirement introduced in 1998.

Figure Source: Author
Appendix M – Financial Projection: Divesting Initiative

The financial projections below reflect the estimated impact the divesting strategic direction would have on CGAA’s future financial position. The estimates are built upon the projections initially calculated in Table 10 with the assumption that the 2010-2011 will remain unchanged since this fiscal year is drawing to a close*

### Table 10: Forecasted Financial Statements - Divesting Initiative

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Students</strong></td>
<td>16,396</td>
<td>15,615</td>
<td>14,872</td>
<td>14,163</td>
<td>13,589</td>
</tr>
<tr>
<td><strong>Estimated Students</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation Levels 1-3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foundation Level 4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Certification Level</td>
<td>16,396</td>
<td>15,615</td>
<td>14,872</td>
<td>14,163</td>
<td>13,589</td>
</tr>
<tr>
<td><strong>Statement of Operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>($000)</strong></td>
<td>($000)</td>
<td>($000)</td>
<td>($000)</td>
<td>($000)</td>
<td>($000)</td>
</tr>
<tr>
<td><strong>Member</strong></td>
<td>$18,413</td>
<td>58%</td>
<td>$17,553</td>
<td>58%</td>
<td>$16,719</td>
</tr>
<tr>
<td><strong>Student</strong></td>
<td>$8,010</td>
<td>28%</td>
<td>$7,912</td>
<td>28%</td>
<td>$7,455</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td>$712</td>
<td>2%</td>
<td>$678</td>
<td>2%</td>
<td>$615</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$3,799</td>
<td>12%</td>
<td>$3,446</td>
<td>12%</td>
<td>$3,282</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$31,855</td>
<td>100%</td>
<td>$28,732</td>
<td>100%</td>
<td>$27,275</td>
</tr>
<tr>
<td><strong>Excess/(Deficiency) of Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>($000)</strong></td>
<td>$4,115</td>
<td>13%</td>
<td>$3,605</td>
<td>12%</td>
<td>$2,055</td>
</tr>
<tr>
<td><strong>Excess/(Deficiency) of PPS Revenues</strong></td>
<td>$259</td>
<td>1%</td>
<td>$466</td>
<td>2%</td>
<td>$471</td>
</tr>
</tbody>
</table>

*Excess/(Deficiency) of Revenues = Revenues - Expenses

Table Source: Author - built upon Table 10.

Assumptions:

- Increase in annual PACE level student intake up 5% each year as opposed to the expected 3% annual growth rate; however decrease in Levels 1-4 student course and student dues revenues down 100% (no longer offering Levels 1-4 in-house, all students would have to attend a PSI for their foundation level studies).

---

The projections are less concerned with determining the realistic start date for the strategic initiative, though the 2011-2012 optimistic year has been used, and more concerned with reflecting the financial impacts of the implementation of this strategy. Note: The financial projections relate to CGA-Canada’s financial position and do not reflect the consolidated financial statements of the affiliate offices, who maintain separate regional financial statements.

Assumptions are author’s best estimates based on personal knowledge, discussions with CGA-Canada, and scanning various information contained on the world-wide-web.

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80
• Decrease in development costs down by approx. 80% (instead of producing 21 courses, CGAA would concentrate on the development of 4 certification courses); however, increase in costs associated with investing in PACE level courses up 50% to pay higher wages plus an additional 20% over base development costs to incorporate ‘cutting-edge’ technologies that outpace the current modes of learning, which will make the CGAA’s certification experience the desired path to a designation and help prevent the loss of students who may gravitate away from the CGAA path once the open access is removed; and improve upon soft-skill acquisition methodologies to address socio-cultural learning styles and predispositions to ensure the intended learning outcomes (noting that the high revision, low revision course development cycles impact the revenue generation cyclically).

• Increase in branding & promotion costs up 10% in 2011-2012, then reducing by 2% each year to undertake various lobbying initiatives to ensure CGAA’s interests are secure in the face of AIT and PCFARQ government initiatives and to rebrand the CGA curriculum promoting the benefits of its technologically advanced delivery. The building of strong brand equity should help entrench CGAA in the minds of designation seekers as the superior choice, against its competitors and potential new entrants.
Appendix N – Financial Projection: Global Initiative

The financial projections below reflect the estimated impact the global strategic direction would have on CGAA’s future financial position. The estimates are built upon the projections initially calculated in Table 10 with the assumption that the 2010-2011 will remain unchanged since this fiscal year is drawing to a close\(^68\).

<table>
<thead>
<tr>
<th>CGAA</th>
<th>Forecasted Financial Statements - Global Strategy</th>
<th>For the five year period ending 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Students: Foundation Levels 1-3</td>
<td>10,902 33% 2011</td>
</tr>
<tr>
<td></td>
<td>Estimated Students: Foundation Level 4</td>
<td>6,607 20% 2011</td>
</tr>
<tr>
<td></td>
<td>Estimated Students: Certification Level</td>
<td>15,528 47% 2011</td>
</tr>
</tbody>
</table>

\(^68\) The projections are less concerned with determining the realistic start date for the strategic initiative, though the 2011-2012 optimistic year has been used, and more concerned with reflecting the financial impacts of the implementation of this strategy. Note: The financial projections relate to CGA-Canada’s financial position and do not reflect the consolidated financial statements of the affiliate offices, who maintain separate regional financial statements.

Assumptions\(^69\):

- No increase expected in the Canadian market over and above the expected 3% annual growth; however, increase in annual student retention i.e. Level 1-4 students taking courses with CGA from 90% to 95%.
- Increase in education revenue at $500.00 (CDN) per IFRS course package sold to a global customer – it is anticipated that a discounted price would be given since these customers are likely residing in emerging economies. The reduced pricing is a CSR

\(^69\) Assumptions are author’s best estimates based on personal knowledge, discussions with CGA-Canada, and scanning various information contained on the world-wide-web.

Table Source: Author - built upon Table 10.
approach to pricing; as a side benefit, discounted pricing may provide CGAA with many new strategic opportunities within the emerging markets. Expected unit sales would be 5,000 in 2011-2012 with growth of approx. 20% each year thereafter.

- Increase in course development costs up 30% since it is expected that customized adjustments will need to be made to the education product depending on the needs of the global customers in addition to trying to improve upon the Level 1 – PACE courses for domestic students.

- Increase in branding & promotion costs up 12% in 2011-2012, then reducing by 2% each year within the domestic market. In addition, approx. 30% of each IFRS pkg. sold would go to branding and promotion related activities.
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