

BECAUSE
EXCELLENCE
MATTERS
ANNUAL REPORT
2010 • 2011

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EXCELLENCE
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ANNUAL REPORT
2010 • 2011

HELPING OUR MEMBERS
ACHIEVE EXCELLENCE

MISSION • • • VISION

Vision statement of Canada's CAs

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

CA profession value statement

Chartered Accountants are valued for their integrity and expertise.

Statement of purpose of the Ordre des comptables agréés du Québec

Our purpose, as established by Quebec's *Professional Code*, consists in ensuring the protection of the public.

Mission statement of the Ordre des comptables agréés du Québec

Our mission is to help our members achieve excellence, with the primary objective being the protection of the public.



Monsieur Jean-Marc Fournier, avocat
Ministre de la Justice, ministre responsable
de l'application des lois professionnelles
Ministère de la Justice
Édifice Louis-Philippe Pigeon
1200, route de l'Église, 9^e étage
Québec (Québec) G1V 4M1

Monsieur le Ministre,

J'ai l'honneur de vous présenter deux exemplaires du rapport annuel de l'Ordre des comptables agréés du Québec pour l'exercice clos le 31 mars 2011.

Veuillez agréer, Monsieur le Ministre, l'expression de mes sentiments distingués.

Le président et chef de la direction et secrétaire,

Daniel McMahon, FCA
Le 26 août 2011



Office des professions du Québec
800, Place d'Youville
10^e étage
Québec (Québec) G1R 5Z3

Mesdames, Messieurs,

J'ai l'honneur de vous présenter 50 exemplaires du rapport annuel de l'Ordre des comptables agréés du Québec pour l'exercice clos le 31 mars 2011.

Veuillez agréer, Mesdames, Messieurs, mes salutations distinguées.

Le président et chef de la direction et secrétaire,

Daniel McMahon, FCA
Le 26 août 2011



Monsieur Jacques Chagnon
Président de l'Assemblée nationale
Cabinet du Président de l'Assemblée nationale
Hôtel du Parlement
1045, rue des Parlementaires
1^{er} étage, bureau 1.30
Québec (Québec) G1A 1A4

Monsieur le Président,

J'ai l'honneur de vous présenter le rapport annuel de l'Ordre des comptables agréés du Québec pour l'exercice clos le 31 mars 2011.

Veuillez agréer, Monsieur le Président, l'expression de ma considération respectueuse.

La ministre responsable de l'application des lois professionnelles,

Jean-Marc Fournier, avocat
Québec, août 2011

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A WORD FROM THE CHAIR OF THE ORDRE AND THE PRESIDENT AND CEO

• • ● BECAUSE EXCELLENCE MATTERS

The 2010–2011 year was a challenging one for chartered accountants, mostly due to the significant changes in standard setting. But it was also a year of celebrations, as the Ordre marked its 130th anniversary and the Quebec City CA Group commemorated 75 years of achievements during the *Capital Actif* event. The following is a recap of a year in which the profession's tradition of excellence was upheld.

Alain Côté, FCA, ICD.D

Daniel McMahon, FCA



PROTECTION OF THE PUBLIC

Ethics matter

The area of ethics underwent a number of major changes in 2010-2011. Rule 204 on independence of the Canadian Harmonized Rules of Professional Conduct came into effect for Ordre members on December 9, 2010 by a dynamic reference included in the *Code of Ethics of Chartered Accountants of Quebec*. With this reference, Quebec CAs can now apply all the independence rules the same way as chartered accountants in the rest of Canada.

The harmonization of the independence rule also addresses the rotation of audit partners of reporting issuers. The requirement related to the rotation of the engagement partner and the engagement quality control reviewer has changed from rotation after five years followed by a five-year "time-out" period to seven and five years respectively.

Since its purpose is to protect the public, in the coming year the Ordre will continue to be involved in the discussions on harmonizing the Canadian Rules of Professional Conduct and international ethics standards. We are therefore pursuing our work with the CICA and the other provincial CA institutes to monitor the international development of the profession and to ensure that our members maintain their status as business leaders.

Harmonizing professional inspection

In order to maintain its leadership status, the CA profession must continue to clearly demonstrate that it is synonymous with excellence and high standards. The Canadian Practice Inspection Program Working Group, comprised of the heads of practice inspection of six provincial institutes/

Ordre, therefore prepared guiding principles and recommendations to harmonize professional inspection systems nationwide. The new inspection report comes into effect in 2011-2012.

Public accountancy

Since the coming into force in 2009 of amendments to the *Chartered Accountants Act* and the *Professional Code*, the Ordre des CGA and the Ordre des CMA respectively adopted in December 2009 and June 2010 the regulations needed to issue public accountancy permits. Following the adoption of these regulations, we entered into discussions with our professional counterparts, with the primary objective of protecting the public and preserving the existing high level of public practice criteria. As regards inspection, discipline and illegal practice, not only is it important for requirements to be similar from one accounting body to the next, but they should also be applied in a similar manner. In this way, all members of the three accounting bodies who are authorized to practice public accountancy do so in the same practice conditions, and the public continues to be well protected.

The Ordre's Board of Directors adopted the regulation respecting the use of the CA auditor designation in September 2010.

A record year for continuing education

Accounting professionals were kept very busy this year with the transition to International Financial Reporting Standards (IFRSs), Canadian Auditing Standards (CASs) and Accounting Standards for Private Enterprises (ASPEs). The record number of registrations for the Ordre's continuing education activities testifies to members' unsparing efforts to remain current.

To meet growing member needs, we proposed an extended training calendar, which will be available in the summer of 2011. The Ordre expanded its course offerings by publishing a second training activities catalogue in March 2011 to help members achieve excellence and transition to the new standards.

Collaborating with the professional world

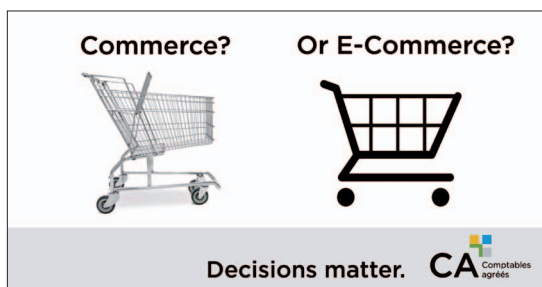
The Ordre enhanced its visibility beyond the profession by developing close ties with various organizations, including the Quebec Inter-professional Council (QIC). The Ordre is a member of the QIC's Strategic Planning Committee and ad hoc Insurance Committee. The Ordre's President and CEO serves on the QIC Executive Committee and we also take part in the QIC forums for Ordre general directorates, syndics, training, communications, professional inspection and disciplinary council secretaries.

The Ordre continued its involvement with the task force on the protection of vulnerable persons in matters of financial crime, under the aegis of the Autorité des marchés financiers.

CA DESIGNATION

A profession in the spotlight

The Ordre helped position the CA designation as the leading business designation, keeping it in the spotlight throughout 2010-2011. Launched in 2008, the “Decisions Matter” promotional campaign kicked into high gear with a new series of ads aimed at shifting the traditional perception of the CA designation and promoting CAs as business leaders. This nationwide advertising campaign has been a resounding success.



CAs in the news!

The profession was also featured in advertorials throughout the year. In January, *La Presse* and *The Globe and Mail* published special sections presenting candidates who passed the UFE and introducing committed and dynamic future CAs.

Les Affaires webinars

The Ordre partnered with Groupe *Les Affaires* to present free thematic webinars to equip business people for the transition to the new Accounting Standards for Private Enterprises. Given the excellent participation rate, these webinars clearly responded to a need during this major shift in standards.

THE NEXT GENERATION



An exciting profession, an influx of new members!

The number of members and candidates for the practice of the profession broke the 20,000 mark in 2011, a true sign of the profession's vitality. Many initiatives were deployed to enhance the profession's visibility and attract new members. In the fall of 2010, the Ordre launched “CAs: Everybody wants one”—its new promotional campaign targeting young people. This dynamic and spirited campaign is popular with young people and focuses on the high market demand for CA competencies.

Our promotional efforts have paid off—611 Quebec candidates passed the 2010 Uniform Evaluation (UFE), one of the most challenging examinations in the world.

Best of all, Quebec boasts six CA candidates on the UFE Honour Roll of the Canadian Institute of Chartered Accountants, including **Ryan Abrams**, from McGill University, who was awarded the Chartered Accountants of Canada Gold Medal for achieving the highest standing on the UFE in

Quebec. Our top candidates were honoured during the Permit Presentation ceremony in February at the Palais des Congrès de Montréal. This exciting event featured a different format in 2011, with a Welcome Reception for new members instead of the traditional *Gala de la réussite*. The record turnout of close to 1,000 guests who came out to pay tribute to the determination of these new CAs made this event an overwhelming success.



Clockwise from top: **Ryan Abrams**, McGill University, Ernst & Young, Montreal • Recipient of the Chartered Accountants of Canada Gold Medal and a cash prize of \$2,500 for the highest standing in Quebec on the 2010 UFE • **Tatiana Averbuch**, John Molson School of Business (Concordia University), Ernst & Young, Montreal • **Valérie Hébert**, Université du Québec en Abitibi-Témiscamingue, Raymond Chabot Grant Thornton, Rouyn-Noranda • **Simon Jacques Perreault**, HEC Montréal, Levy Pilotte, Montreal • **Stephanie Donahue**, Université de Sherbrooke, Raymond Chabot Grant Thornton, Sherbrooke • **Hugo Castonguay**, Université Laval, Mallette, Quebec City

Expanding the experience requirement to non-assurance services

We are continuing to work with the Office des professions on finalizing the adoption of regulations to expand the experience requirement to non-assurance areas. Since the demand is so high, the Board of Directors recently established a structure for approving new CA training offices (CATOs). The following employers are accredited organizations:

- Leviton Manufacturing of Canada
- Industrial Alliance
- Jean Gauthier, CA
- Deloitte Enterprise Risk Services
- Deloitte Taxation
- PricewaterhouseCoopers Tax

A number of other companies and organizations are in the process of becoming accredited as CATOs and eagerly awaiting the chance to recruit talented future CAs!

MEMBER RELATIONS

The Ordre on tour

As is tradition, the Chair of the Ordre, **Alain Côté, FCA, ICD.D**, toured the Quebec regions during his last year in office with Ordre President and CEO, **Daniel McMahon, FCA**. The meetings held during the tour led to fruitful discussions on issues raised by members in industry, education, government and public practice. Not surprisingly, the focus was on the scope of requirements related to the new standards, the future of the profession and practicing in a small firm.

Capital Actif event



In September, Quebec CAs gathered in Quebec City to attend the *Capital Actif* event at the Fairmont Le Château Frontenac. A host of activities were on the agenda, including the Ordre's Annual General Meeting. The *Capital Actif* event provided an opportunity to mark the 75th anniversary of the Quebec City Region CA Group and the Ordre's 130 years of excellence. In addition to meeting with colleagues from across the province, members were able to attend **Marc Laliberté's** first presentation as VIA Rail President and CEO, a roundtable discussion featuring distinguished panellists, as well as an elegant banquet honouring the winners of the *QIC Award of Merit*, the *Recognition Awards* and 2010 *Outstanding Achievement Award* recipient **Laurent Beaudoin, FCA**.

The Ordre presented its *Recognition Awards* to exceptional members who have enhanced the profession's visibility in their area of activity through their noteworthy achievements and remarkable

dedication. For the first time in Ordre history, the *Recognition Award – Meritorious Service to the Ordre* was presented to recognize the dedication, commitment and outstanding contribution to the profession of a member who was actively involved in committees or task forces as a volunteer for many years.

Congratulations to the 2010 *Recognition Award* winners!

Recognition Award – Teaching

François Brouard, CA, Associate Professor
Sprott School of Business, Carleton University

Recognition Award – Young CA Leader

Yanick Gervais, CA, CEO
La Fernandière

Recognition Award – Public Sector

Marc Ouellet, CA, Assistant Auditor General
Office of the Auditor General of Quebec

Recognition Award – Meritorious Service to the Ordre

Raymond Godbout, CA, Partner
Lemieux Nolet
Diane Lanciault-Fortier, CA, Associate Partner
Deloitte

Claude Gauvin, FCA, Consulting Partner at Raymond Chabot Grant Thornton, was presented with the first *QIC Award of Merit* bestowed on an Ordre member in recognition of his contribution to the advancement of the profession.

To honour our members' growing number of outstanding achievements, the *Recognition Award – CA in business* and the *Recognition Award – CA in public practice* will debut in 2011-2012. These distinctions will highlight the exemplary contribution of CAs who, thanks to their financial expertise, leadership and strategic thinking, have achieved results so significant that they deserve to be recognized outside the business or firm for which they work.

In addition, 13 members received the coveted title of Fellow in recognition of their exceptional contribution to the profession and the community. The reputation for excellence that CAs enjoy was built over the years thanks to the great qualities of these men and women.

Lastly, the Ordre bestowed its most prestigious distinction, the 2011 *Outstanding Achievement Award*, on **Denis Desautels, FCA**, an extraordinary architect of the profession. The *Outstanding Achievement Award* is the profession's highest honour and recognizes FCAs of great merit for their exceptional contribution.

Regional groups

Once again this year, the Ordre benefited from the valuable assistance provided by the 10 regional groups across Quebec. These groups serve as links between the Ordre's members, the various vice-presidencies and the Board of Directors, organize many events and support initiatives that contribute to the profession's visibility in the regions. This collaboration is unique and effective.

The regional groups also honour members whose professional careers have been an inspiration to others. Congratulations to all the winners!



First row from the left: **Stephen Rosenhek, FCA**, Stephen Rosenhek Chartered Accountant • **Manon Durivage, CA**, Vice-Chair of the Ordre • **Denis Desautels, FCA**, Laurentian Bank Chairman • **Renée Gallant, FCA**, Founding Partner, Gallant & Associés • **Robert Boisjoli, FCA**, President, Atwater Financial Group • **André Bannon, FCA**, Managing Partner, Quebec Centre Region, Deloitte • **Pierre Alary, FCA**, Senior Vice-President and CFO, Bombardier Inc. • **Daniel McMahon, FCA**, President and CEO, Ordre des comptables agréés du Québec • *Second row from the left:* **André Lepage, FCA, CA-IFA**, Senior Partner, Navigant Consulting LJ Inc. • **Louis Marcotte, FCA**, Vice-President, Finance and Treasury, Intact Financial Corporation • **Richard Gagnon, FCA**, Assistant Comptroller of Finance and Director General of Public Accounts, Comptroller of Finance of Quebec • **Raymond Laurin, FCA**, Senior Vice-President, Finance and Treasury and CFO, Desjardins Group • **Theodore Greenfield, FCA**, Consultant, Fuller Landau • **Albert De Luca, FCA**, Partner, Taxation, Deloitte • **Alain Bédard, FCA**, Chairman, President, CEO and Interim CFO, TransForce Inc. • **Benoît La Salle, FCA**, President and CEO, SEMAFO Inc.

Eastern Townships CA Group

- *Isabelle-Boisvenu Award:* **Mélissa Lachance, CA**, Raymond Chabot Grant Thornton

Montérégie CA Group

- *CA Émérite*, next generation category: **Christine Béchard, CA**, Brodeur et Létourneau
- *CA Émérite*, next generation category: **Dany Gagnon, CA**, KPMG
- *CA Émérite*, profession category: **Patrick Beaudoin, CA**, Carter Énergie Éolienne
- *CA Émérite*, profession category: **Martin Bernier, CA**, PricewaterhouseCoopers
- *CA Émérite*, community category: **Mario Boivin, CA**, Lehoux Boivin

Outaouais CA Group

- *CA Émérite:* **Jean-Claude Desnoyers, CA**, JC Desnoyers et Associé Inc.
- *CA Émergence:* **Rémi Lupien, CA**, Commission scolaire des Portages-de-l'Outaouais

Website

As you read these lines, you will have discovered the Ordre's brand new website. We worked hard to provide this new site focused on the needs of members and the general public. We hope that its many features will meet your expectations. This massive undertaking was achieved through exceptional teamwork by Ordre employees who were involved in each phase of the project.

The *Inf@CA* newsletter has also been sporting a new look since the summer. Now more concise and streamlined, the new *Inf@CA•News*, published on an alternating basis with *Inf@CA•Activities*, features profession-related news and events.

Commercial products and services

To offer the best possible rates to Ordre members, two new agreements were entered into in 2010-2011 with Porter Airlines and the Mont Tremblant Ski Resort, business partners recognized for their integrity, professionalism and expertise.

PUBLIC AFFAIRS

The Ordre continued to make representations to government. At the invitation of the Public Finance Committee, the Ordre submitted a brief in September 2010 on Bill 107, *An Act respecting the Agence du revenu du Québec*. In its brief, the Ordre endorsed the creation of the Agence du revenu du Québec and we are pleased that most of our recommendations were accepted.

Prebudget consultations

The Ordre also presented the Quebec Government with concrete solutions to prepare for the 2011-2012 budget. The Ordre favours measures in the following three areas: increased revenues; reduced spending and optimized programs; and a major review of the provisions of Quebec's *Taxation Act* respecting personal income tax.

CA-Parlementaires

For the fifth straight year, the Ordre held the CA-Parlementaires conference on Quebec's Parliament Hill in October 2010. Over 100 CAs working mostly in the public sector attended this event to connect with representatives of the provincial government and discuss government issues that affect the profession. The closing cocktail reception held at the National Assembly's Le Parlementaire restaurant drew a record number of participants and elected officials.

GOVERNANCE

Using sound management practices, the Ordre revised its governance policy. The Board of Directors decided to review the number of directors and the mapping of the Ordre's electoral districts in view of reducing the Board's size. The number which was prescribed by the *Professional Code* when it was adopted in 1973 no longer reflects current sound governance practices. The draft regulation is currently under review by the Office des professions.

The Ordre's Board of Directors also strengthened the role of the Regional Groups Committee.

In addition, two new committees were established on March 31, 2010: the Committee for CAs Working in Internal Auditing, and a new Audit Committee, resulting from the merger of the Finance Committee and the former Audit Committee.

INTERNATIONAL MOBILITY

To open international doors to our members and welcome foreign public accountants to Quebec, the Ordre has signed mutual recognition agreements with accounting bodies in Zimbabwe and India. The agreement with the Institute of Chartered Accountants in Australia was also renewed. We are pursuing our efforts to work out an agreement with the Compagnie Nationale des Commissaires aux Comptes of France. This initiative is not expected to yield results for several months yet.

On a similar note, the Ordre is proud to represent the CICA within the Fédération internationale des experts-comptables francophones (FIDEF) since May 2010.

Lastly, public accountancy remains an important issue now that Quebec's requirements respecting the right

to practice public accountancy and maintenance of that right are comparable to those in Ontario.

It should be noted that supervision of the practice of public accountancy is not the same across Canada. This led to discussions on the *Agreement on Internal Trade*, in which the Ordre collaborated with the Quebec Government.

CONTINUING THE TRADITION

The year 2010-2011 was marked by important milestones and changes in standards. Always responsive to its members, the Ordre provided them with the tools they needed to navigate through this intense transition period.

Next year promises to be equally challenging. The Ordre is at work ensuring that the CA designation remains the leading business designation. The profession has shined as a symbol of excellence for over 130 years, and will continue to demonstrate its vitality. We are committed to remaining the reference source for CAs, the public and the next generation.

We would like to extend special thanks to all the Ordre's staff and volunteers for their dedication and exceptional work that benefit the profession as a whole.



Alain Côté, FCA, ICD.D
Chair of the Ordre



Daniel McMahon, FCA
President and CEO

MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE



From left to right: **Hélène Racine, CA, ASC** • **Yves Dugré, M.D.[†]** • **Daniel McMahon, FCA**, President, CEO and Secretary • **Serge Mallette, CA** • **Manon Durivage, CA**, Vice-Chair of the Ordre • **Alain Côté, FCA, ICD.D**, Chair of the Ordre

[†] July 29, 2011

BOARD OF DIRECTORS

Alain Côté, FCA, ICD.D (2010-10-01) – Chair of the Ordre
elected by a general vote of the members • Montreal region

Manon Durivage, CA (2010-09-30) – Vice-Chair of the Ordre •
Montreal region

Yves Dugré, M.D.*† (2010-09-30)

Serge Mallette, CA (2010-09-30) • Montreal region

Hélène Racine, CA, ASC (2009-09-13) • Montreal region

Daniel McMahon, FCA – President, CEO and Secretary

Grégoire Arseneault, CA, CA•IT (2010-09-30) • North-Eastern region

Michel Bergeron, CA (2009-09-13) • Montreal region

Martine Clément, CA (2010-09-30) • Montreal region

Frank Di Tomaso, FCA, ICD.D (2010-09-30) • Montreal region

Alain Dugal, CA (2010-09-30) • Montreal region

André Dugal, CA (2010-09-30) • Montreal region

Mirenda Fillion, M.Sc., CA (2010-09-30) • North-Western region

Luc Forcier, CA (2010-09-30) • Trois-Rivières region

Lucie Gervais, CA (2009-09-13) • Quebec City region

Charles Jacobs, CA (2010-09-30) • Montreal region

Jean Laflamme, CA (2009-09-13) • Montreal region

Lise Lambert, ASC* (2010-09-30)

Jean-Paul Lauly, CA (2010-09-30) • Montreal region

Jacques Lefebvre, ASC* (2009-09-13)

Jean Legault, CA (2009-09-13) • Montreal region

Isabelle Lemay, CA (2010-09-30) • Saguenay–Lac-Saint-Jean region

Suzanne Maisonneuve-Benoit* (2009-09-13)

Denis Majeau, CA (2010-09-30) • Quebec City region

Gilles Malette, CA (2009-09-13) • Montreal region

Manon Roy, CA, CA•IFA (2010-09-30) • Quebec City region

Denis Savard, CA (2009-09-13) • Montreal region

Robert St-Aubin, FCA (2009-09-13) • Montreal region

Alain Tremblay, CA, CA•IT (2009-09-13) • Outaouais region

Jean-Yves Trottier, CA (2009-09-13) • Eastern Townships region

* Representative of the public appointed by the Office des professions du Québec

† July 29, 2011

The members of the Executive Committee held nine statutory meetings and three extraordinary meetings during the year. The Board of Directors held six statutory meetings and three extraordinary meetings.

The Annual General Meeting was held on September 30, 2010.

The 2010-2011 Annual Report will be presented at the next Annual General Meeting to be held on September 29, 2011.

RESOLUTIONS

The main resolutions adopted by the Board of Directors concerned the following:

- appointment of scrutineers for the elections;
- designation of the candidate for Chair of the Ordre for 2011-2012;
- appointment of members and chairs of certain Ordre statutory committees;
- appointment of inspectors/investigators;
- delegation of certain powers to the Executive Committee;
- approval of the Ordre's professional evaluation (2010 UFE) and of the results;
- adoption of the English and French versions of the *Regulation to amend the Code of Ethics of Chartered Accountants of Quebec* so that it may be submitted to the Office des professions and the government for final adoption in accordance with the rules set out in the *Professional Code*;
- proposal submitted to the Office des professions regarding the following: **proceed** with the creation of a regulation respecting the categories of permits issued by the Ordre des comptables agréés du Québec to establish the auditor permit category, **reserve** the practice of the professional activities set out in paragraphs (1) and (2) of section 19 of the *Chartered Accountants Act* (assurance) for chartered accountants who hold an auditor permit, **establish** by regulation the conditions for obtaining and maintaining the permits (CA permit and auditor permit), **provide for** transitional measures to preserve the rights acquired by certain members and candidates for the practice of the profession (CPPs), and beginning in the summer of 2010, **proceed** with the accreditation of employers in non-assurance areas in order to allow CPPs who so wish to complete their training period in areas outside of public accountancy;
- adoption of a policy respecting the Ordre's governance, which resulted in the repeal of sections 2 to 24, 36, and 38 to 40 of the *Regulation respecting the business of the board of directors, the executive committee and general meetings of the Ordre des comptables agréés du Québec* (1991);
- adoption of the proposal to reduce the number of elected directors to 12 and the number of electoral districts to seven, so that the Board of Directors is composed of 17 members, including 16 directors (12 elected directors and four directors appointed by the Office des professions to represent the public), and one Chair, and to **take** the necessary steps to amend the Ordre's regulations respecting elections and the division of the territory of Quebec into regions for election purposes;
- adoption of the English and French versions of the *Regulation to amend the Regulation respecting the standards for equivalence of diplomas for the issue of a permit by the Ordre des comptables agréés du Québec*, so that they may be submitted to the Office des professions for review and final adoption;
- adoption of the English and French versions of the *Regulation to amend the Regulation respecting the standards for equivalence of training for the issue of a permit by the Ordre des comptables agréés du Québec* so that they may be submitted to the Office des professions for review and final adoption;
- recommendation, subject to member approval at the Annual General Meeting on September 30, 2010, of the following annual fee increase effective for 2011-2012: a \$15 increase for resident members; a \$5 increase for non-resident members, retired members and for other members who pay a reduced fee; and \$0 for the CICA service fees;
- approval of the amendment to the June 11, 2009 resolution to change the doctoral member category for annual fee purposes as follows: that members pursuing full-time studies to obtain a doctorate in a business-related field qualify for a fee exemption equal to 100% of the total annual fee effective April 1, 2011;
- adoption of the English and French versions of the *Regulation respecting legal authorizations to practice as a chartered accountant outside Quebec that give access to the permit issued by the Ordre des comptables agréés du Québec* and the *Regulation respecting the issuance of special permits of the Ordre des comptables agréés du Québec* so that they may be submitted to the Office des professions for review and approval for implementation on the same date;
- approval of the amendment to the Canadian requirements of the independence rule related to rotation of the engagement partner and the engagement quality control reviewer from rotation after five years followed by a five-year "time-out" period to seven and five years respectively, subject to confirmation by the Auditing and Assurance Standards Oversight Council that the approval procedure was duly respected;
- approval of the new English and French versions of the *Regulation respecting the terms of use of the auditor designation* so that they may be submitted for public consultation and review by the Office des professions and the government;
- adoption of the *Regulation respecting general meetings of the Ordre des comptables agréés du Québec* and the *Regulation respecting elections to and representation on the board of directors of the Ordre des comptables agréés du Québec* so that they may be submitted to the Office des professions for final adoption; and

- adoption of the *Code of Conduct respecting elections to the board of directors* and of amendments to the policy respecting the Ordre's governance in view of having sections 5, 6 and 7 of the *Chartered Accountants Act* repealed as soon as possible.

The main resolutions adopted by the Executive Committee concerned the following:

- appointment of Ordre representatives to the Quebec Interprofessional Council;
- authorization to lodge complaints for the illegal practice of public accountancy and unauthorized use of the chartered accountant designation;
- authorization to apply for a search warrant;
- imposition of measures in accordance with sections 45 and 55.1 of the *Professional Code*;
- imposition of measures or conditions on certain members prior to reinstatement on the Roll of the Ordre;
- imposition of refresher training periods or other measures on the recommendation of the Professional Inspection Committee;
- approval of training offices on the recommendation of the Professional Inspection Committee;
- striking off members from the Roll of the Ordre who failed to pay their annual fees or comply with the *Regulation respecting professional liability insurance for members of the Ordre des comptables agréés du Québec*;
- Removal of members from the Roll of the Ordre who failed to complete the formalities for entry on the Roll (pursuant to section 46(5) of the *Professional Code*);
- appointment of CA•IFAs;
- approval of conditions and measures regarding members who fail to comply with the *Regulation respecting mandatory continuing education for Quebec chartered accountants*;
- appointment of an alternate secretary to the Disciplinary Council, the Council for the Arbitration of Accounts and the Review Committee;
- approval of the results of the 2010 UFE review process;
- renewal of reciprocity agreements with organizations similar to the Ordre; and
- authorization granted to the President and CEO and Secretary General of the Ordre des comptables agréés du Québec to sign a mutual recognition agreement of professional qualifications (MRA) on behalf of the Ordre.

ADVISORY BOARD OF PAST PRESIDENTS

Jean-Pierre Allaire, FCA
 Michel Thérout, FCA
 Claude Gauvin, FCA
 Lucette Poliquin, FCA, ICD.D
 Pierre Brochu, FCA
 Michel Beauséjour, FCA
 Jean-Pierre Dubeau, FCA
 Réal Sureau, FCA
 Richard Quevillon, FCA

Monique Forget-Leroux, FCA
 Michel Bélanger, FCA
 Alain Paris, FCA
 Jacques Levesque, FCA
 Marc Paradis, FCA
 G. André Harel, FCA
 Gilles Chevalier, FCA
 Guy D'Orsonnens, FCA
 Roland Truchon, FCA

Paul Noiseux, FCA
 J. Alistair Duff, FCA
 Raymond Morcel, FCA
 Phillip P. Aspinall, FCA
 Boris G. Levine, FCA
 Charles Pelletier, FCA
 François J. Bastien, FCA

ROLL OF THE ORDRE

During the year, 529 candidates for the practice of the profession were admitted as members of the Ordre after meeting all the conditions giving access to the CA permit.

Since March 31, 2010, there has been a net increase of 319 members, bringing the numbers on the Roll of the Ordre to 18,061 at the end of the year. Of these members, 1,244 are registered as retired.

Basic membership fees for all Quebec CAs were \$1,040. This amount includes \$450 in service charges remitted to the CICA. The fees, payable on April 1, 2010, could also be paid in two equal instalments on April 1, 2010 and June 1, 2010, for an additional administrative fee of \$10. Some members were entitled to a reduced fee. Thus, retired members paid \$215 and the fee for professors or lecturers was \$520. Members who

are doctoral students were exempt from paying the membership fee. A \$22.95 levy collected on behalf of the Office des professions du Québec was added to the annual fees.

APPLICATIONS FOR A CA PERMIT

	Received	Accepted	Denied	No decision as at year-end
Based on a diploma requirement determined pursuant to paragraph 1 of section 184 of the <i>Professional Code</i>	518	518	0	0
Based on the recognition of the equivalence of diplomas issued by educational institutions outside Quebec	11	11	0	0
Based on the recognition of training equivalence	2	2	0	0
Based on a legal authorization to practice the profession	8	5	3	0

APPLICATIONS FOR TEMPORARY, RESTRICTIVE, TEMPORARY RESTRICTIVE OR SPECIAL PERMITS				
	Received	Accepted	Denied	No decision as at year-end
Temporary permits – Section 37 of the <i>Charter of the French Language</i>	14	11	3	0
Temporary permits – Section 41 of the <i>Professional Code</i>	0	0	0	0
Temporary restrictive permits – Section 42.1(1) of the <i>Professional Code</i>	0	0	0	0
Temporary restrictive permits – Section 42.1(2) of the <i>Professional Code</i>	0	0	0	0
Special permits – Section 42.2 of the <i>Professional Code</i>	N/A	N/A	N/A	N/A
Restrictive permits – Section 40 of the <i>Charter of the French Language</i>	0	0	0	0

CA PERMITS ISSUED IN 2009-2010		537
CA PERMITS ISSUED IN 2010-2011 (BY CATEGORY)		536
Regular permits	525	
Temporary permits	10	
Temporary permits by affiliation	1	
Restrictive permits	0	
Special authorizations granted	0	
Special authorizations extended	0	

PERMITS REVOKED OR SUSPENDED IN 2009-2010			1
PERMITS REVOKED OR SUSPENDED IN 2010-2011			1
	Suspended	Revoked	
Regular permits	0	1	
Regular permits by reciprocity	0	0	
Regular permits by affiliation	0	0	
Temporary permits	0	0	
Temporary permits by affiliation	0	0	
Restrictive permits	0	0	

MEMBERS HOLDING A CA PERMIT AS AT MARCH 31, 2010		17,742
ADDITIONS TO THE ROLL IN 2010-2011		569
By examination, under section 1 of the <i>Regulation respecting the terms and conditions for the issue of a permit by the Ordre des comptables agréés du Québec</i>	529	
By reinstatement	33	
By affiliation from another province under section 21 of the <i>Chartered Accountants Act</i>	5	
By reciprocity with another country under section 22 of the <i>Chartered Accountants Act</i>	2	
With limitation of the right to engage in professional activities	0	
With suspension of the right to engage in professional activities	0	
REMOVAL FROM THE ROLL IN 2010-2011		250
Deceased	58	
Resigned	159	
Struck off for non-payment of annual fees	16	
Struck off for non-compliance with the <i>Regulation respecting mandatory continuing education for Quebec chartered accountants</i>	4	
Struck off for non-compliance with the <i>Regulation respecting professional liability insurance for members of the Ordre des comptables agréés du Québec</i>	4	
Struck off pursuant to a decision of the Disciplinary Council	6	
Removed pursuant to a decision of the Executive Committee	3	
Expiry of temporary permit	0	
Expiry of restrictive permit	0	
Total membership as at March 31, 2011		18,061
MEMBERSHIP DISTRIBUTION BY ELECTORAL REGION		18,061
Abitibi-Témiscamingue	203	
Eastern Townships	842	
Montreal	11,474	
North Eastern	359	
Outaouais	267	
Quebec City	2,373	
Saguenay-Lac-Saint-Jean	339	
Trois-Rivières	506	
Canada, outside Quebec	1,020	
Outside Canada	678	
MEMBERSHIP DISTRIBUTION ACCORDING TO GENDER		18,061
Women	6,982	
Men	11,079	

ROLL OF CANDIDATES FOR THE PRACTICE OF THE PROFESSION (CPPs)		
Candidates registered as at March 31, 2010		1 930
ADDITIONS TO THE CANDIDATE ROLL		654
University path – Recognized undergraduate diploma	605	
Diploma/training equivalence – Quebec	24	
Diploma/training equivalence – Outside Quebec	12	
Diploma/training equivalence – Outside Canada	7	
Reciprocity agreement (CARE examination)	6	
Mutual recognition agreement – France	0	
Reinstatement	0	
Pursuant to a decision of the Executive Committee	0	
REMOVAL FROM THE CANDIDATE ROLL		646
Expiry of deadline to complete the CA career path (examinations, training period) or incomplete file	11	
Transfer to another province	7	
Resigned, deceased, non-payment of annual fees or decision of the Executive Committee	97	
Obtained CA designation	531	
• Recognized undergraduate diploma	485	
• Diploma/training equivalence – Quebec	24	
• Diploma/training equivalence – Outside Quebec	5	
• Diploma/training equivalence – Outside Canada	15	
• Reciprocity agreement (CARE examination)	2	
• Mutual recognition agreement – France	0	
CANDIDATES REGISTERED AS AT MARCH 31, 2011		1 938

AUDIT COMMITTEE

Gilles Malette, CA
Chair



The Audit Committee is composed only of Board members appointed by the Board of Directors who are independent of management and of the Executive Committee. Its secretary, however, is the Ordre's Chief Operating Officer and Vice-President, Administration.

The Committee assists the Board in fulfilling its oversight responsibilities in respect of financial reporting, risk management and control, external audit activities and procedures applied by the Ordre to ensure compliance with applicable laws and regulations.

On August 26, 2010, the Finance Committee merged with the Audit Committee. The new Audit Committee held four meetings between August 26, 2010 and June 9, 2011, the date on which the Board of Directors approved the financial statements. Audit Committee members held in camera sessions and also met with the external auditors without management being present.

During these meetings, the Committee:

- reviewed the Ordre's financial statements, including the significant accounting policies and estimates, and recommended their approval by the Board of Directors;
- approved the 2011-2012 budget directions, recommended an increase in annual fees, analyzed the 2011-2012 detailed budget and recommended its approval by the Board of Directors;
- ensured that the external auditors were independent and objective, for example by pre-approving the mandates entrusted to them and their fees;
- reviewed a number of Ordre activities, in particular risk management and control activities;
- oversaw the process put in place to ensure compliance with laws and regulations; and

- monitored the developments and budget of the website redesign.

It should also be noted that the Finance Committee had analyzed and recommended a \$1.6-million contribution to the pension plan to reduce the Ordre's exposure to risk. The contribution was made in 2010.

Finally, the Audit Committee recommended that the Board of Directors reappoint the external auditors. This choice will be submitted to the membership for approval at the next Annual General Meeting.

Gilles Malette, CA
Chair

Committee members

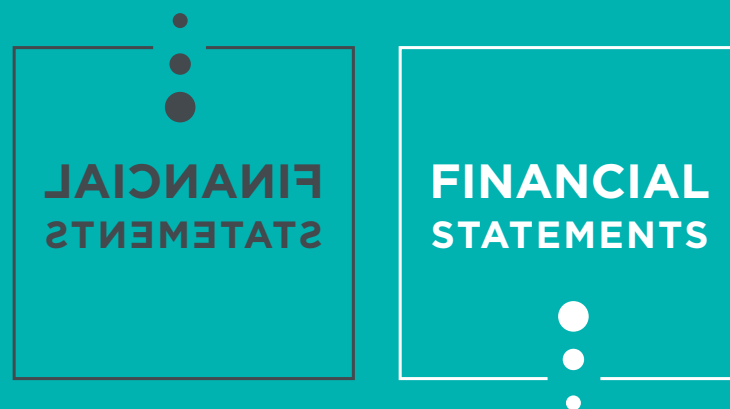
Michel Bergeron, CA
Manon Durivage, CA, non-voting member
Charles Jacobs, CA
Robert St-Aubin, FCA

Guest

Marie-France Langlois, CA

Secretary

Évelyn Paquin, FCA



INDEPENDENT AUDITOR'S REPORT

To the members of the ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC

We have audited the accompanying financial statements of the ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

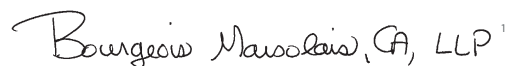
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Bourgeois Marsolais, CA, LLP

Montreal, June 9, 2011

¹ CA auditor, permit No. 15101

MANAGEMENT'S RESPONSIBILITY WITH REGARD TO THE FINANCIAL REPORT

The financial statements and other information contained in this annual report are the responsibility of the management of the Ordre. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Where necessary, management has made judgments and estimates regarding the consequences of certain events and transactions, while considering materiality. The financial and statistical information contained in the remainder of the report is consistent with the information included in the financial statements.

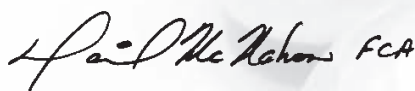
As part of its responsibilities, the management of the Ordre maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded and that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements.

The Board of Directors of the Ordre carries out its responsibilities with regard to the financial statements mainly through its Audit Committee. This Committee reviews the annual financial statements and other information contained in the annual report and recommends them to the Board for approval. The Audit Committee meets periodically with the management of the Ordre and the external auditors, and reports to the Board.

The financial statements have been audited by the Ordre's auditors who were engaged by the Board of Directors of the Ordre upon recommendation of the Audit Committee and whose appointment was ratified at the Annual General Meeting.



Alain Côté, FCA, ICD.D
Chair of the Ordre



Daniel McMahon, FCA
President and CEO

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2011

	2011				2010
	General Fund \$	Indemnity Fund \$	Insurance Fund \$	Total \$	Total \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents (Note 6)	7,819,800	58	7,383	7,827,241	8,054,804
Investments (Note 7)	123,690	-	-	123,690	156,910
Accounts receivable (Note 8)	772,511	-	-	772,511	866,290
Prepaid expenses	193,409	-	-	193,409	172,228
	8,909,410	58	7,383	8,916,851	9,250,232
INVESTMENTS (Note 7)	8,493,401	1,350,189	2,676,212	12,519,802	11,116,811
TANGIBLE CAPITAL ASSETS (Note 9)	407,696	-	-	407,696	440,061
INTANGIBLE ASSETS (Note 9)	895,188	-	-	895,188	625,563
ACCRUED BENEFIT ASSET (Note 10)	1,716,900	-	-	1,716,900	-
	20,422,595	1,350,247	2,683,595	24,456,437	21,432,667
LIABILITIES					
CURRENT LIABILITIES					
Debts (Note 11)	5,515,667	1,327	16,204	5,533,198	4,740,513
Unearned revenue	8,271,997	-	-	8,271,997	7,249,024
	13,787,664	1,327	16,204	13,805,195	11,989,537
DEFERRED LEASE INDUCEMENT	243,429	-	-	243,429	45,500
ACCRUED BENEFIT LIABILITY (Note 10)	653,300	-	-	653,300	733,700
CLAIMS FLUCTUATION RESERVE (Note 12)	-	-	1,056,673	1,056,673	1,042,048
DEFERRED REVENUE (Note 13)	-	-	1,690,520	1,690,520	878,044
	14,684,393	1,327	2,763,397	17,449,117	14,688,829
FUND BALANCES					
Internally restricted for:					
• Capital assets	1,302,884	-	-	1,302,884	1,065,624
• Regional groups	400,832	-	-	400,832	364,708
• Professional Education Program	605,155	-	-	605,155	630,491
• Professional products and services	1,000,000	-	-	1,000,000	1,000,000
• Pension plan	400,000	-	-	400,000	400,000
Unrestricted	2,029,331	-	-	2,029,331	2,025,797
Indemnity Fund	-	1,348,920	-	1,348,920	1,326,151
Insurance Fund	-	-	(79,802)	(79,802)	(68,933)
	5,738,202	1,348,920	(79,802)	7,007,320	6,743,838
	20,422,595	1,350,247	2,683,595	24,456,437	21,432,667
COMMITMENTS (Note 14)					
CONTINGENCIES (Note 15)					

On behalf of the
Board of Directors



Alain Côté, FCA, ICD.D
Chair of the Ordre



Gilles Malette, CA
Chair of the Audit Committee

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

FOR THE ANNUAL PERIOD ENDED MARCH 31, 2011

	2011				2010
	Budget (Note 2) \$	General Fund \$	Indemnity Fund \$	Insurance Fund \$	Total \$
REVENUES					
Member and candidate fees	17,270,700	17,203,766	-	-	17,203,766
Member and candidate registrations	463,000	451,330	-	-	451,330
Professional products and services:					
• Continuing education	5,708,200	5,841,053	-	-	5,841,053
• Publications	512,000	442,380	-	-	442,380
• Other	2,500	2,485	-	-	2,485
Professional inspection fees	1,492,100	1,415,078	-	-	1,415,078
Examination fees	1,039,900	1,052,650	-	-	1,052,650
Activities	528,000	674,107	-	-	674,107
Investment income (Note 16)	296,200	402,544	60,418	-	462,962
Commercial products and services	532,000	590,962	-	-	590,962
Fines	35,000	52,984	-	-	52,984
Experience refunds from insurance plans for the period	-	-	-	-	-
Other (Note 17)	514,500	567,502	-	71,794	639,296
	28,394,100	28,696,841	60,418	71,794	28,829,053
EXPENSES (Appendix A) (Notes 10 and 21)					
Management and external affairs	1,955,000	2,063,588	-	-	2,063,588
Supervision of the profession	3,845,300	4,021,406	51,995	-	4,073,401
Member services	8,088,200	7,563,031	-	-	7,563,031
Qualification	2,918,800	2,937,175	-	-	2,937,175
Administration (Notes 9 and 14)	4,150,100	4,391,419	-	57,169	4,448,588
CICA services (Note 1)	7,717,900	7,538,838	-	-	7,538,838
Experience refunds to insured members	-	-	-	-	-
Increase in claims fluctuation reserve (Note 12)	-	-	-	14,625	14,625
	28,675,300	28,515,457	51,995	71,794	28,639,246
EXCESS OF REVENUES OVER EXPENSES (OF EXPENSES OVER REVENUES)	(281,200)	181,384	8,423	-	189,807

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN FUND BALANCES FOR THE ANNUAL PERIOD ENDED MARCH 31, 2011

	2011								
	General Fund						Indemnity Fund	Insurance Fund	Total
	Invested in capital assets \$	Restricted for regional groups* \$	Restricted for PEP orientation** \$	Restricted for PPS*** \$	Restricted for pension plan \$	Unrestricted \$	\$	\$	\$
BALANCE, BEGINNING OF PERIOD	1,065,624	364,708	630,491	1,000,000	400,000	2,326,501	1,376,177	-	7,163,501
Excess of revenues over expenses									
(of expenses over revenues)	(382,735)	(342,384)	(25,336)	-	-	931,839	8,423	-	189,807
Purchase of capital assets	619,995	-	-	-	-	(619,995)	-	-	-
Disposal of capital assets	-	-	-	-	-	-	-	-	-
Internally restricted funds	-	378,508	-	-	-	(378,508)	-	-	-
	1,302,884	400,832	605,155	1,000,000	400,000	2,259,837	1,384,600	-	7,353,308
Accumulated losses included directly in the statement of changes in fund balances, beginning of period	-	-	-	-	-	(300,704)	(50,026)	(68,933)	(419,663)
Change in unrealized gains or losses on available-for-sale financial assets arising during the period	-	-	-	-	-	70,198	14,346	(10,869)	73,675
Accumulated losses included directly in the statement of changes in fund balances, end of period	-	-	-	-	-	(230,506)	(35,680)	(79,802)	(345,988)
BALANCE, END OF PERIOD	1,302,884	400,832	605,155	1,000,000	400,000	2,029,331	1,348,920	(79,802)	7,007,320

* The amount restricted for regional groups is used for regional group activities.

** The Professional Education Program is intended for students registered in a graduate diploma program.

*** The amount restricted for Professional Products and Services is used to develop continuing education activities.

The accompanying notes are an integral part of these financial statements.

2010								
	General Fund					Indemnity Fund	Insurance Fund	Total
	Invested in capital assets \$	Restricted for regional groups* \$	Restricted for PEP orientation** \$	Restricted for PPS*** \$	Restricted for pension plan \$	Unrestricted \$		\$
BALANCE, BEGINNING OF PERIOD	1,083,489	365,979	664,817	1,000,000	400,000	1,317,511	1,315,179	- 6,146,975
Excess of revenues over expenses (of expenses over revenues)	(393,889)	(337,438)	(34,326)	-	-	1,721,181	60,998	- 1,016,526
Purchase of capital assets	377,331	-	-	-	-	(377,331)	-	-
Disposal of capital assets	(1,307)	-	-	-	-	1,307	-	-
Internally restricted funds	-	336,167	-	-	-	(336,167)	-	-
	1,065,624	364,708	630,491	1,000,000	400,000	2,326,501	1,376,177	- 7,163,501
Accumulated gains included directly in the statement of changes in fund balances, beginning of period	-	-	-	-	-	-	-	-
Change in unrealized gains or losses on available-for-sale financial assets arising during the period	-	-	-	-	-	(300,704)	(50,026)	(68,933) (419,663)
Accumulated losses included directly in the statement of changes in fund balances, end of period	-	-	-	-	-	(300,704)	(50,026)	(68,933) (419,663)
BALANCE, END OF PERIOD	1,065,624	364,708	630,491	1,000,000	400,000	2,025,797	1,326,151	(68,933) 6,743,838

* The amount restricted for regional groups is used for regional group activities.

** The Professional Education Program is intended for students registered in a graduate diploma program.

*** The amount restricted for Professional Products and Services is used to develop continuing education activities.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE ANNUAL PERIOD ENDED MARCH 31, 2011

	2011	2010
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	189,807	1,016,526
Non-cash items:		
• Amortization of capital assets	382,381	395,196
• Loss (gain) on disposal of capital assets	354	(1,307)
• Reinvested investment income	(506,780)	(468,575)
• Gain on sale of investments	-	(76,000)
• Increase in deferred lease inducement	201,429	-
• Amortization of deferred lease inducement	(3,500)	(3,500)
• Change in accrued benefit asset and liability	(180,460)	(87,400)
• Increase in claims fluctuation reserve	14,625	6,149
• Increase in deferred revenue from Insurance Fund	14,699	45,574
	112,555	826,663
Net change in non-cash working capital items (Note 18)	1,888,256	1,241,617
Experience refunds from insurance plans	797,777	-
Additional contribution to the pension plan (Note 10)	(1,616,840)	-
	1,181,748	2,068,280
INVESTING ACTIVITIES		
Proceeds from disposal of investments	156,910	111,622
Purchase of investments	(946,226)	(10,516,410)
Purchase of tangible capital assets	(97,325)	(93,092)
Purchase of intangible assets	(522,670)	(284,239)
Proceeds from disposal of tangible capital assets	-	1,307
	(1,409,311)	(10,780,812)
DECREASE IN CASH AND CASH EQUIVALENTS	(227,563)	(8,712,532)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	8,054,804	16,767,336
CASH AND CASH EQUIVALENTS, END OF PERIOD	7,827,241	8,054,804

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

1. INCORPORATION, NATURE OF ACTIVITIES AND STRUCTURE OF THE ORDRE

The Ordre des comptables agréés du Québec (the Ordre) is constituted under the *Chartered Accountants Act* of Quebec. The Ordre's primary mission is to ensure the protection of the public. The Ordre is governed by Quebec's *Professional Code* and is a not-for-profit organization for the purposes of the *Income Tax Act*. The Ordre must, in particular, ensure the delivery of practice permits to candidates who have met the required conditions, maintain the Roll of the Ordre and supervise the practice of the profession by its members. In addition, under a protocol agreement signed in 1998 and renewed on May 23, 2006, the Ordre uses the services of the Canadian Institute of Chartered Accountants (CICA) in the following areas affecting Canadian chartered accountants as a whole: public interest and integrity; effective leadership and strategic planning for the profession; education and qualification; standard setting; and communications.

2. BUDGET

The figures included under the "Budget" heading in the financial statements and Appendix A cover the General Fund. These figures are provided for information purposes only and are unaudited. The budget was approved by the Board of Directors of the Ordre on June 10, 2010.

3. UPCOMING CHANGE OF ACCOUNTING FRAMEWORK

The Accounting Standards Board (AcSB) recently approved the adoption of Part III of the *CICA Handbook*, "Accounting Standards for Not-for-Profit Organizations." First-time adoption of these standards will be mandatory for the Ordre's financial statements for the

period beginning on April 1, 2012. Management is currently assessing the impact of this change on the Ordre's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The Ordre's financial statements are prepared in accordance with Canadian generally accepted accounting principles and presented in accordance with sections 22 to 25 of the *Regulation respecting the annual reports of professional orders* (R.S.Q., c. C-26, s. 12, third para., subpara. 6(b) and s. 12.2).

(a) Fund accounting

The General Fund is used for all ordinary and regular operations of the Ordre. Revenues and expenses related to services and administration are presented in the General Fund.

The Indemnity Fund is intended to reimburse sums of money or other securities used by a member for purposes other than those for which they were entrusted to him or her in the practice of the profession, in accordance with Section 89 of the *Professional Code*.

The Insurance Fund includes the amounts refunded by insurers for members who participate in the insurance plans offered to Ordre members. Revenues and expenses related to the Insurance Fund are included in this Fund. The related investment income is recognized as deferred revenue in the statement of financial position.

(b) Revenue recognition

The Ordre uses the deferral method to recognize contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Continuing education revenue is recognized based on clients' use of the service, according to an average usage rate established each year.

Membership fees, investment income other than from the Insurance Fund and other revenues are recognized in the period to which they relate.

(c) Financial instruments

The Ordre chose to apply *CICA Handbook* Section 3862, "Financial Instruments — Disclosures," and Section 3863, "Financial Instruments — Presentation."

In accordance with *CICA Handbook* Section 3855, "Financial Instruments — Recognition and Measurement," financial instruments are classified into one of the following categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined by management when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The Ordre's financial assets and financial liabilities are initially measured at fair value. Subsequently, they are classified and measured as follows (see table on the next page):

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

Financial assets/liabilities	Category	Subsequent measurement
Cash and cash equivalents	Held for trading	Fair value
Receivables	Held for trading	Fair value
Investments	Available for sale	Fair value
Accounts payable and accrued liabilities	Held for trading	Fair value
Claims fluctuation reserve	Other financial liabilities	Amortized cost

Realized gains (losses) are recognized in the statement of operations while unrealized gains (losses) on financial assets that are available for sale are included directly in the statement of changes in fund balances until such assets are removed from the statement of financial position or until they suffer a permanent impairment in value, in which case they are recorded in the statement of operations.

The fair value of a financial instrument is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Methods and assumptions

Various methods and assumptions were used to determine the fair value of each category of financial assets and financial liabilities:

(i) Cash and cash equivalents, receivables, accounts payable and accrued liabilities

The fair values of these financial assets and liabilities held for trading approximate their carrying value due to their short-term nature.

(ii) Investments

The fair value of quoted investments is based on bid prices at the reporting date, with the exception of asset-backed term notes "ABTN," which are measured according to the method described in Note 7.

(iii) Claims fluctuation reserve

The claims fluctuation reserve is recorded at amortized cost and represents that part of the amounts refunded by the insurer which the Ordre must retain to offset any future deficits in the life insurance plan. The amount of the reserve is established by the insurer. Fair value cannot be determined as this reserve is based on potential claims whose amounts and dates are unknown.

Transaction costs

Transaction costs related to financial assets and financial liabilities held for trading are expensed as they are incurred.

Fair value hierarchy

The Ordre classifies its financial assets and financial liabilities measured at fair value

using a hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy consists of the following three levels:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3:

Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Cost allocation

Costs directly related to an activity are charged to that activity. Overhead is allocated to the following self-financing centres according to use: Professional Inspection, Continuing Education and Publications (included in "Professional products and services: Other"). The unallocated balance is shown separately in the additional information under "Office occupancy expenses" and "General expenses." Overhead is allocated on the following bases:

- expenses related to rent, insurance and taxes – based on square footage used;
- expenses related to telephones and supplies – based on the number of work stations used;
- expenses related to office equipment and stationery – based on the rate of use of the printers.

(e) Development costs

Development costs are expensed in the annual period in which they are incurred, except in cases where they meet certain identifiable criteria justifying their capitalization.

(f) Contributed services

The operation of the Ordre depends in part on the voluntary services of many members. Since these services are not normally purchased by the Ordre and their fair value is difficult to estimate, contributed services are not reflected in these financial statements.

(g) Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The critical estimates relate to the recognition of capital assets, unearned revenue from continuing education activities, the write-down of investments and employee future benefits. Actual results could differ from these estimates.

(h) Cash and cash equivalents

The Ordre's policy is to disclose cash, money market mutual fund units and investments of 90 days or less from the date of acquisition under cash and cash equivalents.

(i) Short-term investments

Short-term investments consist of term deposits with maturities of 90 days or more but less than 12 months.

	Method	Rate/Period
Tangible capital assets		
Furniture and equipment	Declining balance	20%
Computer hardware	Straight-line	3 years
Leasehold improvements	Straight-line	Lease term, 16 years
Intangible assets		
Computer software	Straight-line	5 years

(j) Capital assets

Capital assets are recorded at cost and amortized, once they are put in service, over their useful lives using the above methods, rates and periods.

(k) Deferred lease inducement

The deferred lease inducement is amortized on a straight-line basis over the term of the original lease and is applied against the rental expense.

(l) Employee benefit plans

The Ordre maintains a pension plan, which was a contributory defined benefit pension plan up until December 31, 2006. As of January 1, 2007, the defined benefit plan is maintained for past services rendered before this date, and continues as a defined contribution plan for subsequent services.

(i) Defined benefit plan for past services

The fair value of plan assets and the accrued benefit obligation are measured at December 31.

The Ordre amortizes the transitional asset (obligation) on a straight-line basis over the average remaining service period of active employees expected to receive benefits.

The Ordre has adopted the following policies to account for its obligations under employee benefit plans and the related costs, net of plan assets:

- The cost of pension and other post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate assumptions in determining the expected return on plan assets, salary escalation, the retirement ages of employees and expected post-retirement benefit costs;
- For the purpose of calculating the expected return on plan assets, those assets are measured at fair value;

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

- Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment;
- The excess of the net actuarial gain (loss) over 10% of the accrued benefit obligation, or over 10% of the fair value of plan assets if higher, is amortized over the average remaining service period of active employees. The average remaining service periods of active employees covered by the funded pension plan and the unfunded pension plan are respectively 12 years and 8 years as at December 31, 2010 (12 years and 11 years as at December 31, 2009).

(ii) Defined contribution plan

The cost of the plan is based on the amount of the Ordre's annual fees.

(m) New standard adopted during the period

The Ordre applied *CICA Handbook* Section 1506, "Accounting Changes," to exclude from the scope of this Section changes in accounting policies upon the complete replacement of an organization's primary basis of accounting. This change did not affect the Ordre's financial statements.

5. FINANCIAL INSTRUMENTS

Risk management

The Ordre manages its exposure to the risks associated with financial instruments that affect its operating and financial performance in order to reduce volatility in cash flow and earnings.

As concerns financial instruments, the Ordre ensures an ongoing review to evaluate changes in the status of investments, in accordance with its investment policy.

The Ordre is exposed to risks associated with its financial instruments as described below. An analysis of sensitivity to specified risks is provided where these risks may affect earnings, operations or financial position. The sensitivity analysis is performed by relating the reasonably possible changes in the risk variables at March 31, 2011 to financial instruments outstanding on that date.

There have been no changes in risk management during the annual period.

The Ordre's financial instruments and the nature of the risks which they may be subject to are as follows:

(a) Credit risk

Credit risk arises from the possibility of one of the parties defaulting on its financial obligations. Concentration of credit risk exists when clients in a group have similar economic characteristics such that their ability to meet their obligations could be affected similarly by changes in economic or other conditions. The Ordre is not exposed to any concentration of credit risk since its receivables come from a large number of clients and consequently there is no significant risk with respect to a single client.

The carrying value of cash and cash equivalents, receivables and investments corresponds to the Ordre's maximum exposure to credit risk.

Risks					
	Market risks				
	Credit	Liquidity	Currency	Interest rate	Other price risk
Measured at fair value					
Cash and cash equivalents	X			X	
Receivables	X				
Investments	X			X	X
Accounts payable and accrued liabilities		X			
Measured at amortized cost					
Claims fluctuation reserve		X			

(i) Cash and cash equivalents and investments

Credit risk associated with cash and cash equivalents and term deposits is minimized because the Ordre does business with recognized financial institutions with a high credit rating.

The Ordre is indirectly exposed to credit risk arising from ownership of mutual fund units.

(ii) Receivables

The Ordre must make estimates in respect of the allowance for doubtful accounts. The reasons for the accounts being past due and the line of business from which the receivable arose are considered in determining when past-due accounts should be provided for or whether to write-off amounts charged to the allowance account against the amounts receivable. The allowance for doubtful accounts is calculated on a specific-identification basis or on a non-specific basis for amounts receivable, as appropriate. An allowance of \$6,521 (\$7,441 in 2010) was made for the remainder of the receivables which represent financial assets held for trading, with balances of over 90 days from the date of billing. Amounts subsequently recovered from accounts previously written off are recognized in the period of recovery.

(b) Liquidity risk

Liquidity risk is the risk of being unable to meet a demand for cash or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments.

The Ordre manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities are generally repaid within 30 days. With respect to the claims fluctuation reserve, there is no known maturity since the reserve concerns potential claims.

(c) Market risk

The Ordre is exposed to market risks arising from fluctuations in the fair value of financial instruments because of changes in market prices. Market risks consist of currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the Ordre is the Canadian dollar. The Ordre does not enter into foreign currency transactions and does not use foreign exchange forward contracts. At March 31, 2011, the Ordre had no financial instruments exposed to currency risk.

(ii) Interest rate risk

Interest rate risk refers to the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market interest rates.

The Ordre is directly and indirectly exposed to interest rate risk with regard to its cash and cash equivalents, and investments. The Ordre has no interest-bearing liabilities.

The Ordre's cash includes amounts on deposit with financial institutions that earn interest at the market rate.

The Ordre manages the interest rate risk exposure of its cash by minimizing its capital investment risks while achieving a satisfactory return and maintaining the minimum liquidity necessary to conduct its day-to-day operations. Fluctuations in market rates of interest on cash do not have a significant impact on the Ordre's results of operations.

Term deposits and cash are not exposed to significant interest rate risk because of their short-term nature. Therefore, this risk does not have a significant impact.

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

(iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

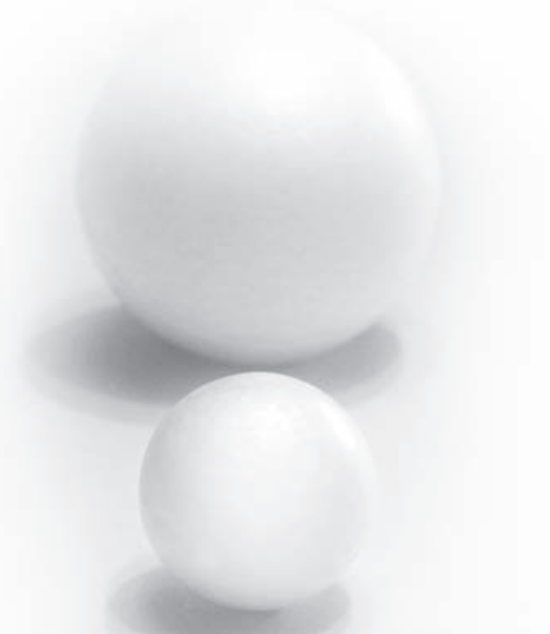
The Ordre is also exposed to a price risk arising from ownership of units in a short-term money market mutual fund, in a money market mutual fund (ABTN) and in an Enhanced Canadian Bond Fund.

The short-term money market mutual fund units are not exposed to significant price risk because of the quality of the securities and their short-term nature.

As for the units in an Enhanced Canadian Bond Fund, the sensitivity to interest rate fluctuations is reduced as a result of a significant weighting of short and medium-term securities. This weighting contributes to reducing the sensitivity of the portfolio to changes in interest rates and consequently to mitigating the risk.

At March 31, 2011, if interest rates had increased or decreased by 1%, assuming a parallel shift in the yield curve and other variables remaining constant, the Ordre's share in the net asset value of the Enhanced Canadian Bond Fund would have increased or decreased by approximately \$724,421 (\$586,388 in 2010). The Fund's sensitivity to interest rates was established on the basis of the weighted average life. The actual results of the transactions may not correspond to the results of these sensitivity analyses and variations could be material.

At March 31, 2011, if interest rates in effect had increased or decreased by 1%, with all other variables remaining constant, the Ordre's share in the net asset value of the money market mutual fund (ABTN) would have increased or decreased by approximately \$9,280 (\$13,068 in 2010). The actual results may differ from the results of this sensitivity analysis and the variation could be more significant.



(d) Financial instruments measured at fair value

The following table shows the fair value hierarchy in which financial instrument measurements are categorized according to their level at March 31, 2011:

2011	Quoted prices in active markets (Level 1) \$	Other observable inputs (Level 2) \$	Unobservable inputs (Level 3) \$	Total \$
Financial assets held for trading				
Cash and cash equivalents	7,827,241	-	-	7,827,241
Receivables	-	-	772,511	772,511
	<u>7,827,241</u>	<u>-</u>	<u>772,511</u>	<u>8,599,752</u>
Financial assets available for sale				
Term deposits	-	138,690	-	138,690
Enhanced Canadian Bond Fund units	-	11,670,128	-	11,670,128
Money market mutual fund units (ABTN)	-	-	834,674	834,674
	<u>-</u>	<u>11,808,818</u>	<u>834,674</u>	<u>12,643,492</u>
Total financial assets	<u>7,827,241</u>	<u>11,808,818</u>	<u>1,607,185</u>	<u>21,243,244</u>
Financial liabilities held for trading				
Accounts payable and accrued liabilities	-	-	4,332,542	4,332,542

There were no transfers into or out of Level 3 during the annual period (nil in 2010).

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

Level 3 measurement

2011	Balance, beginning of period \$	Variations for the period \$	Unrealized gains from the statement of changes in fund balances \$	Balance, end of period \$
Receivables	866,290	(93,779)	-	772,511
Money market mutual fund units (ABTN)	771,881	11,364	51,429	834,674
Accounts payable and accrued liabilities	3,721,449	611,093	-	4,332,542

2010	Quoted prices in active markets (Level 1) \$	Other observable inputs (Level 2) \$	Unobservable inputs (Level 3) \$	Total \$
Financial assets held for trading				
Cash and cash equivalents	8,054,804	-	-	8,054,804
Receivables	-	-	866,290	866,290
	<u>8,054,804</u>	<u>-</u>	<u>866,290</u>	<u>8,921,094</u>
Financial assets available for sale				
Term deposits	-	156,910	-	156,910
Enhanced Canadian Bond Fund units	-	10,344,930	-	10,344,930
Money market mutual fund units (ABTN)	-	-	771,881	771,881
	<u>-</u>	<u>10,501,840</u>	<u>771,881</u>	<u>11,273,721</u>
Total financial assets	<u>8,054,804</u>	<u>10,501,840</u>	<u>1,638,171</u>	<u>20,194,815</u>
Financial liabilities held for trading				
Accounts payable and accrued liabilities	-	-	3,721,449	3,721,449

Level 3 measurement

2010	Balance, beginning of period \$	Variations for the period \$	Unrealized gains from the statement of changes in fund balances \$	Balance, end of period \$
Receivables	1,629,027	(762,737)	-	866,290
Money market mutual fund units (ABTN)	708,399	-	63,482	771,881
Accounts payable and accrued liabilities	4,241,497	(520,048)	-	3,721,449

6. CASH AND CASH EQUIVALENTS

	2011 \$	2010 \$
Cash	2,432,381	2,111,101
Money market mutual fund units	5,394,860	5,943,703
	<u>7,827,241</u>	<u>8,054,804</u>

The Ordre manages its investment portfolio based on its cash requirements and with a view to safeguarding its capital while achieving a satisfactory return. The rate of return was 0.99% for the annual period (0.64% in 2010).

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

7. INVESTMENTS

	2011		2010	
	Fair value \$	Cost \$	Fair value \$	Cost \$
Short-term				
Term deposits	123,690	123,690	156,910	156,910
Long-term				
Term deposit	15,000	15,000	-	-
Enhanced Canadian Bond Fund units	11,670,128	12,131,027	10,344,930	10,828,075
Money market mutual fund units (ABTN)	834,674	1,454,134	771,881	1,442,770
	12,519,802	13,600,161	11,116,811	12,270,845
	12,643,492	13,723,851	11,273,721	12,427,755

(a) Term deposits

Term deposits are held for a period of more than 90 days, and their fair value corresponds to their cost. Interest rates on term deposits held at the end of the annual period ranged from 0.50% to 1.75% (0.10% to 1.75% in 2010), and the maturity dates do not exceed two years.

(b) Money market mutual fund units (ABTN)

At March 31, 2011, the Ordre held \$1,454,134 (\$1,442,770 in 2010) in money market mutual fund units (ABTN), comprised mainly of asset-backed term notes "ABTN" (non-bank asset-backed commercial paper "ABCP" in 2009).

In August 2007, the issuers of the non-bank ABCP ceased to honour their commitments because of a liquidity crisis. On January 21, 2009,

the implementation of the ABCP restructuring plan under the Montreal Accord was completed. The restructuring plan gave rise to, among other things, the replacement of ABCP with long-term variable-rate ABTN with maturities similar to those of the underlying assets. The Ordre was not directly affected by the restructuring plan since the nature of its investment in the money market mutual fund (ABTN) did not change.

Since there is no active market for non-bank ABCP securities, the fund manager suspended the redemption of fund units until the net asset value of the fund can be reasonably determined and there is an active market in which the investments held in the fund can be sold.

At March 31, 2011, there was still no active market for the different restructured notes. Consequently, the fund manager recorded a total loss in value of 29.5% (33.4% in 2010) of total fund assets at March 31, 2011. During the period, the fund manager distributed income from the fund by reinvesting in units, thus increasing the cost of the Ordre's investment by \$11,364 (nil in 2010). The fund manager determined the fair value of the fund units using a valuation technique based on a financial model reflecting uncertainties regarding the credit risk of underlying assets, the amounts and timing of cash inflows and the constraints affecting the liquidity of ABTN.

Under GAAP, additional constraints imposed on fund unit holders should be taken into account when determining the fair value of the units held by the Ordre. Thus, a \$190,491 (\$189,004 in 2010) provision for illiquidity in respect of the fund units was recognized at March 31, 2011 in addition to the loss in value established by the fund manager. This provision corresponds to the estimated impact of the constraints imposed on the Ordre in respect of the sale of its units and amounts to 13.1% (13.1% in 2010), bringing the total loss in value to 42.6%, or \$619,457 (46.5%, i.e. \$670,889 in 2010).

The increase in value of 3.9 % (4.4% in 2010) reported during the period, i.e. \$62,793, includes a gain of \$51,429 (\$63,482 in 2010) and interest of \$11,364 (nil in 2010) paid by the fund manager and recorded as follows:

The interest of \$11,364 was recognized directly in the statement of operations. The \$51,429 gain was accounted for under unrealized gains on available-for-sale financial assets arising during the period, which were increased respectively by \$36,288 (\$44,792 in 2010) in the General Fund, \$6,136 (\$7,574 in 2010) in the Indemnity Fund, and \$9,005 (\$11,116 in 2010) in the Insurance Fund, on the statement of changes in fund balances.

Management believes that the estimate of the fair value of its fund units is reasonable and is the best possible estimate as at March 31, 2011. Nevertheless, this fair value is based on information available at March 31, 2011 and on management's assessment of capital market conditions. It does not correspond to the net asset value at which the fund units could be redeemed. Changes in assumptions, especially in light of market conditions, could have an impact on the value of the ABTN securities and, consequently, on the net asset value of the units during the next annual period.

If these uncertainties are resolved, the definitive fair value of these investments could depart from the Ordre's current best estimates, and this difference could have an impact on the Ordre's financial results.

The Ordre has the funds necessary to meet its future financial obligations and does not foresee any significant negative impact from ABTN liquidity problems.

8. ACCOUNTS RECEIVABLE

	2011 \$	2010 \$
Accounts receivables	458,980	587,519
Amount receivable from an insurance company	-	108,773
Amounts receivable from commercial products and services and other	313,531	169,998
	772,511	866,290

The amount receivable from an insurance company corresponds to a life insurance plan surplus.

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

9. CAPITAL ASSETS

	2011			2010
	Cost \$	Accumulated amortization \$	Net value \$	Net value \$
Tangible capital assets				
Furniture and equipment	562,755	380,468	182,287	225,051
Computer hardware	707,734	597,313	110,421	108,198
Leasehold improvements	147,935	32,947	114,988	106,812
	<u>1,418,424</u>	<u>1,010,728</u>	407,696	440,061
Intangible assets				
Computer software	2,178,015	1,282,827	895,188	625,563
	<u>3,596,439</u>	<u>2,293,555</u>	1,302,884	1,065,624

The amortization expense charged to administrative expenses was \$129,336 (\$137,133 in 2010) for tangible capital assets and \$253,045 (\$258,063 in 2010) for intangible assets.

During the period, the Ordre purchased intangible assets for \$522,670 (\$284,239 in 2010). Some intangible assets, totalling \$228,871, have not been amortized because they are under development (nil in 2010).

During the period, the Ordre wrote off some computer software and computer hardware that are no longer used and have no remaining useful life. The write-off resulted in a reduction of the cost and accumulated amortization of \$278,892 (\$369,810 in 2010) for the computer software and of \$22,349 (nil in 2010) for the computer hardware.

10. EMPLOYEE BENEFIT PLANS

(a) Defined benefit plans

The actuarial valuation for funding purposes was performed as at December 31, 2010. The next actuarial valuation is scheduled for December 31, 2011.

Information about the defined benefit plans as at March 31, in aggregate, is as follows:

	Funded pension plan		Unfunded pension plan	
	2011 \$	2010 \$	2011 \$	2010 \$
Pension expense	176,400	118,600	128,100	44,300
Fair value of plan assets	9,004,400	6,853,200	-	-
Accrued benefit obligations	10,174,000	9,437,400	1,287,100	983,000
Funded status – deficit	(1,169,600)	(2,584,200)	(1,287,100)	(983,000)
Unrecognized items	2,886,500	2,424,200	633,800	409,300
Accrued benefit asset (liability)	1,716,900	(160,000)	(653,300)	(573,700)

During the year, the Ordre contributed an additional \$1,616,840 to the defined benefit plan. This contribution reduced the funding deficit, generated an accrued benefit asset for the funded plan and alleviated plan cost volatility.

The unrecognized items are the portion of past actuarial gains and losses that does not require immediate recognition. This unrecognized portion will gradually be expensed over the average remaining service period of active employees covered by the plans.

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

The significant actuarial assumptions adopted are as follows (weighted-average assumptions as at December 31):

	Funded and unfunded pension plans	
	2011	2010
Accrued benefit obligations at December 31		
Discount rate	5.0%	5.5%
Rate of compensation increase	3.5%	3.5%
Costs recognized for the annual periods ended on December 31		
Discount rate	5.5%	7.25%
Expected long-term rate of return on plan assets	5.5%	6.0%
Rate of compensation increase	3.5%	3.5%

The assets of the funded plan consist of the following:

	Funded pension plan	
	2011	2010
Asset classification		
Canadian equities	16%	21%
Foreign equities	17%	31%
Bonds	65%	46%
Money market	2%	2%
	100%	100%

Other information about the Ordre's defined benefit plans is as follows:

	Funded pension plan		Unfunded pension plan	
	2011 \$	2010 \$	2011 \$	2010 \$
Employer contributions	2,053,395	201,800	48,500	48,500
Benefits paid	235,400	297,200	48,500	48,500

(b) Defined contribution plan

The total cost recognized for the Ordre's defined contribution plan was \$374,703 (\$336,303 in 2010).

11. DEBTS

	2011 \$	2010 \$
Accounts payable and accrued liabilities		
CICA services	2,097,153	1,840,892
Accounts payable	1,484,897	962,367
Salaries and payroll deductions	750,492	632,499
Amount payable to members participating in insurance plans ¹	-	285,691
	4,332,542	3,721,449
Sales taxes payable	759,065	611,885
Office des professions du Québec levy	441,591	407,179
	5,533,198	4,740,513

¹ During the annual period, an experience refund relating to the life insurance plan surpluses for past periods was issued in the amount of \$285,691.

12. CLAIMS FLUCTUATION RESERVE (INSURANCE FUND)

	2011 \$	2010 \$
Balance, beginning of period	1,042,048	1,035,899
Increase in required reserve	14,625	6,149
Balance, end of period	1,056,673	1,042,048

The claims fluctuation reserve represents part of the amounts refunded by the insurer which the Ordre must retain to absorb any future deficits in the life insurance plan. The amount of the reserve is determined by the insurer based on annual premiums collected and on administrative expenses relating to the plan. The amount of any future deficits that the Ordre may be required to offset annually is limited to the balance of the reserve at the beginning of the period in which the deficit occurs.

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

13. DEFERRED REVENUE (INSURANCE FUND)

	2011 \$	2010 \$
Balance, beginning of period	878,044	832,470
Amounts recognized as revenue for the period	(71,794)	(60,828)
Investment income	86,493	106,402
Experience refunds from insurance plans	797,777	-
Balance, end of period	1,690,520	878,044

Investment income consists of interest income of \$86,493 (\$93,575 in 2010). Last year, investment income also included a gain of \$12,827 on corporate bonds. During the year, the Ordre received \$797,777 relating to a term life insurance plan. A decision about the subsequent distribution will be made once the experience results of the term life insurance plan, whose fiscal year ends on October 31, 2011, are known.

14. COMMITMENTS

The Ordre has agreed to lease office space as of December 1, 2007 for a period of 15 years and five months ending April 30, 2023. The total amount to be paid from now until the end of the lease term, including a provision for taxes and operating costs, is \$11,857,894. Rental expense charged for the period is \$893,781 (\$694,977 in 2010). Amortization of the deferred lease inducement applied against lease payments is \$3,500 (\$3,500 in 2010).

Also, under two office equipment leases expiring in April and May 2013, the Ordre has commitments totalling \$207,602. The lease expense charged for the period is \$107,512 (\$108,806 in 2010).

The Ordre is committed to reimburse, over a ten-year period commencing in 2007-2008, the accumulated solvency deficiency of the defined benefit pension plan. This deficit totals \$1,908,800 as determined by an actuarial valuation as at December 31, 2010.

Minimum payments for the next years are as follows:

	Premises \$	Office equipment \$	Pension plan \$	Total commitment \$
2012	904,244	103,801	389,280	1,397,325
2013	904,244	103,801	306,360	1,314,405
2014	956,850	-	306,360	1,263,210
2015	961,632	-	306,360	1,267,992
2016	961,632	-	118,920	1,080,552
Subsequent years	7,169,292	-	481,520	7,650,812
	<u>11,857,894</u>	<u>207,602</u>	<u>1,908,800</u>	<u>13,974,296</u>

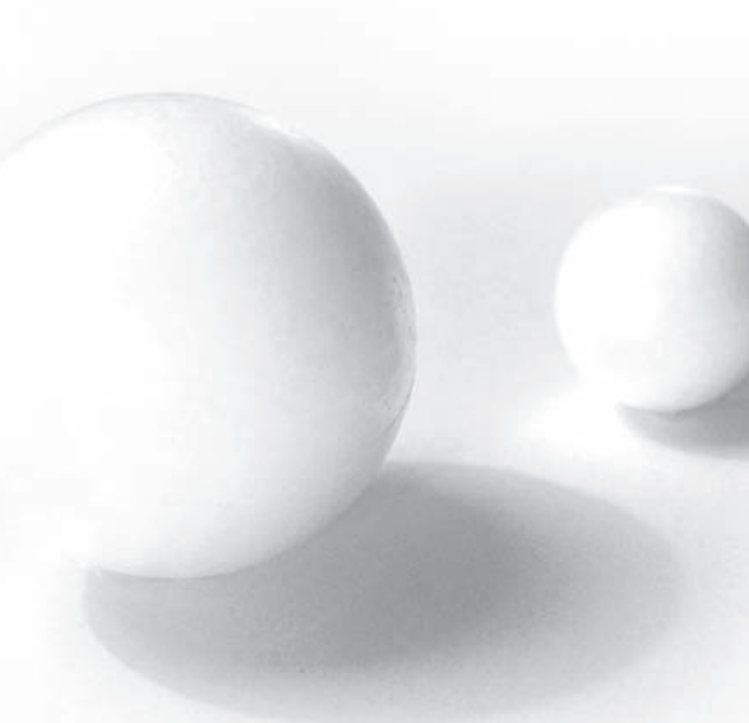
15. CONTINGENCIES

The Ordre, the CICA and some of the provincial institutes of chartered accountants were the subject of legal action to expunge their official marks or trademarks. The matter is in the preliminary stages of litigation and the outcome cannot yet be determined. No aspect of the lawsuit will result in monetary damages payable by the Ordre.

Given the nature of the lawsuit, the Ordre has no reason to expect that a decision or the ultimate disposition of this matter will have a material adverse impact on its financial position, results of operations or its ability to carry on its business activities.

16. INVESTMENT INCOME

	2011 \$	2010 \$
Interest on financial assets held for trading	38,806	59,918
Interest on financial assets available for sale	332,702	363,441
Investment gains	91,454	113,294
Investment income	<u>462,962</u>	<u>536,653</u>



NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

17. OTHER REVENUES

	2011 \$	2010 \$
Registrations for the Professional Education Program	427,635	428,062
Amounts recognized as revenue from Insurance Fund	71,794	60,828
Administrative fees	138,700	101,024
Other	1,167	11,281
	<u>639,296</u>	<u>601,195</u>

18. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2011 \$	2010 \$
Receivables	93,779	762,737
Prepaid expenses	(21,181)	108,344
Debts	792,685	(519,485)
Unearned revenue	1,022,973	890,021
	<u>1,888,256</u>	<u>1,241,617</u>

19. CAPITAL DISCLOSURES

The Ordre defines capital as being comprised of deferred revenue, fund balances invested in capital assets, and restricted and unrestricted balances. The Indemnity Fund and the Insurance Fund are excluded from capital. The Ordre is not subject to externally imposed requirements on capital, other than those related to its registered pension plan.

The Ordre's capital is made up of the following:

	2011 \$	2010 \$
Deferred revenue	1,690,520	878,044
Fund balances invested in capital assets	1,302,884	1,065,624
Internal restrictions for the regional groups, the PEP, the PPS and the pension plan	2,405,987	2,395,199
Unrestricted balance	2,029,331	2,025,797
Total capital	<u>7,428,722</u>	<u>6,364,664</u>

During the annual period, the Ordre followed the same capital management strategy as in past periods by managing its investments to achieve its objectives with respect to the protection of the public and services provided to members. In addition, management's objectives are to hold sufficient unrestricted assets to enable it to withstand unexpected financial events while maintaining stability in the financial structure and to maintain sufficient liquidity to enable it to meet its obligations as they become due. The assets are invested under a policy designed to prudently ensure a market-related long-term return on investment consistent with the long-term nature of the accrued benefit obligations. The Ordre manages its capital by preparing and monitoring its annual budgets to ensure capital is maintained at an appropriate level.

20. RELATED PARTY TRANSACTIONS

The Ordre des comptables agréés du Québec and the Foundation of Quebec Chartered Accountants are related organizations due to the degree of influence the Ordre has over the Foundation. The Foundation was incorporated under Part III of the *Companies Act* of Quebec. The Foundation's mission is to contribute to the advancement of education in the various fields of expertise of the CA profession and to promote academic excellence. A member of the Ordre's Board of Directors and a full-time employee sit on the Board of Directors of the Foundation, which has five directors. The Ordre offers free administrative support and office space to the Foundation of Quebec Chartered Accountants. Because their fair value is difficult to estimate, these services are not reflected in the financial statements.

NOTES TO FINANCIAL STATEMENTS • MARCH 31, 2011

21. COST ALLOCATION

Overhead is allocated as follows:

	2011 \$	2010 \$
Professional inspection	157,986	137,099
Continuing education and publications	233,040	212,597
Office occupancy expenses	1,046,666	871,700
Unallocated general expenses	520,050	541,128
	<u>1,957,742</u>	<u>1,762,524</u>

22. COMPARATIVE FIGURES

Certain 2010 financial statement figures have been reclassified to conform to the presentation adopted for 2011.

ADDITIONAL INFORMATION FOR THE ANNUAL PERIOD ENDED MARCH 31, 2011 • APPENDIX A

	2011		2010
	Budget (Note 2) \$	General Fund \$	General Fund \$
EXPENSES			
MANAGEMENT AND EXTERNAL AFFAIRS			
Executive office	1,189,600	1,239,699	1,016,697
Strategy and external affairs	488,400	459,514	501,777
Communications	277,000	364,375	304,675
	1,955,000	2,063,588	1,823,149
SUPERVISION OF THE PROFESSION			
Legal affairs	505,100	632,230	502,142
Syndic	1,028,400	1,098,389	1,055,117
Professional inspection:			
• Direct costs	1,406,600	1,349,638	1,259,689
• Share of general expenses	138,000	157,986	137,099
Issuance of permits	76,400	86,260	82,974
Mandatory continuing education	120,100	138,461	122,547
Conciliation and arbitration of accounts	18,300	10,767	12,794
Review Committee	3,300	6,660	3,449
Disciplinary Council	9,300	9,827	43,322
Illegal practice of the profession	51,400	103,487	158,659
Professional liability insurance	15,000	7,701	7,269
Other regulatory activities	473,400	420,000	303,759
	3,845,300	4,021,406	3,688,820
MEMBER SERVICES			
Continuing education:			
• Direct costs	4,573,500	4,332,060	4,291,882
• Share of general expenses	209,400	221,557	202,909
Publications and professional products and services:			
• Direct costs	1,049,700	896,285	691,479
• Share of general expenses	9,600	11,483	9,688
Professional Products and Services Committee	8,000	13,962	9,972
Commercial products and services	101,500	104,703	87,919
Promotion	1,251,700	1,238,625	1,071,369
Events	884,800	744,356	899,095
	8,088,200	7,563,031	7,264,313

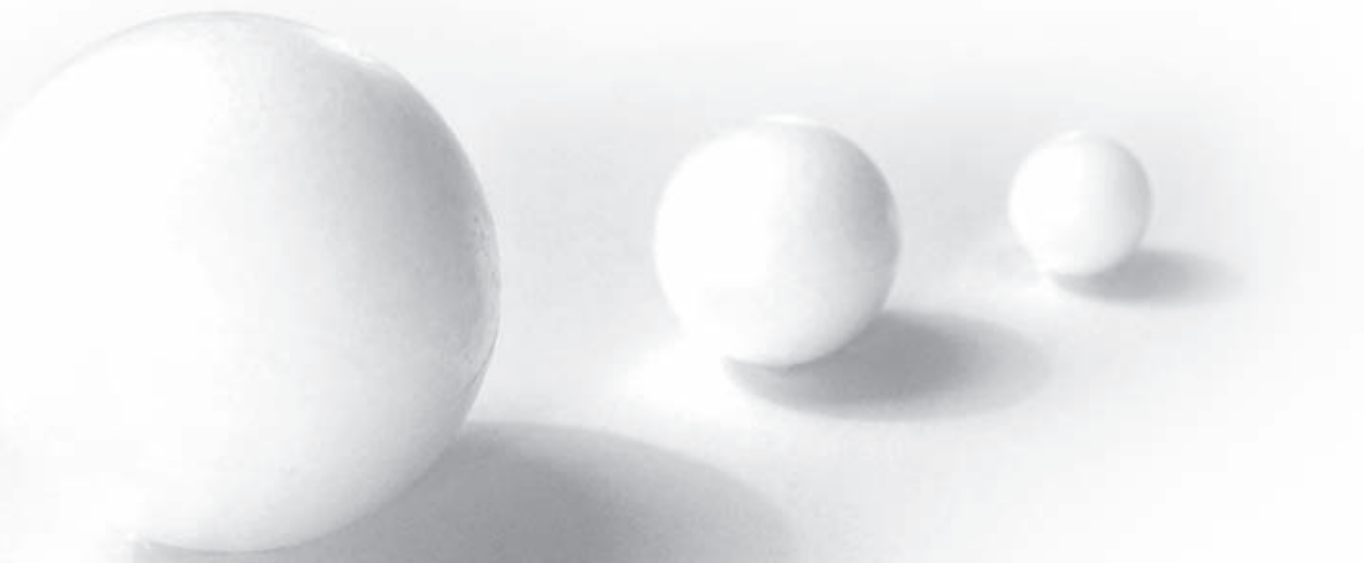
ADDITIONAL INFORMATION FOR THE ANNUAL PERIOD ENDED MARCH 31, 2011 • APPENDIX A

EXPENSES (continued)

QUALIFICATION

Education	910,600	948,114	827,007
Education Committee	11,200	13,471	10,236
Uniform Evaluation	919,900	868,110	898,970
Promotional activities aimed at the next generation	965,000	992,682	844,648
Registration of candidates	112,100	114,798	114,490

	2011	2010
Budget (Note 2) \$	General Fund \$	General Fund \$
2,918,800	2,937,175	2,695,351
ADMINISTRATION		
Administration and finance	1,756,600	1,826,951
Human resources	228,600	295,058
Information technology	719,900	702,694
Office occupancy expenses	867,800	1,046,666
General expenses	577,200	520,050
4,150,100	4,391,419	4,140,811
CICA SERVICES		
7,717,900	7,538,838	7,488,778
28,675,300	28,515,457	27,101,222



ARBITRATION OF ACCOUNTS

Daniel Rocheleau, CA
Chair



During 2010-2011, the Council received six new applications.

The Council met six times to process nine applications, including four brought forward from the previous year. Two decisions are pending, one case remains to be processed, and two applications were withdrawn at the request of the plaintiffs.

Decisions rendered

The Council rendered five decisions in 2010-2011: it maintained the fees in dispute in one case and reduced them in four others.

Daniel Rocheleau, CA

Chair

The mandate of the Council for the Arbitration of Accounts is to settle disputes respecting the accounts of members of the Ordre des comptables agréés du Québec that were unresolved by the syndic or assistant syndic through conciliation. The Council receives applications, hears the arguments of the various parties and renders a decision. It may decide to maintain or reduce the disputed amount.

Council members

Jean Bélanger, CA, CA•IFA
Richard Boucher, CA
Johanne Fortier, CA
Gilles Gingras, CA
Hélène Huot, CA
Claudine Lévesque, FCA
Michael Newton, CA

Substitute member

Richard Chevalier, CA

Secretary

Claudette Roberge

PROFESSIONAL LIABILITY INSURANCE

PROFESSIONAL LIABILITY INSURANCE ACTIVITIES

Professional liability insurance for chartered accountants

The *Regulation respecting professional liability insurance for members of the Ordre des comptables agréés du Québec* (Regulation) came into force on April 1, 2008. This Regulation led to the creation of a new compulsory professional liability group insurance plan for all Ordre members.

Under the Regulation, the amount of coverage for a 12-month period is:

- (i) at least \$1,000,000 per claim against a chartered accountant; and
- (ii) \$2,000,000 per claim when a chartered accountant employs at least one other CA or when two or more CAs practice within the same partnership or company and the claim is made against more than one CA.

In 2010-2011, four members were subject to a decision rendered by the Executive Committee of the Ordre ordering that they be struck off the Roll of the Ordre for failing to enroll in the professional liability group insurance plan. Their striking off the Roll remains in effect until the Ordre receives proof that they have met the requirements of the Regulation. Four members were also subject to such a decision in 2009-2010.

Coverage method	Number of members	Amount of coverage	
		Per claim	For all claims
Members exempted under section 3 of the Regulation (single coverage)	2,389	\$1 million	No ceiling
Professional liability group insurance plan	15,352	\$1 million	No ceiling

Professional liability insurance on behalf of a partnership or company

Members who carry out their professional activities within a limited liability partnership (LLP) or a joint-stock company (JSC) must also maintain professional liability coverage on behalf of such partnership or company in accordance with the *Regulation respecting the practice of the chartered accountancy profession within a partnership or a joint-stock company*.

For a chartered accountant who is a sole practitioner and sole shareholder of a joint-stock company in which no other member is an employee, coverage of at least \$500,000 per claim and for the aggregate of claims made against the company in a 12-month period of coverage is required.

Moreover, coverage of at least \$1,000,000 per claim and for the aggregate of claims made against the partnership or company in a 12-month period of coverage is required for all other partnerships or companies.

Category	Amount of coverage	Number of partnerships/companies		Number of members	
		JSC	LLP	JSC	LLP
Sole shareholder (no CA employees)	\$500,000	434	N/A	434	N/A
Other partnerships/companies	\$1 million	228	121	851	3,343
Total		662	121	1,285	3,343

OFFICE OF THE SYNDIC

Ginette Lussier-Price, FCA



The number of ethics-related complaints increased by approximately 40% this year, from 433 to 606.

This increase is essentially due to the fact that the number of cases referred to the Office of the syndic by the Professional Inspection Committee (PIC) or upon recommendation of the PIC went from 315 in 2009-2010 to 500 in 2010-2011, an increase of around 59%. Most of the cases forwarded by the PIC in the past year deal with violations of the provisions of the *Code of Ethics of Chartered Accountants* concerning independence or the rule respecting the full personal civil liability assumed by members, or with violations of the provisions of the *Professional Code* governing the use of the auditor designation.

Complaints dealing with other matters decreased by 9% this year. A number of these cases are being heard simultaneously in civil and criminal court. It should also be noted that members involved in these cases are often represented by one or more lawyers whose objectives do not always coincide with those of the Office of the syndic.

The 39 complaints lodged this year before the Disciplinary Council involved members in public practice or in industry, retired members and two former members. The complaints involved 305 charges, including:

- breach of independence and conflicts of interest;
- association with misleading statements, signatures of convenience or fraud;
- lack of due care;
- lack of integrity and objectivity and non-compliance with standards; and
- obstruction of the syndic's work.

This year's applications for conciliation pertained to clients not receiving estimates of expected fees or clients not being informed of an increase in fees during the mandate. They involved amounts ranging from \$315 to \$53,998.

In 2010-2011, the Office of the syndic received three requests under the *Act respecting Access to documents held by public bodies and the Protection of personal information*.

In addition to dealing with the cases listed in the table on the next page, the Office of the syndic received over 1,223 ethics-related telephone calls this year.

The syndic also gave five presentations to university students on the professional system and discipline, held two webinars on amendments to the *Code of Ethics* and taught a course to members.

Finally the syndic of the Ordre worked with assistant syndics throughout the year. **André Loubier, CA**, and **Claude Maurer, CA**, were closely involved in the cases processed by the Office of the syndic.

Ginette Lussier-Price, FCA
Syndic



OFFICE OF THE SYNDIC

Year ended March 31	2011	2010	2009
Ethics-related complaints against members lodged with the Office of the syndic			
Brought forward from last year	217	244	202
New complaints	606	433	316
	823	677	518
Cases processed during the year	646	460	274
Cases carried over to next year	177	217	244
Cases processed during the year			
Complaints lodged before the Disciplinary Council	39	18	20
Conciliations – Ethics	0	0	2
Matters requiring the intervention of the syndic	4	3	6
Warnings	491	332	169
Decisions not to lodge a complaint	85	89	68
Complaints withdrawn by plaintiffs or deemed inadmissible by a syndic	27	17	9
Cases forwarded to the Professional Inspection Committee	0	0	0
	646	459	274
Decisions submitted by plaintiffs to the Review Committee	17	15	9
Conciliation of fee accounts			
Brought forward from last year	12	6	7
New complaints	34	41	27
	46	47	34
Cases processed	39	35	28
Cases carried over to next year	7	12	6
Result of cases processed during the year			
Cases settled during conciliation	19	19	16
Cases withdrawn or deemed inadmissible	4	3	2
Cases for which a report was issued	16	11	10
Cases submitted to the Council for the Arbitration of Accounts following the issuance of a report	6	3	5

DISCIPLINE

Pierre Linteau, lawyer
Chair



The Disciplinary Council is established under section 116 of the *Professional Code*. It is seized of all disciplinary complaints for violating the *Chartered Accountants Act*, the *Professional Code* and the regulations thereunder, lodged against chartered accountants or persons who were members of the Ordre when the acts with which they are charged were committed.

During 2010-2011, the secretary to the Disciplinary Council received 38 disciplinary complaints from the syndic and assistant syndics.

During the year, the Council held 37 hearings to process the complaints.

Hearings were completed for 16 complaints from the syndic or assistant syndics in respect of the following offences:

- failure to discharge obligations with due care and to subordinate self-interest to that of a client;
- conflict of interest;
- failure to act with dignity and refusal to amend a letter;
- failure to comply with standards;
- conflict of interest and failure to comply with standards;
- found guilty by a court and misleading statements;
- conflict of interest and failure to ensure that a collaborator complied with the *Code of Ethics of Chartered Accountants*;
- obstruction of a professional inspection;
- acts derogatory to the honour and dignity of the profession;
- failure to comply with the terms of a refresher training period; and
- failure to take out professional liability insurance and misleading statements.

The Council rendered 20 decisions: one decision acquitting the respondent; two decisions finding the respondent guilty for which the hearings regarding penalties are pending; 13 decisions finding the respondent guilty and imposing penalties; two decisions imposing penalties after the professional was found guilty of the offences; one decision on the review of a list of costs maintaining the list as established; and one decision rejecting an appeal for the dismissal of a count of a complaint. The following penalties were imposed:

- for failure to discharge obligations with due care and to subordinate self-interest to that of a client: temporarily struck off the Roll for five years, publication of the decision in newspapers and required to pay costs;
- for conflict of interest: fined \$3,000 and required to pay costs;
- for conflict of interest: fined \$6,000 and required to pay costs;
- for failure to comply with standards: temporarily struck off the Roll for one month, publication of the decision in newspapers and required to pay costs;

Council members

Benoît Boivin, FCA
Louise Briand, CA
Louise Cloutier, CA
Alain Deslauriers, CA
Sylvie Deslauriers, FCA
Jean-Pierre Dubeau, FCA
Ilana Einheiber, CA

Richard Jacques, FCA
Bertrand Lachance, CA
André Lafond, CA
Pierre Lapointe, CA
W. Robert Laurier, FCA
Gaétan Marceau, CA
Ginette Nantel, CA
Michel Roberge, CA

Brahm Shiller, CA
Réal Sureau, FCA
Cristiane Tinmouth, CA

Substitute members

Stephen Coplan, CA
Robert Desforges, CA
Paul Dumas, CA

Yvon Fortin, FCA
André Young, FCA

Secretary

Claudette Roberge

DISCIPLINE

- for failure to comply with standards: temporarily struck off the Roll for two months, publication of the decision in newspapers and required to pay costs;
- for failure to comply with standards: temporarily struck off the Roll for three months, publication of the decision in newspapers and required to pay costs;
- for conflict of interest and failure to comply with standards: fined \$2,500, reprimanded and required to pay costs;
- for being found guilty by a court and misleading statements: fined \$6,000 and required to pay costs;
- for conflict of interest and failure to ensure that a collaborator complied with the *Code of Ethics of Chartered Accountants*: fined \$12,000, reprimanded and required to pay costs;
- for obstruction of a professional inspection: fined \$3,000, reprimanded and required to pay costs;
- for acts derogatory to the honour and dignity of the profession: permit revoked and required to pay costs;
- for failure to comply with the terms of a refresher training period: temporarily struck off the Roll for two months, publication of the decision in newspapers and required to pay costs; and
- for failure to take out professional liability insurance and misleading statements: fined \$3,000, temporarily struck off the Roll for one month, publication of the decision in newspapers and required to pay costs.

The decisions were rendered by the Disciplinary Council within 90 days of being taken under advisement, with the exception of one decision which was rendered within 128 days.

Professions Tribunal

Two decisions rendered by the Disciplinary Council in 2010-2011 were appealed to the Professions Tribunal. In both cases, the date of the hearing must be scheduled.

The Professions Tribunal rejected an appeal concerning a case from the previous year. Another case is under advisement. Moreover, the Tribunal rejected two appeals of decisions rendered by the Disciplinary Council during hearings.

Pierre Linteau, lawyer
Chair



ILLEGAL PRACTICE AND UNAUTHORIZED USE OF THE DESIGNATION

The Ordre's Legal Affairs and Records Vice-Presidency conducts investigations into illegal practice and unauthorized use of the designation that are brought to its attention and takes appropriate measures to put a stop to these situations.

In 2010-2011, the Vice-Presidency opened 51 files relating to illegal practice or unauthorized use of the designation. Among these files, nine were

complaints, of which two led to convictions, three led to summonses and were settled to the satisfaction of the Ordre, 16 were closed due to insufficient evidence or lack of recourse, and 23 files are under investigation.

Of the 51 files brought forward from last year, 14 complaints were received and convictions were obtained in 11 cases, nine complaints were

withdrawn, 20 files were closed due to insufficient evidence and five led to summonses and were settled to the satisfaction of the Ordre. Three cases are still under investigation.

Investigations			
	Illegal practice	Unauthorized use of the designation	Illegal practice and unauthorized use of the designation
Investigations completed in 2010-2011	35	6	10

Penal proceedings			
	Illegal practice	Unauthorized use of the designation	Illegal practice and unauthorized use of the designation
Penal proceedings instituted in 2010-2011	5*	1*	3*

* With more than one charge laid

Decisions rendered				
	Number of decisions rendered in 2010-2011	Number of decisions in which the defendant was found guilty	Number of decisions in which the defendant was found not guilty	Total amount of fines imposed
Illegal practice	9	9	0	\$30,935
Unauthorized use of the designation	1	0	1	\$0
Illegal practice and unauthorized use of the designation	3	3	0	\$518,700

INDEMNITY FUND

Michel Lamarre, CA
Chair



After studying the report and recommendations of the Indemnity Fund Committee, the Executive Committee allowed the claim in the amount of \$47,853.70 and dismissed the three other claims for lack of evidence.

Michel Lamarre, CA
Chair

In 2010-2011, the Indemnity Fund Committee analyzed four claims totalling \$180,853.70 for which a review had been left in abeyance for a number of years, pending a decision from the common law courts. After reviewing these claims, the Committee recommended that the Executive Committee dismiss three of them for lack of evidence, and allow the fourth claim for an amount of \$47,853.70.

Committee members

Pierre Gauvreau, FCA
Daniel McMahon, FCA

Secretary

Christiane Brizard, lawyer, C.OCAQ



MANDATORY CONTINUING EDUCATION

Mandatory continuing education activities

Under the *Regulation respecting mandatory continuing education for Quebec chartered accountants* (Regulation), which came into effect in July 2006, all active members are required to devote at least 120 hours per three-year reference period to mandatory continuing education activities, with a minimum of 25 hours per year, and no more than 15 hours per year for self-study activities such as reading.

Continuing education activities must relate to areas in which the chartered accountant practices and be consistent with the professional activities described in section 1 of the *Code of Ethics of Chartered Accountants*.

Moreover, since September 1, 2009, members who practice public accountancy are also subject to

the *Regulation respecting mandatory continuing education for Quebec chartered accountants who practice public accountancy* (Public Accountancy Regulation). These members are required to devote at least 60 hours per three-year reference period to formal continuing education activities in specific areas, namely financial reporting and updates of generally accepted audit and review standards, with a minimum of 15 hours per reference year. These requirements are part of the general requirements set out in the Regulation. The first three-year reference period extends from September 1, 2009 to August 31, 2012.

Of the 16,495 active members subject to the Regulation, 4,987 of which are also subject to the Public Accountancy Regulation, 494 members (including 161 in public accountancy) were exempted from

having to attend continuing education activities in accordance with section 15 of the Regulation (or section 13 of the Public Accountancy Regulation), for a total of 10,087 hours (including 2,348 hours in public accountancy).

In 2010-2011, four members were subject to a decision rendered by the Executive Committee of the Ordre ordering that they be struck off the Roll of the Ordre for failing to accumulate the continuing education hours prescribed by the Regulation, compared with 13 members in 2009-2010. Their striking off the Roll remains in effect until the Ordre receives proof that they have met the requirements of the Regulation.

Continuing education activities consisted in:

Continuing education activities	Member participation	Number of hours
Formal activities		
Courses offered or organized by the Ordre	5,975	135,594
Courses offered or organized by the Canadian Institute of Chartered Accountants or by other provincial institutes of chartered accountants	749	9,279
Courses offered or organized by other professional orders or similar organizations	2 402	45,042
Courses offered by educational or specialized institutions that have access to appropriate professional, technical and educational resources	3,540	142,690
Formal courses or continuing education activities offered in the workplace	9,626	270,812
Formal training sessions	1 037	17,167
Symposiums, seminars or conferences with a prevalence of technical or educational content	6,898	106,622
Discussion groups or technical committees	2,054	42,107
E-learning activities	1,970	21,323
Authorship of published articles or other publications related to the chartered accountancy profession	208	21,478
Studies or research projects	212	13,793
Subtotal - Formal activities		825,907
Unstructured activities (self-study)		232,324
Total		1,058,231

EDUCATION

Mélanie Leduc, CA*
Chair



The Education Committee (EC) provides a valuable forum for university representatives and training employers to discuss changes in CA qualification standards. The Committee's analyses and opinions enable the Ordre's Board of Directors to make informed decisions. The EC includes the members of the Committee on Training of Chartered Accountants, formed in accordance with the *Regulation respecting the committee on training of chartered accountants*, pursuant to the *Professional Code* (R.S.Q., c. C-26, s. 184, par. 2).

Key topics in 2010-2011 included labour mobility, recognition of experience and the integration of foreign-trained professionals in the CA qualification process and the workforce. The Committee recommended the future implementation of additional pathways to the profession and bridging programs once all the analyses have been conducted. In keeping with the mutual recognition agreements, it also recommended negotiating reciprocity agreements with three other countries.

Members discussed the directions of the Uniform Evaluation (UFE) and changes to the *UFE Candidates' Competency Map*. With the addition of international auditing and accounting standards to Canadian financial reporting frameworks and the implementation of non-assurance training opportunities in other provinces, we are reviewing these fundamental CA qualification tools and distinguishing between granting the right to practice public accountancy and granting the CA designation to develop the profession in an international context.

The excellent work by our university partners and training employers contributed to 611 candidates passing the 2010 UFE, and year after year this number continues to grow. We look forward to when these candidates receive their CA designation, which is both a crowning achievement for their hard work and a springboard to a promising career.

Mélanie Leduc, CA
Chair

Committee members

Nicolas Boivin, CA
Louise Briand, CA
Pierrette Doré, FCA*
Guylaine Duval, CA
Catherine Fortin, CA
Jacques Fortin, FCA*

Danielle Gagnon-Valotaire, CA
Yves Galarneau, CA
Maurice Gosselin, CA
Trevor Hagyard, CA
Jesus Jimenez-Orte,
Representative of the Ministère de
l'Éducation, du Loisir et du Sport*

Michel Larouche, CA
Laurent Liagre, CA
Patricia Michaud, CA
Anne-Marie Robert, FCA*

Observer

Hélène Racine, CA, ASC,
Representative of the CICA's Educa-
tion and Qualifications Committee

Secretary

Diane Messier, FCA

* Members of the Committee on Training of Chartered Accountants (Order in Council 1027-97)

PROFESSIONAL INSPECTION

François Touchette, CA
Chair



This year, the inspection of 519 units required approximately 775 inspector/days. Close to 91% of members inspected this year met inspection standards. Following up on practicing units that failed to meet the standards required approximately 57 inspector/days. The number of members required to serve a refresher training period, with or without a refresher course, increased since last year, the main deficiencies being inadequate documentation of review procedures relating to significant variations in income statement items and gross margin and inadequate documentation of audit procedures relating to the risk-based audit approach in accordance with the requirements of the *CICA Handbook*.

The main activities of the Professional Inspection Committee are summarized in the following table:

Year ended March 31	2011	2010
Practicing units inspected during the year	519	574
Pending, beginning of year	74	49
	593	623
Pending, end of year	51	74
Practicing units about which the Ordre's Board of Directors received recommendations	542	549
Recommendations ratified by the Board		
Practicing units that met the standards	479	497
Practicing units ordered to serve a refresher training period, without limitation or suspension of the right to engage in professional activities	17	14
Practicing units ordered to serve a refresher training period and complete a refresher course, without limitation or suspension of the right to engage in professional activities	46	38
Practicing units ordered to serve a refresher training period, with limitation of the right to engage in professional activities	0	0
	542	549
Number of members ordered to serve a refresher training period, without limitation or suspension of the right to engage in professional activities	44	28
Number of members ordered to serve a refresher training period and complete a refresher course, without limitation or suspension of the right to engage in professional activities	58	48
Number of members ordered to serve a refresher training period, with limitation of the right to engage in professional activities	0	0
Number of members inspected	2,084	1,711
Number of meetings of the Professional Inspection Committee	7	5
Number of inspections dealing with competence	0	0

Committee members

Benoit Riendeau, CA, Vice-Chair
Paule Bouchard, FCA
Jacques Grandmont, CA
Kenneth Hotton, CA

Nathalie Labelle, CA
Alain Lajoie, FCA, CA•IFA
Josée Leclerc, CA
Gloria Lemire, CA

Pierre Longpré, CA
Louise Roby, CA
Alain Trudeau, CA
Tony Vescio, CA

Secretary

Martine Picard, CA

PROFESSIONAL INSPECTION

The work was carried out by the inspection team of the Ordre's Inspection and Professional Practice Vice-Presidency. The team is made up of **Martine Picard, CA**, Vice-President, **Chantal Le Rossignol, CA**, Assistant Director, **Nathalie Bouchard, CA**, **Julie Choquette, CA**, **Kim Lemire, CA** and **Mireille Quinn, CA**, staff inspectors, as well as the following contractual inspectors and supervisors:

Philippe Bérubé, CA
Jean-Étienne Blais, CA
André Coutu, CA
Pierre Désilets, CA
Sylvie Fortin, CA
Sylvain Moisan, CA

Pierre O. Oligny, FCA
Monique Papineau, CA
Sylvie Plante, CA
Dominique Racine, CA
Louise Trépanier, CA

The 13 Committee members spent more than 48 person/days carrying out their duties, not counting the time needed to review the files and prepare meetings. This year, the Committee was made up of members from the Montreal, Quebec City, Central Quebec and Eastern Townships regions.

Refusal to complete refresher courses

Pursuant to section 4 of the *Regulation respecting refresher training periods and courses of the Ordre des comptables agréés du Québec*, it was recommended that the Board of Directors forward a member's file to the syndic of the Ordre for purposes of lodging a complaint before the Ordre's Disciplinary Council because the member failed to complete any of the refresher courses imposed by the Board of Directors.

Refusal to submit to a period of refresher training with mandatory supervision

It was also recommended that the Executive Committee forward two members' files to the syndic. These two members engaged in derogatory conduct by failing to submit to a period of refresher training with mandatory supervision.

Limitation of the right to perform audit engagements

Pursuant to section 5 of the *Regulation respecting refresher training periods and courses of the Ordre*

des comptables agréés du Québec, it was recommended to the Executive Committee to limit the right of a member to perform audit engagements, as this member had not met the objectives of several refresher training periods and courses. These repeated failures demonstrated that the member was still not able to comply with the professional auditing standards set out in the *CICA Handbook*.

General program of inspection

In 2010-2011, the CICA's Public Trust Committee approved the recommendations of the national Practice Inspection Program Working Group regarding seamless approval processes for CA training offices that provide training opportunities in non-traditional paths. In addition, the Working Group updated technical tools and developed courses on the new review process for Practice Inspection Committee members and all provincial institute/Ordre inspectors.

Summary of files forwarded to the syndic

The 644 departures included in the 497 files forwarded to the syndic by the Committee during the year, in accordance with the fifth paragraph of section 112 of the *Professional Code*, break down as follows:

Departures from the Code of Ethics of Chartered Accountants

Breach of section 21 prohibiting a member who performs a contract, in whole or in part, in the practice of his profession from including in such contract any clause to the effect of directly or indirectly, fully or partially, excluding his personal civil liability.	391
Breach of section 25.2 requiring a member who provides professional services other than assurance engagements to disclose in any report or other document addressed to a person other than his employer, the nature and extent of any influence that may be perceived as impairing his professional judgment or objectivity.	61
Breach of section 36.8.12(a) requiring a member who performs an assurance engagement to obtain approval from the client's management when preparing journal entries.	42

Breach of section 36.10 requiring a member who performs an assurance engagement to identify threats to his independence and evaluate their significance.	19
Breach of section 48 respecting professional secrecy.	13
Breach of section 36.4 requiring a member to remain free of any influence, interest or relationship which may impair or be perceived as impairing his professional judgment.	12
Failure to fulfill professional obligations and failure to perform a mandate in keeping with current professional accounting and assurance standards, with the other standards, rules, and guidance or guidelines set out in the <i>Canadian Institute of Chartered Accountants Handbook</i> and with current scientific knowledge (section 19).	11
Breach of section 63 requiring that before accepting an assurance or compilation engagement where he is replacing another accountant, a member shall first communicate with such accountant and enquire whether there are any circumstances he should take into account which might influence his decision to accept or refuse the engagement.	10
Breach of section 76 prohibiting a member from carrying on his profession within a partnership or company under a firm name or any other designation which is misleading.	7
Breach of section 54 requiring a member to charge just and reasonable fees.	6
Breach of section 7 requiring a member to have the personal charge and management of any place of business of a partnership or company holding itself out as a partnership or company of chartered accountants or within which one or more members offer assurance services.	2
Breach of section 1 requiring a member to take reasonable measures to ensure that each person involved with him in the practice of his profession and any partnership or joint-stock company within which he practices his profession comply with the <i>Chartered Accountants Act</i> , the <i>Professional Code</i> and the regulations thereunder.	2
Breach of section 34 prohibiting a member from signing, preparing, producing or associating himself with any letter, report, statement, representation or financial statement which he knows, or should know, is false or misleading.	1
Breach of section 36.9.7 prohibiting a member, in the context of an audit of a listed enterprise, from providing professional services such as accounting or bookkeeping services related to financial statements to be audited.	1
Breach of section 23 requiring a member to perform his duties with integrity and objectivity.	1
Breach of section 55 requiring a member to provide his client with all the explanations necessary to understand his account for fees and, in particular, ensure that the account is broken down so that the professional services performed can be identified.	1
Breach of section 6 requiring a member to keep his knowledge current by keeping abreast of developments in the fields of practice of his profession.	1
Departures from the <i>Chartered Accountants Act</i>	
Breach of section 24 specifying that no person may practice public accountancy unless he is a chartered accountant.	6
Departures from the <i>Professional Code</i>	
Breach of section 187.10.1 requiring a member who practices public accountancy to use the auditor designation.	54
Breach of section 114 prohibiting a member from hindering an inspector in the performance of his duties, misleading him by concealment or false declarations, refusing to furnish him with any information or document relating to an inspection carried out by him under the <i>Professional Code</i> or refusing to let him take copy of such a document.	3

PROFESSIONAL INSPECTION

The Practice Inspection Program material, which includes a chapter on evaluation methodology, has been updated. A new nationally harmonized inspection software application has been created and is expected to be finalized for the start of the 2011-2012 inspections.

In collaboration with the other provinces, the professional inspection questionnaires have been updated to integrate the Accounting Standards for Private Enterprises and Canadian Auditing Standards. These new questionnaires will come into effect for the 2011-2012 fiscal year. Articles were published in *Inf@CA* to inform members about the upcoming changes to harmonize the Canadian professional inspection systems and changes to the Professional Inspection Report for 2011-2012.

A joint effort with the CICA's Public Trust Committee gave rise to comments being submitted on proposed IFAC International Education Standard (IES) 7, *Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence*. Other initiatives included updates of the Canadian component of the *Statement of Member Obligations 1*, which IFAC member bodies must apply to quality assurance review programs for their members who perform certain audit engagements of financial statements, and of the related action plan.

An interprovincial meeting of those responsible for inspection in each provincial institute/Ordre was organized. Participants discussed the new standards, the new harmonized evaluation methodology and new inspection software.

During the 2010-2011 fiscal year, inspection of firms in cooperation with the Canadian Public Accountability Board continued.

There are plans to inspect and re-inspect 525 practicing units in 2011-2012. These inspections should require 915 inspector/days. Monitoring practicing units that failed to meet the standards is also planned and should require around 64 inspector/days.

Other activities and achievements

A new questionnaire was developed for inspectors to harmonize and improve support to members inspected. A new CA training office questionnaire was used for the first time to ensure compliance with CA practical experience requirements. Inspectors enhanced their knowledge on the new Accounting Standards for Private Enterprises, the International Financial Reporting Standards, and the Canadian Auditing Standards, which will soon come into effect, as well as on the most recent amendments to the *Code of Ethics*.

The nationwide compilation of weaknesses identified during inspections was maintained, and the findings were submitted to those in charge of training programs and technical support for members in each province. Members were trained on weaknesses noted in applying the standards, as well as on changes to the general program of inspection. In addition, an article entitled "Inspection results: Return to normal!" was published in the May 26, 2010 issue of *Inf@CA*.

With a view to raising members' awareness about their obligations regarding the protection of the

public, improvements were made to the professional inspection section of the Ordre's website, such as by adding an FAQ. Technical manuals and other tools for members of the Ordre were also updated.

With respect to new training opportunities, a joint collaborative effort was undertaken to develop and implement new directions, which were adopted by the Executive Committee. Certain firms can now pool their hours so that CA students can complete their term of practical experience at a firm with several places of business controlled by a single office, or two sole practitioners or two partners sharing the same physical space can also combine their hours.

A new inspection fee schedule for the coming year was approved by the Board of Directors at its meeting of February 10, 2011.

François Touchette, CA
Chair

PROFESSIONAL PRODUCTS AND SERVICES

Robert Papineau, CA
Chair



Role

The mandate of the Professional Products and Services Committee is to identify the professional needs of CAs in order to improve the offering of professional products and services to meet those needs and help CAs excel.

Professional products and services program

In February 2011, the Committee validated and approved the professional products and services proposed by the Ordre's Professional Products and Services Vice-Presidency that are likely to meet CA needs in 2011-2012. Most of these products and services had already been accepted by a number of committees.

Member participation in optional continuing education activities

For the fiscal year ended March 31, 2011, a total of 25,382 members registered for the continuing education program developed by the Ordre's Professional Products and Services Vice-Presidency. Many members participate in continuing education activities developed by the Vice-Presidency or offered in association, which are proposed in the course catalogue and on the Ordre's website. The program includes over 1,038 continuing education activities. The following

tables present a breakdown of registrations by area of expertise and course duration. The duration of each activity depends on the objectives to be achieved and the organization offering the course, for instance, the Ordre, or certain associations or organizations that offer private courses.

Committee members

Éric Allard, CA
Patrick Beaudoin, CA
Francis Belzile, M. Fisc., CA
Johanne Bertrand, CA
Martine Clément, CA
Raymond Drouin, FCA

Anne-Marie Ethier, CA
Renée Gallant, FCA
Marie-Claude Hamelin, CA
Guylaine Houde, CA
Diane Lanciault-Fortier, CA
Jean-Paul Lauly, CA
André Leblanc, CA

Daniel Leblanc, CA
Vicky Lizotte, CA
Michel Mathieu, CA
André Mignault, CA
Thérèse Roy, CA
Maryse Samson, M.Ed.
Daniel Tétreault, CA

Secretary

Daniel Benard, CA

PROFESSIONAL PRODUCTS AND SERVICES

In-classroom continuing education activities developed by the Ordre

Total member registration		
Area of expertise	Duration (hours)	Total
Assurance and practice management	2.00	19
	3.50	435
	7.00	2,015
	14.00	517
Total – Assurance and practice management		2,986
Personal and organizational competencies	3.50	130
	7.00	2,395
	14.00	42
Total – Personal and organizational competencies		2,567
Accounting and financial reporting	3.50	691
	4.00	22
	7.00	5,676
	14.00	761
Total – Accounting and financial reporting		7,150
Events	3.50	33
	7.00	553
Total – Events		586
Financing, cash management and business valuations	7.00	39
Total – Financing, cash management and business valuations		39
Taxation	3.50	10
	7.00	474
Total – Taxation		484
Taxation and commodity taxes	3.50	1,273
	7.00	1,715
	14.00	263
Total – Taxation and commodity taxes		3,251

In-classroom continuing education activities developed by the Ordre *(continued)*

Total member registration		
Area of expertise	Duration (hours)	Total
Operational and financial management	3.50	162
	7.00	451
Total - Operational and financial management		613
Governance and management	7.00	395
Total - Governance and management		395
Governance and risk management	7.00	236
Total - Governance and risk management		236
Commodity taxes	3.50	137
	7.00	33
Total - Commodity taxes		170
Total		18,477

PROFESSIONAL PRODUCTS AND SERVICES

Distance learning activities developed by the Ordre

Total member registration		
Area of expertise	Duration (hours)	Total
Assurance and practice management	2.00	25
	2.50	111
Total - Assurance and practice management		136
Accounting and financial reporting	2.50	97
	2.50	22
Total - Accounting and financial reporting		119
Events	1.25	3
	1.50	11
	5.75	19
	11.00	30
Total - Events		63
Taxation and commodity taxes	2.50	126
Total - Taxation and commodity taxes		126
Operational and financial management	2.50	8
Total - Operational and financial management		8
Total		452

In-house training activities developed by the Ordre

Total member registration		
Area of expertise	Duration (hours)	Total
Assurance and practice management	7.00	1,218
Total – Assurance and practice management		1,218
Personal and organizational competencies	7.00	28
Total – Personal and organizational competencies		28
Accounting and financial reporting	3.50	72
	7.00	1,347
Total – Accounting and financial reporting		1,419
Taxation and commodity taxes	3.50	114
	7.00	112
Total – Taxation and commodity taxes		226
Operational and financial management	7.00	15
Total – Operational and financial management		15
Total		2,906

Continuing education activities offered in association

Total member registration		
Area of expertise	Duration (hours)	Total
Assurance and practice management	7.50	7
	14.00	7
	15.00	4
	21.00	1
Total – Assurance and practice management		19

PROFESSIONAL PRODUCTS AND SERVICES

Continuing education activities offered in association *(continued)*

Total member registration		
Area of expertise	Duration (hours)	Total
Personal and organizational competencies	2.00 (DL*)	20
	3.00	1
	3.50	15
	6.00	35
	7.00	92
	12.00	110
	14.00	9
Total – Personal and organizational competencies		282
Accounting and financial reporting	3.50	1
	14.00	18
Total – Accounting and financial reporting		19
Financing, cash management and business valuations	3.50	11
Total – Financing, cash management and business valuations		11
Taxation	14.00	3
Total – Taxation		3
Taxation and commodity taxes	2.50 (DL*)	3
	3.00 (DL*)	79
	3.00	38
	3.50	2
	7.00	31
	14.00	7
Total – Taxation and commodity taxes		160

* DL = Distance Learning

Continuing education activities offered in association *(continued)*

Total member registration		
Area of expertise	Duration (hours)	Total
Operational and financial management	3.00	4
	3.50	12
	7.00	43
	14.00	9
	21.00	1
Total - Operational and financial management		69
Governance and management	3.00	8
	3.50	4
	6.00	8
	7.00	119
	12.00	1
	14.00	6
	21.00	3
Total - Governance and management		149
Governance and risk management	7.00	4
	14.00	5
Total - Governance and risk management		9
Commodity taxes	7.00	4
	14.00	6
Total - Commodity taxes		10
Total		731

PROFESSIONAL PRODUCTS AND SERVICES

INCREASE OF OVERALL PARTICIPATION RATE ¹

This year, CAs once again relied on us for their continuing education. In the last training season, we sold over 3,707 season passes and achieved a record of more than 30,365 registrations (including non-members) for training activities in class and in association, or for private courses. The members of the Professional Products and Services Committee are pleased to have contributed to this success.

In-classroom courses

- Over 1,379 individual registrations
- Over 25,800 registrations for Ordre courses (classroom)
- More than 8,091 different clients, including approximately 5,454 CAs

Distance learning

- 14 courses and 27 sessions:
 - 11 blended e-learning activities, two on ethics and one on Accounting Standards for Private Enterprises (ASPEs)
 - 24 blended sessions, two on ethics and one on ASPEs
- 742 registrations, including 428 registrations for blended e-learning activities, 237 for ethics courses and four registrations for the course on ASPEs.

In-house training

In-house training allows organizations to offer Ordre continuing education activities on their own premises to their CA and non-CA employees. Firms and companies find this formula very appealing, and the number of participating CAs increases every year. In the last fiscal year, close to 1,384 participants attended in-house training activities, generating 2,906 registrations.

Courses in association

Over 1,154 registrations in 2010-2011.

Tools and resources

Over 400 tools available (Ordre and CICA) and more than 3,171 sold.

PPS portal

Phase 1 of the PPS portal, i.e. posting reference guides online, is in progress and should be completed by September 2011.

SATISFACTION RATE

In-classroom courses

In 2010-2011, the satisfaction rate of participants was 4.71/5 for course content and 4.7/5 for the instructor.

Professional products and services

The first edition of the Professional Products and Services catalogue (courses, tools and resources) was sent to CAs in August 2010 and a second edition was sent in March 2011.

Robert Papineau, CA

Chair

¹ Unless otherwise indicated, the following statistics refer to the education season underway in the spring of 2011. They were updated as at March 31, 2011.



EQUIVALENCE RECOGNITION

Under the *Regulation respecting the standards for equivalence of diplomas for the issue of a permit of the Ordre des comptables agréés du Québec*, the

Ordre applies an equivalence recognition process to applications from persons who wish to have a diploma issued by an educational institution

outside Quebec recognized as equivalent in order to obtain a permit.

Activities relating to the recognition of the equivalence of diplomas issued by educational institutions outside Quebec in 2010-2011

Applications - Equivalence of diplomas	Diplomas issued in Canada	Diplomas issued outside Canada
Received	16	51
Full equivalence granted	15	6
Rejected	1	45

The Ordre also recognizes partial diploma equivalence. Therefore, all applications to have the

equivalence of diplomas recognized that are listed as “rejected” in the above table are reflected in the

data on training equivalence as having been granted partial equivalence.

Applications - Training equivalence	Diplomas issued in Canada	Diplomas issued outside Canada
Received	2	52
Full equivalence granted	1	7
Partial equivalence granted	1	45
Rejected	0	0

Agreement between France and Quebec on the mutual recognition of professional qualifications

The *Règlement sur la délivrance d'un permis de l'Ordre des comptables agréés du Québec pour donner effet à l'arrangement conclu par l'Ordre en vertu de l'entente entre le Québec et la France en matière de reconnaissance mutuelle des qualifications professionnelles* was published in the *Gazette officielle du Québec* of May 21, 2010. Following the coming into force of this regulation, the Ordre issued a permit to a public accountant from France who had met all the conditions set out in the above-mentioned regulation. Another public accountant from France is still on the path toward the CA designation. No new applications were received during the year.

Work continued on achieving a mutual recognition agreement with the Compagnie nationale des commissaires aux comptes (CNCC) in 2010-2011. The French Ministry of Justice has not yet approved the proposal submitted by the Ordre and the CNCC. We will follow up on the matter in 2011-2012.

Mutual recognition agreements

The Ordre signed mutual recognition agreements with 14 foreign accounting bodies. All members in good standing of these organizations may take advantage of this route to the CA designation, which takes their professional qualifications into account.

Issuance of temporary, restrictive or special permits

For several years now, the Ordre has had the authority, under the *Chartered Accountants Act*, to issue “permits on permits” to members of a CA institute in Canada or Bermuda.

REGULATIONS

Denis Savard, CA
Chair

The mandate of the Regulations Committee is to update existing regulations, draft new regulations, and make recommendations regarding their approval by the Board of Directors. The Committee's mandate covers all Ordre regulations, including the *Code of Ethics of Chartered Accountants*, and all drafts of new regulations.

The role of the Working Group on the *Code of Ethics*, which reports to the Committee, includes drafting proposed amendments to the *Code of Ethics of*

Chartered Accountants, as well as reviewing and commenting on proposed amendments to the harmonized rules of professional conduct.

The Working Group on the *Code of Ethics* analyzed the proposed amendments to the *Code of Ethics of Chartered Accountants* before forwarding them to the Regulations Committee. Throughout the year, the Working Group focused a great deal on proposed changes to the independence standards, specifically by reviewing and commenting on the CICA's exposure draft and consultation paper on independence standards, as well as on proposed amendments to Rule 204 on independence. It also reviewed and commented on a number of proposed amendments to the harmonized rules of professional conduct and their related interpretations regarding the information and cooperation chartered accountants are required to provide to their provincial institute/Ordre.

As regards labour mobility, the Regulations Committee reviewed the draft *Regulation respecting legal authorizations to practice as a chartered accountant outside Quebec that give access to the permit issued by the Ordre des comptables agréés*

du Québec and the draft *Regulation respecting the issuance of special permits of the Ordre des comptables agréés du Québec*, and recommended their adoption by the Ordre's Board of Directors.

Moreover, following amendments to the governance rules, the Committee also reviewed the draft *Regulation respecting elections to and regional representation on the board of directors of the Ordre des comptables agréés du Québec* and the draft *Regulation respecting general meetings of the Ordre des comptables agréés du Québec* and recommended their adoption by the Ordre's Board of Directors.

The Committee also analyzed the draft *Regulation respecting the standards for diploma and training equivalence for the issue of a permit of the Ordre des comptables agréés du Québec*, the draft *Regulation respecting the terms of use of the auditor designation* and the draft *Règlement pour la mise en œuvre de l'entente de reconnaissance mutuelle intervenue entre l'Ordre et l'Ordre des experts-comptables de France* in order to recommend their approval by the Ordre's Board of Directors.

Committee members

Martine Bouillé, CA
Jacques Filion, CA
Lise Lambert, ASC, Representative of the public
Suzanne Maisonneuve-Benoît, Representative of the public
Gilles Malette, CA
Daniel McMahon, FCA

Christine Montamat, MBA, CA
Caroline Nadeau, CA
Gilles Simard, CA
Robert St-Aubin, FCA

Secretary

Christiane Brizard, lawyer, C.OCAQ

Working Group on the Code of Ethics

Christiane Brizard, lawyer, C.OCAQ
Bernard Chartier, CA
Gilles Henley, CA
Charles Jacobs, CA
Diane Lanciault-Fortier, CA
Sylvain Loiselle, CA
Ginette Lussier-Price, FCA

Martine Picard, CA
Daniel Vézina, CA
Ed Victor, FCA

Secretary

Christine Montamat, MBA, CA

With respect to the *Code of Ethics of Chartered Accountants*, the Committee reviewed a proposal to incorporate into the Code a dynamic reference to the Canadian harmonized independence rules adopted by the CICA's Public Trust Committee in order to recommend its approval by the Ordre's Board of Directors.

The Committee also reviewed a number of proposed amendments to Canadian harmonized Rule 204 related to rotation of the engagement partner of a reporting issuer and the engagement quality control reviewer.

Lastly, throughout the year, the Committee closely monitored numerous developments pertaining to legislation and regulations governing our profession.

Denis Savard, CA

Chair



REVIEW COMMITTEE

Martin Langlois, CA
Chair



The Review Committee is established under section 123.3 of the *Professional Code* to provide individuals who have requested an inquiry into the conduct of a member of the Ordre des comptables agréés du Québec or of a person who was a member of the Ordre at the time the acts were committed, an opinion regarding the decision of the syndic not to lodge a complaint before the Disciplinary Council. The Committee sits in groups of three persons, at

least one of whom is a representative of the public appointed from a list provided by the Office des professions.

In 2010-2011, the Committee received 17 requests for an opinion, all of which were submitted within the period prescribed by the *Professional Code*. At the request of the plaintiffs, two of these applications for review were withdrawn.

The Committee met 16 times to process 14 applications, one of which was brought forward from the previous year. The two other applications submitted this year will be processed during the coming year.

The Committee issued 13 opinions and will be issuing its opinion on another case shortly. In 11 cases, it concluded that there was no cause to lodge a complaint before the Disciplinary Council. In one case, it asked the syndic to complete the inquiry. In another case, it decided that there was no cause to lodge a complaint and suggested the appointment of an ad hoc syndic who, after an

inquiry, if a decision is made to hold one, will decide whether or not to lodge a complaint.

The Committee held one plenary session to discuss various topics respecting the procedure followed by its members during meetings.

Martin Langlois, CA
Chair

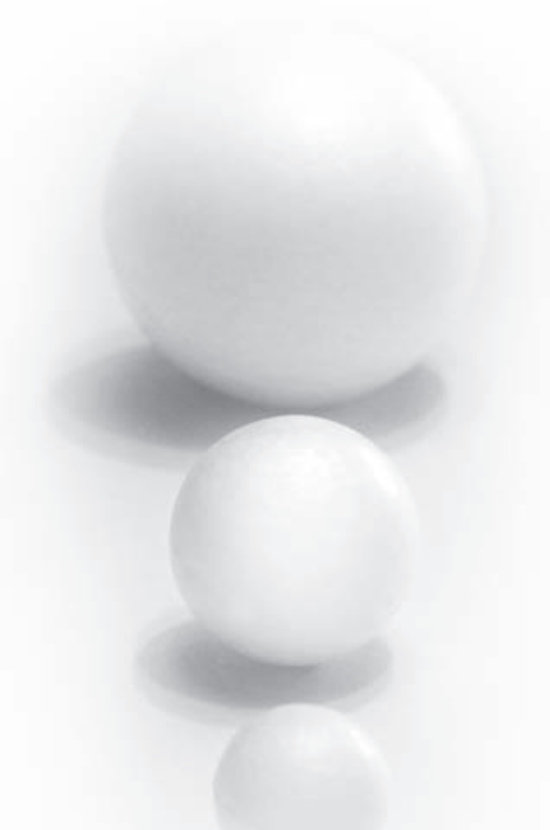
Committee members

Rhéal Jr Brunet, CA
Louise Champoux-Paillé, MBA,
Adm.A, Representative
of the public
Alain Chassé, CA

Jocelyn Guimond, CA
Roland Larochelle,
Representative of the public
Pierre Lussier, FCA
Yves Montpetit, CA
Gary Wechsler, CA

Secretary

Claudette Roberge



STAFF OF THE ORDRE

MANAGEMENT COMMITTEE



From left to right: Daniel McMahon, FCA • Christine Montamat, MBA, CA • Christiane Brizard, lawyer, C.OCAQ • Ginette Lussier-Price, FCA • Martine Picard, CA • André Richard, MBA • Évelyn Paquin, FCA • Marie-France Langlois, CA • Diane Messier, FCA • Daniel Benard, CA

STAFF OF THE ORDRE

EXECUTIVE OFFICE

President, CEO and Secretary

Daniel McMahon, FCA

Executive Secretary, Executive Office

Carole Manseau

ADMINISTRATION

Chief Operating Officer and Vice-President, Administration

Évelyn Paquin, FCA

HUMAN RESOURCES

Senior Advisor, Human Resources

Danièle Deschênes, CIRC

Human Resources Analyst

Julie Vézina

FINANCE

Director, Finance

Marie-France Langlois, CA

Administrative Assistant, Administration and Finance

Position vacant

Agent, Administration and Data Collection

Carole Pharand

Agent, Data Collection

Lise Cousineau

Analyst, Compliance

Lucie Charbonneau

Financial Information Analyst

Iulia Raihert

Warehouse and Mailroom Clerk

Michel Magny

Shipping Clerk

Sylvie Cuerrier

Controller

Sonya Guilbault, CA

Assistant Controller

Sanaz Moshaver, CA (ad interim)

Coordinator, Administration and Finance

Loraine Young

Receptionist

Rachel Bigras

Accounting Technician, Accounts Receivable

Sok-Kheng Taing (ad interim)

Accounting Technicians, Accounts

Payable

Lorena Alburez

Pascale Paradis

INFORMATION SYSTEMS

Director, Information Systems

André Richard, MBA

Network Administrator

Michel Yafalian

Analyst-Programmer, Development

David Dorsett

Analyst-Programmer, Implementation

Daniela Bungardean

Coordinator, Information Systems

Said Belhaj

Programmers

Reda Ennajih

Fabien Peret

Computer Technician

Éric Pesant

Webmaster

Philippe Laurin

LEGAL AFFAIRS AND RECORDS

Vice-President, Legal Affairs and Records

Christiane Brizard, lawyer, C.OCAQ

Administrative Assistant, Legal Affairs and Records

Isabelle Ledroit

Agent, Roll of the Ordre

Claudette Custeau

Clerk, Legal Affairs and Records

Sharon-Rose Alexandre

Legal Counsel

Geneviève Ouimet, lawyer

Coordinator, Roll of the Ordre and Legal Affairs

Julie St-Pierre

Secretary to the Disciplinary Council, the Council for the Arbitration of Accounts and the Review Committee

Claudette Roberge

EDUCATION AND RECRUITMENT

Vice-President, Education and Recruitment

Diane Messier, FCA

Assistant Director, Candidates and Recruitment

Jasmine Marcoux, MBA, CA

Assistant Director, Education

Andrée Daoust, CA

Administrative Assistant, Education and Recruitment

Mélissa Zdaniak

Administrative Assistant, Professional Education Program

Yvette N'Singa

Agent, Candidate Roll

Anne-Marie Marois

Employer Counsellor, CA Training

Sophie Langis-Lauzière, CA

Education and Recruitment Counsellor

Marie-Christine Gagné, CA

Coordinator, UFE and Recruitment

Marie-Josée Hamel

INSPECTION AND PROFESSIONAL PRACTICE

Vice-President, Inspection and Professional Practice

Martine Picard, CA

Assistant Director, Professional Inspection

Chantal Le Rossignol, CA

Assistant Director, Professional Practice

Lyne Lépine, CA

Operations Assistant, Professional Inspection

Pauline Duguay

Administrative Assistant, Mandatory Continuing Education

Mary Young

Administrative Assistants, Professional Inspection

Caroline Bouchard

Agents, Professional Practice

Cornelia Cazan

Dominique Vassart

Professional Practice Manager

Caroline St-Jean, CA

Coordinator, Professional Inspection

Danielle Arcudi

Professional Inspectors

Julie Choquette, CA

Kim Lemire, CA

Mireille Quinn, CA

Position vacant

Clerk, Mandatory Continuing Education

Hesser Garcia (ad interim)

PROFESSIONAL PRODUCTS AND SERVICES

Vice-President, Professional Products and Services

Daniel Benard, CA

Assistant Director, Professional Products and Services

Maryse Samson, M.Ed.

Administrative Assistants, Quality Assurance

Evelyne Cossette

Monica Hachey

Administrative Assistant, Advisor to CAs

Diane Lafortune

Administrative Assistant, Logistics – Training Activities

Jessica Duret

Administrative Assistant, Logistics – Professional Products and Services

Martine Primeau

Administrative Assistant, Professional Products and Services

Stéphane Paradis

Administrative Assistants, Customer Service

Julie Beaulac

Valérie Boucher

Geneviève Parent (ad interim)

Advisor to CAs in Public Practice

Guylaine Houde, CA

Advisor to CAs in Business and in the Public Sector

Marie-Claude Hamelin, CA

Advisor to CAs, Standards and Professional Products and Services

Annie Smargiassi, CA

Coordinator, Logistics – Training Activities

Louise Moreau

Coordinator, Logistics – Professional Products and Services

Diana Natale

Coordinator, Customer Service

Marie-Claude Cardinal

STRATEGY, EXTERNAL AFFAIRS AND COMMUNICATIONS

Vice-President, Strategy, External Affairs and Communications

Christine Montamat, MBA, CA

Assistant Director, Publishing, Events and Regional Groups

Maryse Dumais

Assistant Director, Marketing and Communications

Erika Vaugeois (ad interim)

Administrative Assistant, Events and Regional Groups

Nancy Alexandre

Administrative Assistant, Strategy, External Affairs and Communications

Suzanne Racette

Communications Manager

Stéphanie Desforges

External Relations Manager

Fanie Clément St-Pierre

Graphic Designers

Julie Milette

Guylaine Thiboutot

Computer Graphics

Andrée-Anne Sénéchal

Events Planner

José Boucher

SYNDIC

Syndic

Ginette Lussier-Price, FCA

Administrative Assistant, Office of the Syndic

Thérèse Coutu

Executive Secretary, Office of the Syndic

Manon Dumouchel

TO FIND OUT MORE...

An electronic version of this annual report can be found on the Ordre's website at www.ocaq.qc.ca.

Ordre members can consult the committee and regional group reports by visiting the Ordre's website and logging on as a "member."

Committee Reports*

- Insurance
 - CAs in the Public Sector
 - CAs in Public Practice
 - CAs in Business
 - CAs in Taxation and Commodity Taxes
 - CAs Working with Municipal Governments
 - CAs Working with Cooperatives
 - CAs Working with Educational Institutions
 - CAs in the Health and Social Services Network
 - CAs in the Educational Childcare Services Network
 - CAs Working in Internal Auditing
- Exposure Draft Review
- Evaluation
- Governance
- Strategic Directions
- Commercial Products and Services
- Regional Groups
- Government Relations
- Human Resources Compensation
- French Terminology

Regional Group Reports*

- Abitibi-Témiscamingue
- Eastern Townships
- Eastern Quebec
- Laval, Laurentians, Lanaudière
- Mauricie and Central Quebec
- Montréal
- Montérégie
- Montreal
- Outaouais
- Quebec City
- Saguenay-Lac-Saint-Jean

* Please note that the above reports are only available in French.





ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC

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