

# TOGETHER IN EXCELLENCE

2011-2012 ANNUAL REPORT

## 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's values

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.

Please note that due to the unification of the three accounting orders in Quebec within the Ordre des comptables professionnels agréés (CPA) du Québec on May 16, 2012, the 2011-2012 fiscal year of the Ordre des CA du Québec extends from April 1, 2011 to May 15, 2012, the eve of the coming into force of the act establishing the Ordre des CPA du Québec. Consequently, the regulatory information in this report is presented based on two separate dates: as at March 31, 2012, the normal year-end date for professional orders, and as at May 15, 2012, the date that also covers the additional period of April 1 to May 15.



**Montréal, septembre 2012**

**Ministre responsable de l'application des lois  
professionnelles  
Gouvernement du Québec**

Monsieur le Ministre,

Nous avons l'honneur de vous présenter deux exemplaires du rapport annuel de l'Ordre des comptables agréés du Québec pour l'exercice clos le 15 mai 2012.

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

Le président et chef de la direction,  
**Daniel McMahon, FCPA, FCA**

Le président du Conseil,  
**Stephan Robitaille, FCPA, FCGA**

**Montréal, septembre 2012**

**Président  
Office des professions du Québec**

Monsieur le Président,

Nous avons l'honneur de vous présenter 50 exemplaires du rapport annuel de l'Ordre des comptables agréés du Québec pour l'exercice clos le 15 mai 2012.

Veuillez agréer, Monsieur le Président, nos salutations distinguées.

Le président et chef de la direction,  
**Daniel McMahon, FCPA, FCA**

Le président du Conseil,  
**Stephan Robitaille, FCPA, FCGA**

**Québec, septembre 2012**

**Président  
Assemblée nationale**

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 15 mai 2012.

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

**Le ministre responsable de l'application des lois  
professionnelles**

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

### TOGETHER IN EXCELLENCE

The year 2011-2012 was a landmark year for the accounting profession in Quebec and Canada as a result of the unification project. It was also the year when Manon Durivage, FCA, officially took office as Chair of the Ordre. Throughout the year, unification was a priority for the new Chair as well as for President and CEO Daniel McMahon, FCA, who, together with their CGA and CMA counterparts and the members of the Ordre's Executive Committee, worked tirelessly to establish the foundations of what was to become the Ordre des CPA du Québec. Numerous projects relating to the protection of the public and access to the profession, among others, were also completed during the last few months. Spotlight on a historic year for all accounting professionals.

Daniel McMahon, FCA,  
and Manon Durivage, FCA



## UNIFICATION OF THE PROFESSION

The year 2011-2012 was marked by all the activity surrounding the unification of the accounting profession. At the invitation of the Office des professions du Québec, in May 2011 the Ordre des CA, the Ordre des CGA and the Ordre des CMA agreed to jointly reflect on the future of the accounting profession in Quebec.

From August 15 to September 13, 2011, the boards of the three orders undertook a province-wide tour, visiting 12 cities across Quebec. The same information sessions were held at the offices of major CA employers, and a webinar was posted online for members who did not have the opportunity to provide their views on the proposal to unify the accounting profession.

In all, close to 40 information and discussion sessions were organized for members, candidates for the profession and future members. We would like to thank everyone who took the time, despite their hectic schedules, to find out about the project and make their views known (by speaking out during a session, by voicemail or e-mail). All the comments were noted and the boards of the three orders received a comprehensive compilation report of all the member feedback, which helped provide insight to board members.

In a joint communication released on October 4, 2011, the three accounting orders in Quebec announced that they had given the Office des professions du Québec a favourable recommendation on unifying the accounting profession under the Ordre des comptables professionnels agréés (CPA) du Québec. A Transition Steering Committee was quickly set up. A few months later, thanks to the ongoing cooperation of the Office des professions du Québec, Bill 61, the *Chartered*

*Professional Accountants Act*, was tabled in the National Assembly on March 28, 2012 by Mr. Jean-Marc Fournier, Minister of Justice and Minister responsible for the administration of legislation respecting the professions.

As at the date of writing, Quebec is a forerunner of the unification initiative across Canada. Once the CPA Act comes into force, the Ordre des CA, the Ordre des CGA and the Ordre des CMA will give way to the new Ordre des CPA du Québec, which will group together the 35,000 accounting professionals in Quebec, making it the third largest professional order in the province. With this final step, the fifth attempt in nearly 40 years to unify the accounting profession in Quebec will have succeeded.

## PROTECTION OF THE PUBLIC

### Harmonizing professional inspection

The year 2011-2012 brought in a new evaluation process, as well as a revamped inspection report that was harmonized for all provinces. Established following the recommendations of the Professional Inspection Program (PIP) Working Group and led by the heads of professional inspection of various provincial jurisdictions, the new harmonized approach is intended to better assess CA knowledge and competencies, achieve consistency among provincial institutes/Ordre and assist firms in targeting the areas on which to focus. Protecting the public remains the cornerstone of this Canadian harmonization initiative, while still providing CAs with an educational experience. All the inspectors and members of the Professional Inspection Committee received training on the new evaluation process, in effect since 2011.

### Continuing education

Members participated in large numbers in the continuing education activities proposed in the course catalogue and on the Ordre's website. In 2011-2012,

the Ordre's Professional Products and Services Vice-Presidency recorded more than 30,000 registrations for the 415 continuing education activities it developed or that were offered in association.

### Collaborating with the professional world

Once again this year, the Ordre worked with the task force on the protection of vulnerable persons in matters of financial crime, under the aegis of the Autorité des marchés financiers (AMF). The task force, which was created at the request of the Minister of Finance, focused on three primary issues: legislation and standards pertaining to wealth management and banking powers of attorney, the ability of professionals to disclose cases of abuse, and the management of trust accounts and accounts held in trust. In October 2011, the AMF, in collaboration with the Ordre des CA and 12 agencies and professional orders, published *Trust must be earned*, a new guide to help raise public awareness about the risk of fraud.

To promote the growth of cooperatives, this year the Ordre is also proud of having been one of some 30 Quebec leaders who signed the *Déclaration à l'occasion de l'Année internationale des coopératives 2012*, which was endorsed by the Quebec government on February 21, 2012. The purpose of this declaration, an initiative led by the Conseil québécois de la coopération et de la mutualité, is to highlight the contribution of cooperatives and mutuals to the social and economic development of Quebec.

## NEXT GENERATION

### Qualification

Once again, the CA profession's visibility transcended the business community this year. On January 20 and 21, 2012, the success of the 2,857 Canadian candidates who passed the Uniform Evaluation (UFE) was highlighted in a six-page special insert published in *La Presse* and *The Gazette*, Quebec's two largest newspapers. In addition to the list of all candidates who passed the UFE and those who earned a place on the UFE Honour Roll of the Canadian Institute of Chartered Accountants (CICA), this special insert also featured inspiring and enthusiastic young CAs who contribute in their own way to the visibility of the CA designation in Quebec and around the world.

Year after year, the CA profession can take pride in continuing to attract motivated and talented young people. This year, 576 Quebec candidates passed the UFE, the ultimate test that measures the true competencies of CA candidates. The number of candidates who pass this rigorous exam is rising steadily, proof of the profession's vitality.

We would like to sincerely congratulate to Quebec's 576 successful candidates and the five top candidates from Quebec who earned a place on the CICA Honour Roll, which recognizes the highest standings in Canada on the UFE. Of note is the exceptional performance of **Michèle Poudrier, CA**, of the Université du Québec à Trois-Rivières, recipient of the Chartered Accountants of Canada Gold Medal and a cash prize of \$2,500 for achieving the highest standing in Quebec.

These top five candidates were honoured on March 24, 2012 at the Palais des congrès de Montréal during the prestigious Permit Presentation ceremony, an emotionally charged event organized to welcome the 635 new CAs to the profession.



From left to right: **Amélie Aubé-Giroux**, Université du Québec à Rimouski, Blanchette Vachon et associés, CA, Saint-Georges-de-Beauce • **Michèle Poudrier, CA**, Université du Québec à Trois-Rivières, FBL, Drummondville • **Isabelle Giguère**, McGill University – Desautels Faculty of Management, KPMG, Montreal • **Matthew Cote**, McGill University – Desautels Faculty of Management, KPMG, Montreal • **Melanie Wiseblatt**, McGill University – Desautels Faculty of Management, Ernst & Young, Montreal

### Promoting the profession

**LES CA, ON SE LES ARRACHE.**

Les CA sont à l'œuvre dans plus de 100 pays.

Devenir CA, c'est choisir le titre financier par excellence. C'est développer un réseau de contacts unique. C'est acquérir une vision élargie du monde des affaires. C'est se donner toutes les chances de réussir.

**DÉCIDE DE TON AVENIR, DEVIENS CA.**

**CA** Comptables agréés  
decidez.ca

Stephanie Caron, CA

On the heels of a successful 2010 campaign, in the fall of 2011 the Ordre launched the second wave of its promotional campaign targeting young people entitled *CAs: Everybody wants one*. In September 2011, new posters featuring young CAs began appearing in Quebec CEGEPs and universities. The campaign also included posters in several metro stations in the Montreal area and on buses in a number of regions and cities: Montreal's south shore, Laval, Quebec City, Saguenay, Sherbrooke, Trois-Rivières and Gatineau. The [www.decidez.ca](http://www.decidez.ca) microsite was also pressed into service, sporting the colours of the promotional campaign, which continued to focus on the high market demand for CA competencies and the many career opportunities the profession has to offer.



### Contest for future CAs

As part of its promotional campaign targeting young people, the Ordre also launched the highly successful *I like to decide* contest in September 2011, to mark the start of the school year. Three winners took home magnificent prizes: \$2,500 in clothing and the services of a stylist (1st prize), a golf bag worth \$1,300 (2nd prize) and a MacBook worth \$1,000 (3rd prize).

### Expanding the experience requirement to non-assurance services

Since the fall of 2011, a number of accounting firms have paved the way and now offer new career paths, including taxation and advisory services. In 2011-2012, close to twenty new organizations were accredited as training employers. A few accounting firms even obtained their accreditation for more than one establishment, bringing the total of new CA training offices to 40 or so in 2011-2012. In addition, Quebec's Comptroller of Finance, the first non-assurance CA training office in the Quebec public sector, welcomed its first CA students this year. The Ordre is very hopeful that other companies and organizations will become accredited in the coming years and thus contribute to the development of the profession.

## MEMBER RELATIONS

### New Fellow of the Ordre

This year, the Ordre's Board of Directors awarded the prestigious title of Fellow (FCA) to 16 exceptional members. On May 12, 2011, the Ordre commemorated the remarkable careers of these members by writing a new page in their history: the day they were formally presented their FCA title, in recognition of their exceptional commitment to the CA profession.



**First row (from left to right):** Christine Montamat, MBA, FCA, Ordre des CA du Québec • Karen Laflamme, FCA, Caisse de dépôt et placement du Québec • Manon Durivage, FCA, BDO Canada, Chair of the Ordre • Daniel Benard, FCA, Ordre des CA du Québec • **Second row (from left to right):** Michael Boychuk, FCA, Bimcor Inc. • Lynda Coache, FCA, Raymond Chabot Grant Thornton • Pierre Lapointe, FCA, Raymond Chabot Grant Thornton • Michael Conway, FCA, Financial Executives International Canada • Robert Zittler, FCA, RSM Richter Chamberland • **Third row (from left to right):** Daniel McMahon, FCA, Ordre President and CEO • Martine Picard, FCA, Ordre des CA du Québec • René Goulet, FCA, Fondation J.A. DeSève • Richard Roy, FCA, Uni-Sélect Inc. • Serge Gagné, FCA, Desjardins Group Bureau of Financial Monitoring • Serge Gaumond, FCA, Deloitte • Michael Ross, FCA, Dollarama Inc. • **Missing from photo:** François Brouard, FCA, Carleton University – Sprott School of Business

During the evening, the Ordre also honoured the newest recipient of the 2012 *Outstanding Achievement Award*, **Richard William Pound, FCA**, a partner with the law firm Stikeman Elliott. This Ordre award recognizes his undeniable determination and leadership, including as the founder of the World Anti-Doping Agency (WADA) in Montreal, making him a unique FCA and an inspiration to us all. Mr. Pound is the fifth member of the Ordre to receive the award.



**From left to right:** Manon Durivage, FCA, Chair of the Ordre • Richard William Pound, FCA, 2012 *Outstanding Achievement Award* recipient • Daniel McMahon, FCA, President and CEO



### Awards and distinctions

In the fall of 2011, the Ordre presented its *Recognition Awards* to honour the men and women who promote the profession through their daily actions. In addition to the four usual awards, the Ordre presented the very first *Recognition Award – CA in business* and *Recognition Award – CA in public practice* to members whose outstanding achievements deserve to be recognized outside the firm or enterprise for which they work. Congratulations to the 2011 *Recognition Award* recipients!

#### *Recognition Award – CA in public practice*

**Lynda Coache, FCA**

#### *Recognition Award – CA in business*

**Paul Dénommée, CA**

#### *Recognition Award – Teaching*

**Guyline Duval, M. Sc., CA**

#### *Recognition Award – Young CA Leader*

**Simon Castonguay, CA, CA•IFA**

#### *Recognition Award – Public Sector*

**Yves Frenette, CA**

#### *Recognition Award – Meritorious Service to the Ordre*

**Paul Dumas, CA**

**Michel Théroux, FCA**, received the *Quebec Interprofessional Council Award of Merit*, a token of appreciation from all professionals in Quebec bestowed on an Ordre member, in recognition of his or her contribution to the advancement of the profession.

### Regional groups

Each year, the regional groups, extensions of the Ordre in each region, also present awards to their members in recognition of their outstanding contribution to the profession and the community.

Congratulations to all 2011 and 2012 recipients!

#### Montérégie CA Group

- **Alain Boisvert, CA**, 2012 *CA Émérite* award, profession category
- **Paul Gauthier, CA**, 2012 *CA Émérite* award, community category
- **Yannick Marcotte, CA**, 2012 *CA Émérite* award, next generation category

#### Montreal CA Group

- **Simon Castonguay, CA, CA•IFA**, 2011 *CA Émergence* award
- **Michèle Colpron, CA**, 2011 *CA Émérite* award

#### Quebec City CA Group

- **Diane Bergeron, CA**, 2011 *CA Émérite* award
- **Esther Gaulin, CA**, 2011 *CA Émérite* award
- **Pierre Lapointe, FCA**, 2011 *CA Émérite* award
- **Serge Lavallée, CA**, 2011 *CA Émergence* award

#### Outaouais CA Group

- **Denis Gendron, CA**, 2011 *CA Émérite* award

### Commercial products and services

The Professional Products and Services Committee is committed to offering the most advantageous benefits to all members and has concluded several new agreements with commercial partners in 2011-2012, including the Fédération des caisses Desjardins, Groupe Dufour, Prestige Giftbox, Le Blainvillier private golf club and the Riôtel Hospitality Group.

### Website and social networks

In June 2011, the Ordre's website took on a new look. With a new approach and design, easy access to content and a more intuitive search, the new website is easier to navigate and query. The *Inf@CA* newsletter was revamped at around the same time. We hope this makeover appealed to you and gave you an opportunity to rediscover the tools available to you.

With social networks becoming more popular than ever, the Ordre and some regional groups improved their web presence. Since December 2011, members have been able to check out photos of various Quebec CA events posted on Flickr, a photo and video sharing site. Also, the Ordre has official CA pages on Facebook, LinkedIn and YouTube. The Ordre is now in full Web 2.0 mode!

## PUBLIC AFFAIRS

### Pre-budget consultations

On January 13, 2012, the Ordre once again submitted a brief to the Ministère des Finances du Québec as part of the 2012-2013 pre-budget consultations.

### CA-Parlementaires conference

The 6th CA-Parlementaires conference was an unprecedented success, bringing together a record number of 171 chartered accountants and nearly 30 members of the National Assembly on Quebec's Parliament Hill on November 1 and 2, 2011. Each year, this event provides an excellent opportunity to forge ties and discuss government issues that affect the profession. The quality of the speakers and panelists at the roundtable on current issues was particularly appreciated by participants in 2011.

## GOVERNANCE

### Creation of the Committee for CAs Working with Pension Plans

To better respond to the needs of its members working in various fields, in 2011 the Ordre added the Committee for CAs Working with Pension Plans to its wide range of committees. The terms of reference of this new Committee are to identify the professional needs of CAs in this sector, inform CAs working with pension plans about the potential impact of developments and issues that affect them, and keep current on the latest standards developments in this field.

## INTERNATIONAL MOBILITY

Under the agreement between France and Quebec on the mutual recognition of professional qualifications, the Ordre issued a permit to a public accountant from France who had met all the conditions. In addition to the reciprocity agreement with France, the Ordre has signed mutual recognition agreements with 15 accounting bodies in other countries in the last few years.

Also, on May 14, 2012, the Ministère de l'Immigration et des Communautés culturelles and the Ordre announced that they had reached an agreement to make it easier for accounting professionals trained abroad to obtain a permit. The Ordre will use the \$91,500 in financial assistance provided under the agreement to step up the work on developing a program intended to inform, assess and recognize the competencies of the greatest possible number of accounting professionals trained abroad, with the ultimate goal of allowing them to practice the accounting profession in Quebec. The Ordre has committed to pursue its efforts in this area to contribute to the development of the profession.

As this decisive year for the future of the accounting profession comes to a close, we would like to express our gratitude to all our staff who assisted us throughout the lengthy unification process. We should also mention the exceptional dedication of the thousands of volunteers who have shared their expertise through their involvement with Ordre committees or regional groups over the years. Thanks to their contribution, our profession is more than ever synonymous with excellence and we are very grateful to them.

Together, dear members, we are beginning to write an important page in our profession's history. Let us take pride in being part of this watershed moment, which creates exciting prospects for the accounting profession. Together, dear members, in excellence.

## TOGETHER IN EXCELLENCE



**Manon Durivage, FCA**  
Chair of the Ordre

*Montreal, May 15, 2012*



**Daniel McMahon, FCA**  
President and CEO

## MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

### EXECUTIVE COMMITTEE



From left to right: **Daniel McMahon, FCA**, President, CEO and Secretary • **Jacques Lefebvre, ASC** • **Alain Dugal, CA**, Vice-Chair of the Ordre • **Manon Durivage, FCA**, Chair of the Ordre • **Hélène Racine, CA, ASC** • **André Dugal, CA**

## BOARD OF DIRECTORS

**Manon Durivage, FCA** (2011-09-29) – Chair of the Ordre elected by a general vote of the members • Montreal region

**Alain Dugal, CA** (2010-09-30) – Vice-Chair of the Ordre • Montreal region

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

**Jacques Lefebvre, ASC\*** (2011-09-29)

**Hélène Racine, CA, ASC** (2011-09-29) • Montreal region

**Alain Côté, FCA, ICD.D** – Outgoing Chair

**Daniel McMahon, FCA** – President, CEO and Secretary

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

**François Auger, CA** (2011-09-29)

**Michel Bergeron, CA** (2011-09-29) • Montreal region

**Yves Boissonneault, CA** (2011-09-29) • Quebec City region

**J.-Martin Castonguay, CA** (2011-09-29) • Montreal region

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

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

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

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

**Renée Gallant, FCA** (2011-09-29) • Montreal region

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

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

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

**Jean Legault, CA** (2011-09-29) • Montreal region

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

**Suzanne Maisonneuve-Benoit\*** (2011-09-29)

**Gilles Malette, CA** (2011-09-29) • Montreal region

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

**André Miville, CA** (2011-08-04) • Quebec City region

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

**Robert St-Aubin, FCA** (2011-09-30) • Montreal region

**Alain Tremblay, CA, CA•IT** (2011-09-29) • Outaouais region

**Jean-Yves Trottier, CA** (2011-09-29) • Eastern Townships region

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

### From April 1, 2011 to March 31, 2012

During this period, the members of the Executive Committee attended 10 statutory meetings and three extraordinary meetings. The Board of Directors attended seven statutory meetings and eight extraordinary meetings.

### From April 1 to May 15, 2012

During this period, the members of the Executive Committee attended one statutory meeting and one extraordinary meeting. The Board of Directors attended one statutory meeting.

The Annual General Meeting of the Ordre des comptables agréés du Québec was held on September 29, 2011.

The 2011-2012 Annual Report of the Ordre des CA du Québec will be presented at the first Annual General Meeting of the Ordre des comptables professionnels agréés du Québec to be held on September 28, 2012.

## RESOLUTIONS

### From April 1, 2011 to March 31, 2012

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

- appointment of members and of certain chairs of Ordre statutory committees;
- appointment of inspectors/investigators;
- delegation of certain powers to the Executive Committee;
- approval of the Ordre's professional evaluation (2011 UFE) and of the results;
- equivalence recognition in accordance with the *Regulation respecting the standards for equivalence of training of the Ordre*;
- recommendation to vote in favour of the principle of unification with the other accounting orders in accordance with the terms set out in the document entitled *An aligned accounting profession - Ordre des CA, CGA and CMA - Draft proposal*, before any information on unification is communicated to members;
- recommendation that if the boards of the three orders accept the principle of unification in accordance with the terms set out in the document entitled *An aligned accounting profession - Ordre des CA, CGA and CMA - Draft proposal*, the process of informing members of the Ordre and consulting them on the contents of the document be launched;
- recommendation to defer the review of the Protocol among the provincial and territorial institutes of Chartered Accountants, the Canadian Institute of Chartered Accountants and the Institute of Chartered Accountants of Bermuda to a later date;
- recommendation to adopt the fundamental principles of the document entitled *An aligned accounting profession - Ordre des CA, CGA and CMA - Draft proposal - May 2011*;
- recommendation to mandate the representatives of the Ordre to continue discussions with their CGA

and CMA counterparts in order to refine the document entitled *An aligned accounting profession - Ordre des CA, CGA and CMA - Draft proposal - May 2011*;

- recommendation, submitted to members for approval at the Annual General Meeting on September 29, 2011, to increase the 2012-2013 annual fees without increasing the total amount billed to members, by proceeding as follows: increase basic membership fees by \$15 and reduce the CICA service fee by \$15;
- recommendation to issue a favourable recommendation to the Office des professions du Québec on the unification of the three professional accounting orders in Quebec, in accordance with the agreement in principle between the three accounting orders entitled *An aligned accounting profession - Ordre des CA, CGA and CMA - May 16, 2011*;
- recommendation to designate Board members as members of the future Board of Directors of the Ordre des CPA.

### From April 1 to May 15, 2012

#### The only resolution adopted by the Board of Directors concerned the following:

- appointment of scrutineers for the elections.

### From April 1, 2011 to March 31, 2012

#### 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, and to seek injunctions;
- 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 and CA•ITs;
- approval of conditions and measures regarding members who fail to comply with the *Regulation respecting mandatory continuing education for Quebec chartered accountants* and the *Regulation respecting mandatory continuing education for Quebec chartered accountants who practice public accountancy*;
- approval of the results of the 2011 UFE review process;
- renewal of reciprocity agreements with organizations similar to the Ordre;
- authorization granted to the President, CEO and Secretary General of the Ordre des comptables agréés du Québec to sign a mutual recognition agreement with the Institute of Chartered Accountants of Pakistan on behalf of the Ordre;

- equivalence recognition in accordance with the *Regulation respecting the standards for equivalence of training of the Ordre*;
- appointment of ad hoc syndics;
- appointment of investigators to obtain information and documents required to review claims to the Ordre's Indemnity Fund;
- adjudication of claims submitted to the Ordre's Indemnity Fund;
- recommendation to approve the changes to the draft of *The UFE Candidates' Competency Map for the 2012 UFE* and to pre-approve the final draft of *The UFE Candidates' Competency Map for the 2012 UFE* provided that no major changes are made to the draft document submitted for consultation to the provinces.
- 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;
- authorization to lodge complaints for the illegal practice of public accountancy and unauthorized use of the chartered accountant designation, and to seek injunctions;
- 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*;
- approval of training offices on the recommendation of the Professional Inspection Committee.

#### From April 1 to May 15, 2012

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

- appointment of ad hoc syndics;
- imposition of measures or conditions on certain

## ADVISORY BOARD OF PAST PRESIDENTS

Alain Côté, FCA, ICD.D  
 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

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  
 Charles Pelletier, FCA  
 François J. Bastien, FCA



## ROLL OF THE ORDRE

During the year, 710 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, 2011, there has been a net increase of 416 members, bringing the number of members entered on the Roll of the Ordre to 18,477 as at May 15, 2012. Of these members, 1,406 are registered as retired.

Basic membership fees for all CAs were \$1,055. This amount includes \$475 in service charges remitted to the CICA. The fees, payable on April 1, 2011, could also be paid in two equal instalments on April 1, 2011 and June 1, 2011, for an additional administrative fee of \$10. Some members were entitled to a reduced fee. Thus, retired members paid \$220 and the fees for professors or lecturers were \$527.50.

Members who are doctoral students were exempt from paying fees. A \$24.45 levy collected for 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	
	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Based on a diploma requirement determined pursuant to paragraph 1, section 184 of the <i>Professional Code</i>	616	692	616	692	0	0	0	0
Based on the recognition of the equivalence of diplomas issued by educational institutions outside Quebec	13	14	13	14	0	0	0	0
Based on the recognition of training equivalence	6	10	6	10	0	0	0	0
Based on a legal authorization to practice the profession	10	10	10	10	0	0	0	0

APPLICATIONS FOR TEMPORARY, RESTRICTIVE, TEMPORARY RESTRICTIVE OR SPECIAL PERMITS								
	Received		Accepted		Denied		No decision as at year-end	
	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Temporary permits — section 37 of the <i>Charter of the French Language</i>	10	11	10	11	0	0	0	0
Temporary permits — section 41 of the <i>Professional Code</i>	0	0	0	0	0	0	0	0
Temporary restrictive permits — section 42.1(1) of the <i>Professional Code</i>	0	0	0	0	0	0	0	0
Temporary restrictive permits — section 42.1(2) of the <i>Professional Code</i>	0	0	0	0	0	0	0	0
Special permits — section 42.2 of the <i>Professional Code</i>	N/A	N/A	N/A	N/A	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	0	0	0	0

CA PERMITS ISSUED IN 2010-2011		536
CA PERMITS ISSUED FROM APRIL 1, 2011 TO MARCH 31, 2012 (BY CATEGORY)		645
CA PERMITS ISSUED FROM APRIL 1 TO MAY 15, 2012 (BY CATEGORY)		81
	March 31, 2012	May 15, 2012
Regular permits	635	715
Temporary permits	7	8
Temporary permits by affiliation	3	3
Restrictive permits	0	0
Special authorizations granted	0	0
Special authorizations extended	0	0

PERMITS REVOKED OR SUSPENDED IN 2010-2011				1
PERMITS REVOKED OR SUSPENDED FROM APRIL 1, 2011 TO MARCH 31, 2012 (BY CATEGORY)				2
PERMITS REVOKED OR SUSPENDED FROM APRIL 1 TO MAY 15, 2012 (BY CATEGORY)				1
	Suspended		Revoked	
	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Regular permits	0	0	2	3
Regular permits by reciprocity	0	0	0	0
Regular permits by affiliation	0	0	0	0
Temporary permits	0	0	0	0
Temporary permits by affiliation	0	0	0	0
Restrictive permits	0	0	0	0

<b>MEMBERS HOLDING A CA PERMIT AS AT MARCH 31, 2011</b>		<b>18,061</b>
<b>ADDITIONS TO THE ROLL FROM APRIL 1, 2011 TO MARCH 31, 2012 (BY CATEGORY)</b>		<b>678</b>
<b>ADDITIONS TO THE ROLL FROM APRIL 1 TO MAY 15, 2012 (BY CATEGORY)</b>		<b>87</b>
	<b>March 31, 2012</b>	<b>May 15, 2012</b>
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>	629	710
By reinstatement	33	39
By affiliation from another province under section 21 of the <i>Chartered Accountants Act</i>	10	10
By reciprocity with another country under section 22 of the <i>Chartered Accountants Act</i>	6	6
With limitation of the right to engage in professional activities	0	0
With suspension of the right to engage in professional activities	0	0
<b>REMOVAL FROM THE ROLL FROM APRIL 1, 2011 TO MARCH 31, 2012</b>		<b>274</b>
<b>REMOVAL FROM THE ROLL FROM APRIL 1 TO MAY 15, 2012</b>		<b>75</b>
Deceased	61	64
Resigned	161	209
Struck off for non-payment of annual fees	22	40
Struck off for non-compliance with the <i>Regulation respecting mandatory continuing education for Quebec chartered accountants</i>	2	2
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	4
Struck off pursuant to a decision of the Disciplinary Council	11	12
Removed pursuant to a decision of the Executive Committee	11	16
Expiry of temporary permit	2	2
Expiry of restrictive permit	0	0
<b>Total membership as at March 31, 2012</b>		<b>18,465</b>
<b>Total membership as at May 15, 2012</b>		<b>18,477</b>
<b>MEMBERSHIP DISTRIBUTION BY ELECTORAL REGION</b>		
	<b>March 31, 2012</b>	<b>May 15, 2012</b>
Abitibi-Témiscamingue	208	209
Eastern Townships	858	857
Montreal	11,743	11,767
North-Eastern	373	373
Outaouais	263	262
Quebec City	2,454	2,450
Saguenay-Lac-Saint-Jean	344	346
Trois-Rivières	527	528
Canada, outside Quebec	1,033	1,028
Outside Canada	662	657

MEMBERSHIP DISTRIBUTION ACCORDING TO GENDER		
	March 31, 2012	May 15, 2012
Women	7,268	7,294
Men	11,197	11,183

ROLL OF CANDIDATES FOR THE PRACTICE OF THE PROFESSION (CPPs)		
Candidates registered as at March 31, 2011		1,938
ADDITIONS TO THE CANDIDATE ROLL FROM APRIL 1, 2011 TO MARCH 31, 2012		683
ADDITIONS TO THE CANDIDATE ROLL FROM APRIL 1 TO MAY 15, 2012		31
	March 31, 2012	May 15, 2012
University path — Recognized undergraduate diploma	623	649
Diploma/training equivalence — Quebec	25	26
Diploma/training equivalence — Outside Quebec	10	10
Diploma/training equivalence — Outside Canada	13	15
Reciprocity agreement (CARE examination)	4	5
Mutual recognition agreement — France	1	1
Reinstatement	6	7
Pursuant to a decision of the Executive Committee	1	1
REMOVAL FROM THE CANDIDATE ROLL FROM APRIL 1, 2011 TO MARCH 31, 2012		766
REMOVAL FROM THE CANDIDATE ROLL FROM APRIL 1 TO MAY 15, 2012		99
Removal — Expiry of deadline to complete the CA career path (examinations, training period) or incomplete file	5	12
Removal — Transfer to another province	16	16
Removal — Resigned, deceased, non-payment of annual fees or decision of the Executive Committee	113	124
Removal — Obtained CA designation	632	713
	March 31, 2012	May 15, 2012
• Recognized undergraduate diploma	580	656
• Diploma/training equivalence — Quebec	27	31
• Diploma/training equivalence — Outside Quebec	8	8
• Diploma/training equivalence — Outside Canada	11	12
• Reciprocity agreement (CARE examination)	6	6
• Mutual recognition agreement — France	0	0
CANDIDATES REGISTERED AS AT MARCH 31, 2012		1,855
CANDIDATES REGISTERED AS AT MAY 15, 2012		1,787

## AUDIT COMMITTEE

Gilles Malette, CA, ICD.D  
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.

The Committee met four times since the previous year's financial statements were approved.

During each of these meetings, the Committee reviewed the developments relating to the unification of the three accounting orders in Quebec and the resulting financial issues.

The Committee members also held in camera sessions and met the independent auditor without management being present.

During these meetings, the Committee:

- approved the 2012-2013 budget directions, recommended maintaining the annual fee level, analyzed the 2012-2013 detailed budget and recommended its approval by the Board of Directors;
- ensured that the independent auditor was independent and objective, for example by preapproving the independent auditor's mandates and fees;
- reviewed a number of Ordre activities, in particular risk management and control activities for the Finance and Information Systems departments;
- oversaw the application of the process put in place to ensure compliance with laws and regulations;
- reviewed the list of major suppliers and the way prices were established;

- recommended that the Executive Committee sell the units in the money market mutual fund (ABTN), which enabled the Ordre to fully apply its investment policy;
- received the final report on the development and budget of the website redesign.

The Audit Committee of the Ordre des comptables professionnels agréés du Québec reviewed the financial statements of the Ordre des CA du Québec as at May 15, 2012, and recommended their approval by the Board of Directors of the Ordre des comptables professionnels agréés du Québec.

**Gilles Malette, CA, ICD.D**  
Chair

### Committee members

**Alain Dugal, CA**, non-voting member  
**Michel Bergeron, CA**  
**Charles Jacob, CA**  
**Robert St-Aubin, FCA**

### Guest

**Marie-France Langlois, CA**

### Secretary

**Évelyn Paquin, FCA**

# 2011-2012 FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

### To the members of the ORDRE DES COMPTABLES PROFESSIONNELS 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 May 15, 2012, and the statements of operations, changes in fund balances and cash flows for the 13.5-month period 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 May 15, 2012, and the results of its operations and its cash flows for the 13.5-month period then ended in accordance with Canadian generally accepted accounting principles.

#### Emphasis of matter

We draw attention to Note 2 to the financial statements, which describes the subsequent event, i.e. the unification of the accounting profession in Quebec. Our opinion is not qualified in respect to this matter.



**Bourgeois Marsolais, CA, LLP**

Montreal, August 16, 2012

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A111691

## MANAGEMENT'S RESPONSIBILITY WITH REGARD TO THE FINANCIAL REPORT

The financial statements of the Ordre des comptables agréés du Québec (Ordre des CA) and other information contained in this annual report are the responsibility of the management of the Ordre des comptables professionnels agréés du Québec (Ordre des CPA). 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 des CPA 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 des CPA 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 des CPA and the independent auditor, and reports to the Board.

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

Handwritten signature of Stephan Robitaille in black ink, with the letters 'FCPA, FCGA' written below it.

**Stephan Robitaille, FCPA, FCGA**  
Chair of the Board

Handwritten signature of Daniel McMahon in black ink, with the letters 'FCPA, FCA' written below it.

**Daniel McMahon, FCPA, FCA**  
President and CEO

## STATEMENT OF FINANCIAL POSITION AS AT:

	MAY 15, 2012			MARCH 31, 2011	
	General Fund \$	Indemnity Fund \$	Insurance Fund \$	Total \$	Total \$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents (Note 6)	8,055,296	-	4,815	8,060,111	7,827,241
Investments (Note 7)	119,222	-	-	119,222	123,690
Accounts receivable (Note 8)	381,277	-	-	381,277	772,511
Prepaid expenses	363,742	-	-	363,742	193,409
	8,919,537	-	4,815	8,924,352	8,916,851
<b>INVESTMENTS</b> (Note 7)					
	9,941,175	1,482,707	2,352,384	13,776,266	12,519,802
<b>TANGIBLE CAPITAL ASSETS</b> (Note 9)					
	374,114	-	-	374,114	407,696
<b>INTANGIBLE ASSETS</b> (Note 9)					
	1,035,336	-	-	1,035,336	895,188
<b>ACCRUED BENEFIT ASSET</b> (Note 10)					
	1,925,500	-	-	1,925,500	1,716,900
	22,195,662	1,482,707	2,357,199	26,035,568	24,456,437
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Debts (Note 11)	3,283,970	500	803,109	4,087,579	5,533,198
Unearned revenue	10,687,561	-	-	10,687,561	8,271,997
	13,971,531	500	803,109	14,775,140	13,805,195
<b>DEFERRED LEASE INDUCEMENT</b>					
	299,920	-	-	299,920	243,429
<b>ACCRUED BENEFIT LIABILITY</b> (Note 10)					
	786,100	-	-	786,100	653,300
<b>CLAIMS FLUCTUATION RESERVE</b> (Note 12)					
	-	-	540,144	540,144	1,056,673
<b>DEFERRED REVENUE</b> (Note 13)					
	-	-	1,048,430	1,048,430	1,690,520
	15,057,551	500	2,391,683	17,449,734	17,449,117
<b>FUND BALANCES</b>					
Internally restricted for:					
• Capital assets	1,409,450	-	-	1,409,450	1,302,884
• Regional groups	330,626	-	-	330,626	400,832
• Professional education program	412,408	-	-	412,408	605,155
• Professional products and services	1,000,000	-	-	1,000,000	1,000,000
• Pension plan	400,000	-	-	400,000	400,000
Unrestricted	3,585,627	-	-	3,585,627	2,029,331
Indemnity Fund	-	1,482,207	-	1,482,207	1,348,920
Insurance Fund	-	-	(34,484)	(34,484)	(79,802)
	7,138,111	1,482,207	(34,484)	8,585,834	7,007,320
	22,195,662	1,482,707	2,357,199	26,035,568	24,456,437
<b>SUBSEQUENT EVENT:</b>					
<b>UNIFICATION OF THE PROFESSION</b> (Note 2)					
<b>COMMITMENTS</b> (Note 14)					
<b>CONTINGENCIES</b> (Note 15)					

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

On behalf of the  
Board of Directors of  
the Ordre des  
comptables  
professionnels  
agréés du Québec



Stephan Robitaille, FCPA, FCGA  
Chair of the Board



Alain Tremblay, CPA auditor, CA, CA•IT  
Chair of the Audit Committee

## STATEMENT OF OPERATIONS FOR THE PERIOD ENDED:

	MAY 15, 2012 (13.5 MONTHS)				MARCH 31, 2011 (12 MONTHS)
	Budget (Note 3) (unaudited) (12 months)	General Fund	Indemnity Fund	Insurance Fund	Total
	\$	\$	\$	\$	\$
<b>REVENUES</b>					
Member and candidate fees	18,073,600	19,951,048	-	-	19,951,048
Member and candidate registrations	513,000	548,120	-	-	548,120
Professional products and services:					
• Continuing education	6,202,000	7,187,619	-	-	7,187,619
• Publications	435,700	435,411	-	-	435,411
• Other	2,500	1,525	-	-	1,525
Professional inspection fees	1,634,500	1,553,346	-	-	1,553,346
Examination fees	990,800	974,280	-	-	974,280
Activities	521,300	620,477	-	-	620,477
Investment income (Note 16)	401,000	839,264	124,345	-	963,609
Commercial products and services	503,000	463,053	-	-	463,053
Fines	45,000	184,161	-	-	184,161
Experience refunds from insurance plans	-	-	-	797,777	797,777
Decrease in claims fluctuation reserve (Note 12)	-	-	-	516,529	516,529
Other (Note 17)	644,900	621,567	-	76,201	697,768
	29,967,300	33,379,871	124,345	1,390,507	34,894,723
<b>EXPENSES</b> (Appendix A) (Notes 10 and 21)					
Management and external affairs	2,395,600	3,071,082	-	-	3,071,082
Supervision of the profession	4,299,800	4,629,909	5,004	-	4,634,913
Member services	8,216,200	7,474,199	-	-	7,474,199
Qualification	2,847,900	3,042,965	-	-	3,042,965
Administration (Notes 9 and 14)	4,425,400	5,238,209	-	592,730	5,830,939
Experience refunds to insured members	-	-	-	797,777	797,777
CICA services	7,983,900	8,608,375	-	-	8,608,375
Increase in claims fluctuation reserve (Note 12)	-	-	-	-	-
	30,168,800	32,064,739	5,004	1,390,507	33,460,250
<b>EXCESS OF REVENUES OVER EXPENSES (OF EXPENSES OVER REVENUES)</b>	(201,500)	1,315,132	119,341	-	1,434,473

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

## STATEMENT OF CHANGES IN FUND BALANCES FOR THE PERIOD ENDED:

MAY 15, 2012 (13.5 MONTHS)								
	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 \$	\$	\$
<b>BALANCE, BEGINNING OF PERIOD</b>	1,302,884	400,832	605,155	1,000,000	400,000	2,259,837	1,384,600	- 7,353,308
Excess of revenues over expenses (of expenses over revenues)	(509,448)	(359,235)	(192,747)	-	-	2,376,562	119,341	- 1,434,473
Purchase of capital assets	617,014	-	-	-	-	(617,014)	-	-
Disposal of capital assets	(1,000)	-	-	-	-	1,000	-	-
Internally restricted funds	-	289,029	-	-	-	(289,029)	-	-
	<b>1,409,450</b>	<b>330,626</b>	<b>412,408</b>	<b>1,000,000</b>	<b>400,000</b>	<b>3,731,356</b>	<b>1,503,941</b>	<b>- 8,787,781</b>
Accumulated losses included directly in the statement of changes in fund balances, beginning of period	-	-	-	-	-	(230,506)	(35,680)	(79,802) (345,988)
Change in unrealized losses on available-for-sale financial assets	-	-	-	-	-	84,777	13,946	45,318 144,041
Accumulated losses included directly in the statement of changes in fund balances, end of period	-	-	-	-	-	(145,729)	(21,734)	(34,484) (201,947)
<b>BALANCE, END OF PERIOD</b>	<b>1,409,450</b>	<b>330,626</b>	<b>412,408</b>	<b>1,000,000</b>	<b>400,000</b>	<b>3,585,627</b>	<b>1,482,207</b>	<b>(34,484) 8,585,834</b>

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

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

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

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

	MARCH 31, 2011 (12 MONTHS)								
	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)	-	-	-
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 losses on available-for-sale financial assets	-	-	-	-	-	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 (PEP) is intended for students registered in a graduate diploma program.

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

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



## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED:

	May 15, 2012 (13.5 months)	March 31, 2011 (12 months)
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	1,434,473	189,807
Non-cash items:		
• Amortization of capital assets	509,403	382,381
• Loss on disposal of capital assets	45	354
• Reinvested investment income	(899,016)	(506,780)
• Gain on sale of investments	(228,407)	-
• Increase in deferred lease inducement	60,429	201,429
• Amortization of deferred lease inducement	(3,938)	(3,500)
• Change in accrued benefit asset and liability	(75,800)	(180,460)
• Increase (decrease) in claims fluctuation reserve	(516,529)	14,625
• Increase (decrease) in deferred revenue from Insurance Fund	(642,090)	14,699
	(361,430)	112,555
Net change in non-cash working capital items (Note 18)	1,190,846	1,888,256
Experience refunds from insurance plans	-	797,777
Additional contribution to the pension plan (Note 10)	-	(1,616,840)
	829,416	181,748
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investments	1,086,860	156,910
Purchase of investments	(1,067,392)	(946,226)
Purchase of tangible capital assets	(96,057)	(97,325)
Purchase of intangible assets	(520,957)	(522,670)
Proceeds from disposal of tangible capital assets	1,000	-
	(596,546)	(1,409,311)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	232,870	(227,563)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	7,827,241	8,054,804
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	8,060,111	7,827,241

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

## NOTES TO FINANCIAL STATEMENTS • MAY 15, 2012

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

The Ordre des comptables agréés du Québec (Ordre des CA) is constituted under the *Chartered Accountants Act* of Quebec. Its primary mission is to ensure the protection of the public. The Ordre des CA is governed by Quebec's *Professional Code* and is a not-for-profit organization for the purposes of the *Income Tax Act*. The Ordre des CA 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. SUBSEQUENT EVENT: UNIFICATION OF THE ACCOUNTING PROFESSION IN QUEBEC

In September 2011, the Ordre des comptables agréés du Québec (Ordre des CA), the Ordre des comptables généraux accrédités du Québec (Ordre des CGA) and the Ordre des comptables en management accrédités du Québec (Ordre des CMA) adopted a proposal to unify the accounting profession in Quebec aimed at creating the Ordre des comptables professionnels agréés du Québec (Ordre des CPA). On March 28, 2012, Bill 61 was tabled to establish the Ordre des CPA. The resulting *Chartered Professional Accountants Act* was assented to by the Quebec National Assembly

on May 16, 2012. Under the new Act, the Ordre des CPA succeeds to the rights and obligations of the Ordre des CA, the Ordre des CGA and the Ordre des CMA. On May 16, 2012, the net assets of the Ordre des CA, the Ordre des CGA and the Ordre des CMA were combined and became the net assets of the Ordre des CPA.

Pursuant to Section 66 of the *Chartered Professional Accountants Act*, the 2011-2012 fiscal period of the Ordre des comptables agréés du Québec covers 13 and a half months, i.e. from April 1, 2011 to May 15, 2012. The 2010-2011 fiscal period, the figures of which are presented for comparison purposes, covers 12 months, i.e. from April 1, 2010 to March 31, 2011.

### 3. 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. The 12-month budget was approved by the Board of Directors of the Ordre des CA on February 10, 2011.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The Ordre des CA'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 des CA. 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 members of the Ordre des CA. 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 des CA 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. Revenue from fines is recognized when received.

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

A revenue or expense amount is recognized in the Insurance Fund to cover administrative expenses and the change in the reserve.

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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

**(c) Financial instruments**

The Ordre des CA elected 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. Management designated receivables and accounts payable and accrued liabilities as “held for trading”.

The Ordre des CA’s financial assets and financial liabilities are initially measured at fair value. Subsequently, they are classified and measured as follows (see table above).

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 correspond to their carrying amount due to their short-term nature.

**(ii) Investments**

The fair value of quoted investments is based on bid prices at the reporting date.

**(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 des CA 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 are expensed as they are incurred.

**Fair value hierarchy**

The Ordre des CA 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 measurements. The classification of each item is determined based on the lowest level input that is significant to the fair value measurement of the item in its entirety. 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 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 des CA depends in part on the voluntary services of many members. Since these services are not normally purchased by the Ordre des CA 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 intangible assets, unearned revenue from continuing education activities and employee future benefits. Actual results could differ from those estimates.

**(h) Cash and cash equivalents**

The Ordre des CA'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.

**(j) Capital assets**

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

	Methods	Rates/ Periods
<b>Tangible capital assets</b>		
Furniture and equipment	Declining balance	20%
Computer hardware	Straight-line	3 years
Leasehold improvements	Straight-line	Lease term, 16 years
<b>Intangible assets</b>		
Computer software	Straight-line	5 years

**(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 des CA 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. An adjustment was made since then to take account of the extended fiscal period.

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

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The Ordre des CA 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;
- 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 11 years and 7 years as at December 31, 2011 (12 years and 8 years as at December 31, 2010).

### (ii) *Defined contribution plan*

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

## 5. FINANCIAL INSTRUMENTS

### Risk management

The Ordre des CA 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 des CA ensures an ongoing review to evaluate changes in the status of investments, in accordance with its investment policy.

The Ordre des CA 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 significantly affect earnings, operations or financial position. The sensitivity analysis is performed by relating the reasonably possible changes in the risk variables at May 15, 2012 to financial instruments outstanding on that date.

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

The Ordre des CA's financial instruments and the nature of their associated risks are as follows:

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

**(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 des CA 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 maximum credit risk to which the Ordre des CA is exposed is the carrying amount of cash and cash equivalents, receivables and investments.

**(i) Cash and cash equivalents and investments**

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

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

**(ii) Receivables**

The Ordre des CA must make estimates in respect of the allowance for doubtful accounts. The reasons for the account 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, as appropriate.

An allowance of \$618 (\$6,521 in 2011) 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. The Ordre des CA takes account of the possible delay in realizing the fair value of investments.

The Ordre des CA 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 des CA 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 these instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the Ordre des CA is the Canadian dollar. The Ordre does not enter into foreign currency transactions and does not use foreign exchange forward contracts. At May 15, 2012, the Ordre des CA had no financial instruments that would have exposed it to currency risk.

**(ii) Interest rate risk**

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

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

The Ordre des CA's cash includes deposits with financial institutions that earn interest at the market rate.

The Ordre des CA 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 des CA's results of operations.

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



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### (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 des CA is also exposed to a price risk arising from the ownership of units in a short-term money market mutual fund and in an enhanced Canadian bond fund.

The 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 May 15, 2012, if interest rates had increased or decreased by 1%, assuming a parallel shift in the yield curve and other variables remaining constant, the Ordre des CA's share in the net asset value of the enhanced Canadian bond fund would have increased or decreased by approximately \$1,000,208 (\$724,421 in 2011). 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.

**(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 May 15, 2012:

May 15, 2012	Quoted prices in active markets (Level 1) \$	Other observable inputs (Level 2) \$	Unobservable inputs (Level 3) \$	Total \$
<b>Financial assets held for trading</b>				
Cash and cash equivalents	8,060,111	-	-	<b>8,060,111</b>
Receivables	-	-	381,277	<b>381,277</b>
	<u>8,060,111</u>	<u>-</u>	<u>381,277</u>	<u><b>8,441,388</b></u>
<b>Financial assets available for sale</b>				
Term deposits	-	119,222	-	<b>119,222</b>
Enhanced Canadian bond fund units	-	13,776,266	-	<b>13,776,266</b>
	<u>-</u>	<u>13,895,488</u>	<u>-</u>	<u><b>13,895,488</b></u>
<b>Total financial assets</b>	<u>8,060,111</u>	<u>13,895,488</u>	<u>381,277</u>	<u><b>22,336,876</b></u>
<b>Financial liabilities held for trading</b>				
Accounts payable and accrued liabilities	-	-	3,936,429	<b>3,936,429</b>

There were no transfers into or out of Level 3 during the period (nil in 2011).

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### Level 3 measurements

May 15, 2012	Balance, beginning of period \$	Variations for the period \$	Realized gains from changes in fund balances \$	Balance, end of period \$
Receivables	772,511	(391,234)	-	381,277
Money market mutual fund units (ABTN)	834,674	(719,763)	(114,911)	-
Accounts payable and accrued liabilities	4,332,542	(396,113)	-	3,936,429

March 31, 2011	Quoted prices in active markets (Level 1) \$	Other observable inputs (Level 2) \$	Unobservable inputs (Level 3) \$	Total \$
<b>Financial assets held for trading</b>				
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>
<b>Financial assets available for sale</b>				
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>
<b>Total financial assets</b>	<u>7,827,241</u>	<u>11,808,818</u>	<u>1,607,185</u>	<u>21,243,244</u>
<b>Financial liabilities held for trading</b>				
Accounts payable and accrued liabilities	-	-	4,332,542	4,332,542

**Level 3 measurements**

March 31, 2011	Balance, beginning of period \$	Variations for the period \$	Unrealized gains from changes in fund balances \$	Balance, end of period \$
Receivables	866,290	(93,779)	-	<b>772,511</b>
Money market mutual fund units (ABTN)	771,881	11,364	51,429	<b>834,674</b>
Accounts payable and accrued liabilities	3,721,449	661,093	-	<b>4,332,542</b>

**6. CASH AND CASH EQUIVALENTS**

	May 15, 2012 \$	March 31, 2011 \$
Cash	<b>1,851,904</b>	2,432,381
Money market mutual fund units	<b>6,208,207</b>	5,394,860
	<b>8,060,111</b>	<b>7,827,241</b>

The Ordre des CA 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 on the money market mutual fund units varies depending on market rates and was 1.17% for the period (0.99% in 2011).

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### 7. INVESTMENTS

	May 15, 2012		March 31, 2011	
	Fair value \$	Cost \$	Fair value \$	Cost \$
<b>Short-term</b>				
Term deposits	119,222	119,222	123,690	123,690
<b>Long-term</b>				
Term deposit	-	-	15,000	15,000
Enhanced Canadian bond fund units	13,776,266	13,978,213	11,670,128	12,131,027
Money market mutual fund units (ABTN)	-	-	834,674	1,454,134
	<u>13,776,266</u>	<u>13,978,213</u>	<u>12,519,802</u>	<u>13,600,161</u>
	<u>13,895,488</u>	<u>14,097,435</u>	<u>12,643,492</u>	<u>13,723,851</u>

#### (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 period ranged from 0.50% to 2.0% (0.50% to 1.75% in 2011), and the maturity dates do not exceed one year.

#### (b) Money market mutual fund units (ABTN)

During the period, the Ordre des CA disposed of the units it held in a money market mutual fund comprised mainly of asset-backed term notes "ABTN".

The mutual fund units were acquired at a cost of \$1,454,134. In 2008 and 2009, write-offs of \$734,371 were recorded on the statement of

operations. In 2010 and 2011, increases in value of \$114,911 were recorded on the statement of changes in fund balances. The proceeds of disposition of the units were \$948,170, which generated a net gain of \$228,407 on the statement of operations and realized gains of \$114,911 on the statement of changes in fund balances.

### 8. ACCOUNTS RECEIVABLE

	May 15, 2012 \$	March 31, 2011 \$
Accounts receivable	339,064	458,980
Amounts receivable from commercial products and services and other	<u>42,213</u>	<u>313,531</u>
	<u>381,277</u>	<u>772,511</u>

## 9. CAPITAL ASSETS

	May 15, 2012			March 31, 2011
	Cost \$	Accumulated amortization \$	Net value \$	Net value \$
<b>Tangible capital assets</b>				
Furniture and equipment	570,146	422,311	147,835	182,287
Computer hardware	690,343	567,654	122,689	110,421
Leasehold improvements	147,935	44,345	103,590	114,988
	<u>1,408,424</u>	<u>1,034,310</u>	<u>374,114</u>	<u>407,696</u>
<b>Intangible assets</b>				
Computer software	2,486,896	1,451,560	1,035,336	895,188
	<u>3,895,320</u>	<u>2,485,870</u>	<u>1,409,450</u>	<u>1,302,884</u>

The amortization expense charged to administrative expenses was \$128,594 (\$129,336 in 2011) for tangible capital assets and \$380,809 (\$253,045 in 2011) for intangible assets.

During the period, the Ordre des CA purchased tangible capital assets for \$96,057 (\$97,325 in 2011) and intangible assets for \$520,957 (\$522,670 in 2011).

During the period, the Ordre des CA wrote off some computer software and computer hardware that were no longer used and had no remaining useful life. The write-off resulted in a reduction of the cost and accumulated amortization of \$212,076 (\$278,892 in 2011) for the computer software and of \$76,238 (\$22,349 in 2011) for the computer hardware.

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### 10. EMPLOYEE BENEFIT PLANS

#### (a) Defined benefit plans

The actuarial valuation for funding purposes was performed as at December 31, 2011. The next actuarial valuation is scheduled for December 31, 2012.

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

	Funded pension plan		Unfunded pension plan	
	May 15, 2012 \$	March 31, 2011 \$	May 15, 2012 \$	March 31, 2011 \$
Pension expense for the period	198,300	176,400	187,400	128,100
Fair value of plan assets	6,989,300	9,004,400	-	-
Accrued benefit obligations	8,803,800	10,174,000	1,568,500	1,287,100
Funded status (deficit)	(1,814,500)	(1,169,600)	(1,568,500)	(1,287,100)
Unrecognized items	3,740,000	2,886,500	782,400	633,800
Accrued benefit asset (liability)	1,925,500	(1,716,900)	(786,100)	(653,300)

During the period, the Ordre des CA authorized the pension plan to purchase annuities for retirees from an insurer, which reduced the plan assets by \$2,695,094 and the solvency requirement by \$2,575,000. This transaction eliminated the risks associated with a portion of the plan obligations and resulted in a \$120,094 expense being recognized.

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

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

	Funded and unfunded pension plans	
	2012	2011
<b>Accrued benefit obligations at December 31</b>		
Discount rate	4.5%	5.0%
Rate of compensation increase	3.5%	3.5%
<b>Costs recognized for the periods ended on December 31</b>		
Discount rate	5.0%	5.5%
Expected long-term rate of return on plan assets	5.0%	5.5%
Rate of compensation increase	3.5%	3.5%

The assets of the funded plan consist of the following:

	Funded pension plan	
	May 15, 2012	March 31, 2011
<b>Asset classification</b>		
Canadian equities	10%	16%
Foreign equities	13%	17%
Bonds	75%	65%
Money market securities	2%	2%
	<b>100%</b>	<b>100%</b>

Other information about the defined benefit plans of the Ordre des CA is as follows:

	Funded pension plan		Unfunded pension plan	
	May 15, 2012 (13.5 months) \$	March 31, 2011 (12 months) \$	May 15, 2012 (13.5 months) \$	March 31, 2011 (12 months) \$
Employer contributions	394,080	2,053,395	56,583	48,500
Benefits paid	116,200	235,400	56,583	48,500

In the previous period, the Ordre des CA 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.

**(b) Defined contribution plan**

The total cost recognized for the Ordre des CA's defined contribution plan was \$423,130 for the period (\$374,703 in 2011).



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### 11. DEBTS

	May 15, 2012 \$	March 31, 2011 \$
<b>Accounts payable and accrued liabilities</b>		
CICA services	1,187,751	2,097,153
Accounts payable	1,059,362	1,484,897
Salaries and payroll deductions	891,539	750,492
Amount payable to members participating in insurance plans	797,777	-
	<b>3,936,429</b>	4,332,542
<b>Sales taxes payable</b>	150,830	759,065
<b>Office des professions du Québec levy</b>	320	441,591
	<b>4,087,579</b>	5,533,198

### 12. CLAIMS FLUCTUATION RESERVE (INSURANCE FUND)

	May 15, 2012 \$	March 31, 2011 \$
Balance, beginning of period	1,056,673	1,042,048
Change in required reserve	(516,529)	14,625
Balance, end of period	<b>540,144</b>	1,056,673

The claims fluctuation reserve represents part of the amounts refunded by the insurer which the Ordre des CA 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 des CA 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.

**13. DEFERRED REVENUE (INSURANCE FUND)**

	May 15, 2012 \$	March 31, 2011 \$
Balance, beginning of period	1,690,520	878,044
Amounts recognized as revenue for the period:		
• Experience refunds from insurance plans	(797,777)	-
• Expenses for the period	(76,201)	(71,794)
Investment income	231,888	86,493
Experience refunds from insurance plans	-	797,777
Balance, end of period	1,048,430	1,690,520

Investment income consists of interest income of \$39,701 (\$68,332 in 2011) and an investment gain of \$192,187 (\$18,161 in 2011). During the period, an amount of \$797,777 from the surplus of the term life insurance plan was transferred to current liabilities for distribution to insured members.

**14. COMMITMENTS**

The Ordre des CA has agreed to lease office space until 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 \$10,883,312. Rental expense charged for the period is \$883,263 (\$893,781 in 2011). Amortization of the deferred lease inducement applied against lease payments is \$3,938 (\$3,500 in 2011).

Also, the Ordre des CA has commitments totalling \$103,838 under two office equipment leases expiring in April and May 2013. The lease expense charged for the period was \$106,753 (\$107,512 in 2011).

The Ordre des CA is committed to reimburse, over a 10-year period commencing in 2007-2008, the accumulated solvency deficiency of the defined benefit pension plan. This deficit totals \$2,977,100 as determined by an actuarial valuation as at December 31, 2011.

## NOTES TO FINANCIAL STATEMENTS • MAY 15, 2012

Minimum payments for the next periods are as follows:

	Premises \$	Office equipment \$	Pension plan \$	Total commitments \$
March 31, 2013	759,672	103,838	288,475	<b>1,151,985</b>
March 31, 2014	964,212	-	314,700	<b>1,278,912</b>
March 31, 2015	968,994	-	314,700	<b>1,283,694</b>
March 31, 2016	968,994	-	314,700	<b>1,283,694</b>
March 31, 2017	968,994	-	314,700	<b>1,283,694</b>
Subsequent periods	6,252,446	-	1,429,825	<b>7,682,271</b>
	<u>10,883,312</u>	<u>103,838</u>	<u>2,977,100</u>	<u><b>13,964,250</b></u>

### 15. CONTINGENCIES

The Ordre des CA, the CICA and some of the provincial institutes of chartered accountants are 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 des CA.

Given the nature of the lawsuit, the Ordre des CA 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

	May 15, 2012 (13.5 months) \$	March 31, 2011 (12 months) \$
Interest on financial assets held for trading	<b>66,726</b>	38,806
Interest on financial assets available for sale	<b>432,640</b>	332,702
Investment gains	<b>464,243</b>	91,454
	<u><b>963,609</b></u>	<u>462,962</u>

**17. OTHER REVENUES**

	May 15, 2012 (13.5 months) \$	March 31, 2011 (12 months) \$
Registrations for the Professional Education Program	401,675	427,635
Amounts recognized as revenue from Insurance Fund	76,201	71,794
Administrative fees from professional liability insurance	129,737	-
Administrative fees	76,421	138,700
Other	13,734	1,167
	<b>697,768</b>	<b>639,296</b>

**18. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	May 15, 2012 (13.5 months) \$	March 31, 2011 (12 months) \$
Receivables	391,234	93,779
Prepaid expenses	(170,333)	(21,181)
Debts	(1,445,619)	792,685
Unearned revenue	2,415,564	1,022,973
	<b>1,190,846</b>	<b>1,888,256</b>

**19. CAPITAL DISCLOSURES**

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

## NOTES TO FINANCIAL STATEMENTS • MAY 15, 2012

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

	May 15, 2012 \$	March 31, 2011 \$
Fund balance invested in capital assets	1,409,450	1,302,884
Internal restrictions for the regional groups, the PEP, the PPS and the pension plan	2,143,034	2,405,987
Unrestricted balance	3,585,627	2,029,331
Total capital	<u>7,138,111</u>	<u>5,738,202</u>

During the period, the Ordre des CA 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 retaining 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 des CA 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 CA and the Foundation of Quebec Chartered Accountants are related organizations due to the degree of influence the Ordre des CA 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 des CA Board of Directors and a full-time Ordre employee sit on the Board of Directors of the Foundation, which has five directors. The Ordre des CA 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.

**21. COST ALLOCATION**

Overhead is allocated as follows:

	May 15, 2012 (13.5 months) \$	March 31, 2011 (12 months) \$
Professional inspection	172,888	157,986
Continuing education and publications	225,037	233,040
Office occupancy expenses	1,122,133	1,046,666
Unallocated general expenses	739,057	520,050
	<u>2,259,115</u>	<u>1,957,742</u>

## APPENDIX A • ADDITIONAL INFORMATION FOR THE PERIOD ENDED:

	MAY 15, 2012	MARCH 31, 2011
	Budget (Note 3) (unaudited) (12 months) \$	General Fund (13.5 months) \$
<b>EXPENSES</b>		General Fund (12 months) \$
<b>MANAGEMENT AND EXTERNAL AFFAIRS</b>		
Executive office	1,511,700	1,239,699
Unification of the profession	-	-
Strategy and external affairs	448,400	459,514
Communications	435,500	364,375
	<b>2,395,600</b>	<b>2,063,588</b>
<b>SUPERVISION OF THE PROFESSION</b>		
Legal affairs	786,400	632,230
Syndic	1,081,300	1,098,389
Professional inspection:		
• Direct costs	1,503,800	1,349,638
• Share of general expenses	150,400	157,986
Issuance of permits	88,100	86,260
Mandatory continuing education	135,300	138,461
Conciliation and arbitration of accounts	17,900	10,767
Review Committee	3,900	6,660
Disciplinary Council	16,400	9,827
Illegal practice of the profession	45,100	103,487
Professional liability insurance	13,300	7,701
Other regulatory activities	457,900	420,000
	<b>4,299,800</b>	<b>4,021,406</b>
<b>MEMBER SERVICES</b>		
Continuing education:		
• Direct costs	4,954,700	4,332,060
• Share of general expenses	184,200	221,557
Publications and professional products and services:		
• Direct costs	961,800	896,285
• Share of general expenses	14,300	11,483
Professional Products and Services Committee	11,600	13,962
Commercial products and services	90,600	104,703
Promotion	1,217,100	1,238,625
Events	781,900	744,356
	<b>8,216,200</b>	<b>7,563,031</b>

## APPENDIX A • ADDITIONAL INFORMATION FOR THE PERIOD ENDED:

### EXPENSES (continued)

#### QUALIFICATION

Education	967,600	1,167,832	948,114
Education Committee	12,000	15,488	13,471
Uniform Evaluation	861,100	866,857	868,110
Promotional activities aimed at the next generation	890,500	865,603	992,682
Registration of candidates	116,700	127,185	114,798
	2,847,900	3,042,965	2,937,175

#### ADMINISTRATION

Administration and finance	1,853,100	2,111,160	1,826,951
Human resources	278,500	312,086	295,058
Information technology	697,000	953,773	702,694
Office occupancy expenses	952,100	1,122,133	1,046,666
General expenses	644,700	739,057	520,050
	4,425,400	5,238,209	4,391,419

#### CICA SERVICES

	MAY 15, 2012	MARCH 31, 2011
Budget (Note 3) (unaudited) (12 months) \$	General Fund (13.5 months) \$	General Fund (12 months) \$
Education	967,600	948,114
Education Committee	12,000	13,471
Uniform Evaluation	861,100	868,110
Promotional activities aimed at the next generation	890,500	992,682
Registration of candidates	116,700	114,798
	2,847,900	2,937,175
Administration and finance	1,853,100	1,826,951
Human resources	278,500	295,058
Information technology	697,000	702,694
Office occupancy expenses	952,100	1,046,666
General expenses	644,700	520,050
	4,425,400	4,391,419
	7,983,900	7,538,838
	30,168,800	28,515,457
	32,064,739	



## ARBITRATION OF ACCOUNTS

Hélène Huot, 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.

### **From April 1, 2011 to March 31, 2012**

During this period, the Council received five new applications.

The Council met three times to process four applications, including one brought forward from the previous period. One decision and the processing of two applications for the current period are pending. In one case from the previous period, a settlement was reached between the parties. Four decisions rendered by the Council resulted in a reduction in the fees submitted for arbitration.

Lastly, the Council held a plenary meeting to discuss various issues respecting the arbitration procedure.

### **From April 1 to May 15, 2012**

During this period, the Council received three new applications.

The Council rendered one decision regarding an application submitted during the period of April 1, 2011 to March 31, 2012, resulting in a reduction in the fees submitted for arbitration.

Five applications, including two received in the previous period remain to be processed.

### **Hélène Huot, CA**

Chair

#### **Council members**

**Jean Bélanger, CA, CA•IFA**  
**Gilles Gingras, CA**  
**Michael Newton, CA**  
**Antonio Vescio, 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* (the Regulation) came into force on April 1, 2008 and led to the creation of a new compulsory professional liability group insurance plan for all Ordre members.

Under the Regulation, the required 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.

Between April 1, 2011 and March 31, 2012, 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 will remain 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 2010-2011.

Coverage method	Number of members	Amount of coverage	
		Per claim	For all claims
Members exempted under section 3 of the Regulation (single coverage)	2,362	\$1,000,000	No ceiling
Professional liability group insurance plan	15,691	\$1,000 000	No ceiling

The data in the above table reflects the situation as at April 1, 2011 and is therefore valid as at March 31 and May 15, 2012.

#### 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.

In addition, 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	
		March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Sole practitioner with no CA employees	\$500,000	464	467	N/A	N/A	464	467	N/A	N/A
Other partnerships or companies	\$1,000,000	241	243	117	118	887	891	3,506	3,508
<b>Total</b>		705	710	117	118	1,351	1,358	3,506	3,508

## OFFICE OF THE SYNDIC

Ginette Lussier-Price, FCA



In 2011-2012, the number of ethics-related complaints decreased by approximately 23% compared to the previous year, from 606 to 464.

This decrease 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 500 in 2010-2011 to 302 in 2011-2012, a decrease of approximately 40%. Most of the cases forwarded by the PIC between April 1, 2011 and May 15, 2012 deal with violations of the provisions of the *Code of Ethics of Chartered Accountants* concerning independence or the rule respecting the full professional 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 increased by 35% this year. A number of these cases are being heard simultaneously in civil and criminal courts. 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 40 complaints lodged before the Disciplinary Council between April 1, 2011 and May 15, 2012 concern members in public practice, one retired member and six former members. The complaints involved 480 charges, including:

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

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. The amounts ranged from \$125 to \$363,000.

In 2011-2012, the Office of the syndic received six 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 1,500 ethics-related telephone calls this year, 1,350 of which were received as at March 31, 2012.

The syndic also gave six presentations to university students on the professional system and discipline, and taught two courses to members.

The assistant syndics, **André Loubier, CA**, and **Claude Maurer, CA**, worked with the syndic of the Ordre on all the disciplinary cases.

**Ginette Lussier-Price, FCA**  
Syndic



## OFFICE OF THE SYNDIC

Year ended	May 15, 2012	March 31, 2012	March 31, 2011	March 31, 2010
<b>Ethics-related complaints against members lodged with the Office of the syndic</b>				
Brought forward from last year	177	177	217	244
New complaints	464	444	606	433
	641	621	823	677
Cases processed during the year	516	483	646	460
Cases carried over to next year	125	138	177	217
<b>Cases processed during the year</b>				
Complaints lodged before the Disciplinary Council	40	37	39	18
Conciliation procedures	2	2	0	0
Matters requiring the intervention of the syndic	0	0	4	3
Warnings	286	274	491	332
Decisions not to lodge a complaint	161	144	85	89
Complaints withdrawn by plaintiffs or deemed inadmissible by a syndic	27	26	27	17
Cases forwarded to the Professional Inspection Committee	0	0	0	0
	516	483	646	459
<b>Decisions submitted by plaintiffs to the Review Committee</b>	22	20	17	15
<b>Conciliation of fee accounts</b>				
Brought forward from last year	7	7	12	6
New complaints	60	50	34	41
	67	57	46	47
Cases processed	58	48	39	35
Cases carried over to next year	9	9	7	12
<b>Outcome of cases processed during the year</b>				
Cases settled during conciliation	22	21	19	16
Cases withdrawn or deemed inadmissible	13	10	4	3
Cases for which a report was issued	23	17	16	11
Cases submitted to the Council for the Arbitration of Accounts following the issuance of a report	6	5	6	3

## DISCIPLINE

Pierre Linteau, Lawyer  
Chair



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

### From April 1, 2011 to March 31, 2012

During the period of April 1, 2011 to March 31, 2012, the secretary to the Disciplinary Council received 34 disciplinary complaints from the syndic and

assistant syndics. During this period, the Council held 47 hearings to process the complaints.

Hearings were completed for 33 complaints from the syndic or assistant syndics in respect of the following offences:

- failure to comply with standards;
- obstruction of the syndic's work;
- failure to comply with a recommendation of the Professional Inspection Committee;
- breach of independence and failure to fulfill a mandate with due care;
- misleading statements and failure to inform the secretary of the Ordre;
- obstruction of a professional inspection;
- breach of independence;
- misleading statements;
- lack of integrity and failure to act with due care;
- conflicts of interest and failure to comply with standards;
- derogatory act;
- failure to ensure that a partner complied with the *Code of Ethics of Chartered Accountants*;
- misappropriation of funds and lack of integrity;
- failure to discharge obligations with due care;

- failure to consider extent of knowledge and situation where loyalty could be compromised;
- situation prohibited by the *Code of Ethics*.

The Council rendered 38 decisions: two decisions acquitting the respondents, three guilty decisions for which the hearings on penalties are pending, 28 guilty decisions and penalties, two decisions on penalties following prior guilty decisions, one decision authorizing the withdrawal of a complaint, one decision to dismiss a motion by a stay of proceedings, and one decision to grant a motion to disqualify the respondents' expert. The following penalties were imposed:

- for obstruction of the syndic's work: reprimanded and required to pay costs;
- for failure to comply with a recommendation of the Professional Inspection Committee: fined \$5,000 and required to pay costs;
- for breach of independence and failure to fulfill a mandate with due care: reprimanded, fined \$12,000 and required to pay costs;
- for misleading statements and failure to inform the secretary of the Ordre: temporarily struck off the Roll for one month, without publication of the decision and required to pay costs;

### Council members

Benoît Boivin, FCA  
Alain Deslauriers, CA  
Sylvie Deslauriers, FCA  
Jean-Pierre Dubeau, FCA  
Ilana Einheber, CA  
Richard Jacques, FCA  
Pierre Jolicœur, CA

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

Brahm Shiller, CA  
Réal Sureau, FCA  
Cristiane Tinmouth, CA  
François Touchette, 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: fined \$4,500 and required to pay costs (expert costs are limited to \$2,500);
- for breach of independence: fined \$3,000 and required to pay costs;
- for breach of independence: fined \$12,000 and required to pay costs;
- for misleading statements: temporarily struck off the Roll for one day, with publication of the decision and required to pay 50% of costs;
- for lack of integrity and failure to act with due care: fined \$6,000 and required to pay costs;
- for conflicts of interest and failure to comply with standards: temporarily struck off the Roll for one month, with publication of the decision and required to pay costs;
- for obstruction of a professional inspection: temporarily struck off the Roll for one week, with publication of the decision and required to pay costs;
- for a derogatory act: temporarily struck off the Roll for one day, with publication of the decision and required to pay costs;
- for failure to ensure that a partner complied with the *Code of Ethics of Chartered Accountants*: fined \$3,000 and required to pay costs;
- for failure to ensure that a partner complied with the *Code of Ethics of Chartered Accountants*: fined \$6,000 and required to pay costs;
- for breach of independence: fined \$6,000 and required to pay costs;
- for misappropriation of funds: permit revoked and required to pay costs;
- for failure to comply with a recommendation of the Professional Inspection Committee: temporarily struck off the Roll for two weeks, with publication of the decision and required to pay costs;
- for a derogatory act: temporarily struck off the

Roll for seven days, with publication of the decision and required to pay costs;

- for failure to discharge obligations with due care: temporarily struck off the Roll for one week, with publication of the decision and required to pay costs;
- for failure to consider extent of knowledge and a situation where loyalty could be compromised: fined \$8,000 and required to pay costs;
- for a situation prohibited by the *Code of Ethics*: fined \$3,000 and required to pay costs;
- for failure to comply with the terms of a refresher training period: temporarily struck off the Roll for two weeks, with publication of the decision and required to pay costs;
- for failure to comply with standards: temporarily struck off the Roll for one month, with publication of the decision and required to pay costs;
- for misleading statements: temporarily struck off the Roll for one day, with publication of the decision 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 three decisions.

Between April 1, 2011 and March 31, 2012, four decisions rendered by the Disciplinary Council were appealed to the Professions Tribunal. Hearings must be held in all four cases. The Professions Tribunal rejected the appeal concerning three cases from previous years.

A petition was filed with the Superior Court for a review of a Professions Tribunal decision rendered between April 1, 2011 and March 31, 2012. A hearing must be held.

### From April 1 to May 15, 2012

Between April 1 and May 15, 2012, the secretary to the Disciplinary Council received two disciplinary complaints from the syndic and assistant syndics. During this period, the Council held six hearings to process the complaints.

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

- being in a situation where loyalty could be compromised;
- being found guilty of criminal offences.

The Council rendered two decisions respecting guilt and penalties. The following penalties were imposed:

- for being in a situation where loyalty could be compromised: temporarily struck off the Roll for two weeks, with publication of the decision and required to pay costs;
- for being found guilty of criminal offences: permit revoked and not required to pay costs.

A decision was rendered within 90 days of being taken under advisement.

**Pierre Linteau, Lawyer**  
Chair



## ILLEGAL PRACTICE AND UNAUTHORIZED USE OF THE DESIGNATION

The Legal Affairs and Records Vice-Presidency of the Ordre 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.

### From April 1, 2011 to March 31, 2012

During this period, the Vice-Presidency opened 80 files relating to illegal practice of the profession or unauthorized use of the designation. Among these files, 31 resulted in penal charges being filed, of which 13 led to a conviction, one complaint was withdrawn and the other complaints are pending a hearing. In addition, 14 files led to summonses and were settled to the satisfaction of the Ordre, 25 were closed due to

insufficient evidence or lack of recourse, and 10 files are still under investigation.

Of the 31 files brought forward from last year, 17 complaints were received and convictions were obtained in 14 cases, three cases are still pending and no complaints were withdrawn. Lastly, seven files were closed due to insufficient evidence and seven others led to summonses and were settled to the satisfaction of the Ordre.

### From April 1 to May 15, 2012

During this period, the Vice-Presidency opened six files relating to illegal practice of the profession or unauthorized use of the designation. None of these

cases resulted in penal charges being filed, and no complaints were withdrawn. Two files led to summonses and were settled to the satisfaction of the Ordre, and four files are still under investigation.

Of the 29 files brought forward from last year, 22 complaints were referred to the courts, of which one led to a conviction, five complaints are still under investigation, and no complaints were withdrawn. Lastly, one file was closed due to insufficient evidence and another led to a summons and was settled to the satisfaction of the Ordre.

Investigations						
	Illegal practice		Unauthorized use of the designation		Illegal practice and unauthorized use of the designation	
	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Investigations completed	6	13	3	5	1	1

Penal proceedings						
	Illegal practice		Unauthorized use of the designation		Illegal practice and unauthorized use of the designation	
	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Penal proceedings instituted	29*	42*	6*	9*	13*	19*

\* With more than one charge laid

Decisions rendered								
	Decisions rendered		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	
	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012	March 31, 2012	May 15, 2012
Illegal practice	18	18	18	18	0	0	\$67,200	\$67,200
Unauthorized use of the designation	2	2	2	2	0	0	\$6,000	\$6,000
Illegal practice and unauthorized use of the designation	7	8	6	7	1	1	\$21,500	\$23,000



## INDEMNITY FUND

Michel Lamarre, CA  
Chair



In accordance with the regulations, the maximum indemnity payable by the Indemnity Fund Committee per individual claimant is \$80,000 and \$300,000 for all claimants in respect of a same member.

### **From April 1, 2011 to March 31, 2012**

During this period, the Committee analyzed seven claims totalling \$534,000 relating to five Ordre members.

#### **Committee members**

**Pierre Gauvreau, FCA**  
**Daniel McMahon, FCA**

#### **Secretary**

**Christiane Brizard, Lawyer, C.OCAQ**

After reviewing each claim, the Committee recommended that the Executive Committee dismiss the claims since they did not meet the conditions for admissibility under the applicable regulations. After studying each report and recommendation of the Indemnity Fund Committee, the Executive Committee dismissed the seven claims.

### **From April 1 to May 15, 2012**

The Committee did not analyze any claims during this period.

**Michel Lamarre, CA**  
Chair



## MANDATORY CONTINUING EDUCATION

### **Mandatory continuing education activities**

Under the *Regulation respecting mandatory continuing education for Quebec chartered accountants* (the 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, of which no more than 15 hours per year may be spent on 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* (the 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 three-year reference period extends from September 1, 2009 to August 31, 2012.

Of the 16,898 active members subject to the Regulation, 5,073 of which are also subject to the Public Accountancy Regulation, 477 members (including 168 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 exemption of 10,160 hours (including 2,371 hours in public accountancy).

In 2011-2012, two members were subject to a decision rendered by the Executive Committee 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 four members in 2010-2011. Their striking off the Roll will remain in effect until the Ordre receives proof that they have met the requirements of the Regulation.

In addition, one member was subject to a decision rendered by the Executive Committee of the Ordre ordering a limitation of the member's right to perform assurance engagements for failing to accumulate the continuing education hours prescribed by the Public Accountancy Regulation. This limitation will remain in effect until the Ordre receives proof that the member has met the requirements of the Public Accountancy Regulation.

## MANDATORY CONTINUING EDUCATION

Continuing education activities consisted in:

Continuing education activities	Member participation	Number of hours
<b>Formal activities</b>		
Courses offered or organized by the Ordre	6,454	145,384
Courses offered or organized by the Canadian Institute of Chartered Accountants or by other provincial institutes of chartered accountants	812	9,883
Courses offered or organized by other professional orders or similar organizations	2,595	47,052
Courses offered by educational or specialized institutions that have access to appropriate professional, technical and educational resources	3,137	136,216
Formal courses or continuing education activities offered in the workplace	9,534	270,007
Formal training sessions	1,239	22,532
Symposiums, seminars or conferences with a prevalence of technical or educational content	7,043	109,335
Discussion groups or technical committees	2,174	42,650
E-learning activities	2,937	25,061
Authorship of published articles or other publications related to the chartered accountancy profession	220	22,001
Studies or research projects	227	15,748
<b>Subtotal - Formal activities</b>		<b>845,869</b>
Unstructured activities (self-study)		246,312
<b>Total</b>		<b>1,092,181</b>

*The data in the above table reflects the situation as at August 31, 2011 and is therefore valid as at March 31 and May 15, 2012.*

## 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).

In 2011-2012, EC members discussed the merit of a new CA qualification route, based on the Evaluation of Experience (EvE) examination rather than on the Uniform Evaluation (UFE), for candidates who already hold a foreign accounting designation. The members issued a favourable recommendation on the national EvE proposal; however, implementation in Quebec is on hold until the required regulations are in place. During the year, the Ordre also approved the memorandum of understanding on mutual recognition, proposed by the CICA and the Institute of Chartered Accountants of Pakistan, to provide CAs from Pakistan with direct access to the UFE.

Members of the Education Committee and the Committee on Training of Chartered Accountants were involved in the discussions on the unification of the accounting profession in Quebec and in Canada. They were asked to examine the new education model proposed for the profession of "chartered professional accountant" (CPA). Their thoughts and comments helped the Ordre's Board of Directors in its decision to adopt, on a preliminary basis, the key principles used to develop the qualification requirements for a unified accounting profession. In addition, their work helped to provide direction for the proposed education model, at both the

provincial and national levels, and we thank them for their valuable contribution.

The excellent work by our university partners and training employers contributed to 576 candidates passing the 2011 UFE. We look forward to when these candidates officially become members of the accounting profession and we wish them a promising career.

**Mélanie Leduc, CA**  
Chair

### Committee members

**Danièle Blanchette, CA**  
**Nicolas Boivin, CA**  
**Louise Briand, CA**  
**Pierrette Doré, FCA\***  
**Guylaine Duval, CA**  
**Jacques Fortin, FCA\***

**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**

**Jean-Paul Lauly, CA**  
**Laurent Liagre, CA**  
**Patricia Michaud, CA**  
**Julia Scott, CA**

### Observer

**Hélène Racine, CA, ASC**,  
Representative of the national  
Education and Qualifications  
Committee

### Secretary

**Diane Messier, FCA**

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

## PROFESSIONAL INSPECTION

**Benoît Riendeau, CA**  
Chair



During the year, the inspection of 500 units required approximately 792 inspector/days. Close to 96% of members inspected this year met inspection standards. Following up on practicing units that failed to meet the standards required approximately 55 inspector/days. The reduction in the number of members subject to a refresher training period, with or without a refresher course, is due to a considerable improvement in the documentation of review procedures, more specifically as concerns significant variations in income statement items and gross margin, and to an understanding of the audit-risk approach.

Main activities of the Committee at the end of the annual period	2012	2011
Practicing units inspected during the year	500	519
Pending, beginning of year	51	74
	551	593
Pending, end of year	1	51
Practicing units for which an inspection report was submitted to the Professional Inspection Committee	550	542
<b>Professional Inspection Committee recommendations ratified by the Board of Directors</b>		
Practicing units ordered to serve a refresher training period, without limitation or suspension of the right to engage in professional activities	10	17
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	41	46
Practicing units ordered to serve a refresher training period, with limitation of the right to engage in professional activities	0	0
Number of members ordered to serve a refresher training period, without limitation or suspension of the right to engage in professional activities	12	44
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	51	58
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	1,715	2,084
Number of meetings of the Professional Inspection Committee	9	7
Number of inspections dealing with competence	0	0

### Committee members

**Alain Trudeau, CA**, Vice-President  
**Paule Bouchard, FCA**  
**Richard Boucher, CA**  
**Christine Brosseau, CA**

**Chantal Couture, CA**  
**Jacques Grandmont, CA**  
**Kenneth Hotton, CA**  
**Nathalie Labelle, CA**  
**Alain Lajoie, FCA, CA•IFA**

**Josée Leclerc, CA**  
**Gloria Lemire, CA**  
**Pierre Longpré, CA**  
**Louise Papin, CA**

### Secretary

**Martine Picard, FCA**

<sup>1</sup> No professional inspection activities took place between April 1 and May 15, 2012. The data provided in this report is valid as at March 31 and May 15, 2012.

## 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, FCA**, Vice-President, **Chantal Le Rossignol, CA**, Assistant Director, **Geneviève Audet, CA**, **Sylvia Dansereau, CA**, **Kim Lemire, CA** and **Mireille Quinn, CA**, staff inspectors, as well as the following contractual inspectors and supervisors:

<b>Philippe Bérubé, CA</b>	<b>Sylvain Moisan, CA</b>
<b>Jean-Étienne Blais, CA</b>	<b>Pierre O. Oigny, FCA</b>
<b>Jean Boudreau, CA</b>	<b>Monique Papineau, CA</b>
<b>André Coutu, CA</b>	<b>Sylvie Plante, CA</b>
<b>Pierre Désilets, CA</b>	<b>Dominique Racine, CA</b>
<b>Sylvie Fortin, CA</b>	<b>Louise Trépanier, CA</b>
<b>Diane Joly, CA</b>	

The 14 Committee members spent more than 41 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, Lanaudière and Eastern Townships regions.

### Refusal to submit to a period of refresher training consisting in a “periodic inspection” and to take refresher courses

Under section 4 of the *Regulation respecting refresher training periods and courses of the Ordre des comptables agréés du Québec*, the Professional Inspection Committee recommended that the Board of Directors forward a member's file to the syndic of the Ordre so that it could lodge a complaint before the Ordre's Disciplinary Council because the member did not submit any files for review and 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

In two cases, the Committee recommended that the Executive Committee forward the members' files to the syndic. The two members engaged in derogatory conduct by failing to submit to a period of refresher training with mandatory supervision.

### General program of inspection

The general program of inspection, which contains a new review process, came into effect at the beginning of the 2011-2012 fiscal year, i.e. the first year of the ninth inspection cycle. With a view to harmonizing professional inspection systems nationwide, a new inspection software application, that includes the professional inspection questionnaire, was used for inspections beginning in 2011-2012. The new methodology has resulted in changes affecting the identification and categorization of deficiencies, the overall assessment of their impact and the selection of actions required to assist firms. An overall assessment is being made by the Professional Inspection Committee based on the frequency and severity of deficiencies identified in each professional inspection report. Firms inspected during the 2011-2012 inspection were therefore issued a new professional inspection report harmonized for all provincial jurisdictions.

### Summary of files forwarded to the syndic

The 365 departures included in the 294 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.	217
Breach of section 204.4.23 requiring a member who performs or participates in an assurance engagement to obtain approval from the client's management when preparing journal entries.	22
Breach of section 204.8 requiring a member who practices public accountancy and provides a service other than an assurance engagement or a specified auditing procedures engagement to disclose any activity, interest or relationship which, in respect of the engagement, would be seen by a reasonable observer to impair the member's or firm's independence such that the professional judgment or objectivity of the member, firm or member of the firm would appear to be impaired.	20

## PROFESSIONAL INSPECTION

Breach of section 48 respecting professional secrecy.	16
Breach of section 204.2 requiring a member who performs or participates in an assurance engagement to identify threats to independence, evaluate the significance of those threats and, if the threats are other than clearly insignificant, identify and apply safeguards to reduce the threats to an acceptable level.	13
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.	8
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.	6
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 and guidelines set out in the <i>Canadian Institute of Chartered Accountants Handbook</i> and with current scientific knowledge (section 19).	5
Breach of section 204.1 requiring a member who performs or participates in an assurance engagement to be and remain free of any influence, interest or relationship which impairs the professional judgment or objectivity of the member or the member's firm or which, in the view of a reasonable observer, would impair the professional judgment or objectivity of the member or the member's firm.	5
Breach of section 36.10 requiring a member who performs an assurance engagement to identify threats to his independence and evaluate their significance.	3
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.	3
Breach of section 61 requiring a member to ensure that the information he provides to the Ordre is accurate.	3
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.	2
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.	1
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.	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 62 requiring that before opening any new place of business for the practice of the profession, a member must notify the Ordre.	1
Breach of section 5 requiring that a member act with dignity in order to maintain the profession's good reputation.	1
<b>Departures from the <i>Chartered Accountants Act</i></b>	
Breach of section 24 specifying that no person may practice public accountancy unless he is a chartered accountant.	2
<b>Departures from the <i>Professional Code</i></b>	
Breach of section 187.10.1 requiring a member who practices public accountancy to use the auditor designation.	25

## PROFESSIONAL INSPECTION

### General program of inspection (continued)

All the inspectors and members of the Professional Inspection Committee were given courses on the new review process, and several tools needed for proper functioning of inspections were developed. A third and final article entitled “Professional inspection program – New evaluation methodology starting in June 2011, was published in the May 25, 2011 issue of *Inf@CA* to inform Ordre members.

A new document entitled “Action plan” that members use to submit their comments after receiving their professional inspection report was implemented for 2011-2012. This document has helped to harmonize member input while encouraging communication of measures the firm intends to implement post-inspection, in particular corrective actions aimed at improving the quality of engagement performance as well as refresher training to correct weaknesses identified during the inspection.

In collaboration with our provincial counterparts, we updated the professional inspection questionnaires to include the International Financial Reporting Standards effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, as well as accounting standards for not-for-profit organizations effective for annual financial statements relating to fiscal years beginning on or after January 1, 2012, but for which earlier adoption is permitted.

During the 2011-2012 fiscal year, inspection of firms in cooperation with the Canadian Public Accountability Board continued.

The Committee plans to inspect and re-inspect 551 practicing units in 2012-2013. These inspections

should require 949 inspector/days. Monitoring practicing units that failed to meet the standards is also planned and should require approximately 53 inspector/days. The Committee also intends to focus on inspecting the files of members practicing public accountancy and offering services other than assurance and related services within the meaning of the *CICA Handbook*, as well as tax, financial planning, forensic accounting and business valuation services, and on monitoring compliance with regulations as they relate to the protection of the public.

### Other activities and achievements

An interprovincial meeting of the heads of professional inspection from each province was planned and organized. Participants discussed the new harmonized evaluation methodology and the various inspection working tools. Other discussions were held on weaknesses identified in relation with the Accounting Standards for Private Enterprises and Canadian Auditing Standards. Representatives of the Canadian Public Accountability Board took the opportunity to present the most frequently identified deficiencies and their work methodology.

The nationwide compilation of weaknesses identified during inspections continued and the Committee submitted the findings to those in charge of training programs and technical support for members in each province. Members were given courses to inform them about breaches of standards and changes made to the general program of inspection. In addition, an article entitled “Inspection results: Let’s roll up our sleeves!” was published in the May 31, 2011 issue of *Inf@CA*.

To help members improve their files before the end of the inspection season, another article, “Greetings

from the Professional Inspection Team – How to improve your current engagements”, was published in the February 28, 2012 issue of *Inf@CA*. This article outlined the main inspection findings on the application of Canadian Auditing Standards and Accounting Standards for Private Enterprises, and included an appendix of resources for members.

Technical manuals and other tools for members of the Ordre were also updated during the year.

**Benoît Riendeau, CA**  
Chair

## 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 out-

side 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

Applications - Equivalence of diplomas	Diplomas issued in Canada		Diplomas issued outside Canada	
	April 1, 2011 to March 31, 2012	April 1, 2012 to May 15, 2012	April 1, 2011 to March 31, 2012	April 1, 2012 to May 15, 2012
Received	14	0	42	1
Full equivalence granted	14	0	4	0
Rejected	0	0	38	1

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	
	April 1, 2011 to March 31, 2012	April 1, 2012 to May 15, 2012	April 1, 2011 to March 31, 2012	April 1, 2012 to May 15, 2012
Received	0	0	42	2
Full equivalence granted	0	0	4	1
Partial equivalence granted	0	0	38	1
Rejected	0	0	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 CA permit to a public accountant from France who had met all the conditions set out in the above-mentioned

regulation. No new applications were received during the year.

The work on achieving a mutual recognition agreement with the Compagnie nationale des commissaires aux comptes (CNCC) was put on hold due to the discussions on the unification of the three accounting orders.

### Mutual recognition agreements

The Ordre signed mutual recognition agreements with 15 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

Jacques Filion, 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 work to unify the accounting profession, including developing the legislation on chartered professional accountants and undertaking a comparative analysis of the regulations governing the three orders to ensure the supervision of the new profession, resulted in a suspension of the Committee's work on revising the Ordre's regulations. Thus, the Committee held no meetings in 2011-2012.

During the year, the Working Group on the *Code of Ethics* analyzed and commented on proposed amendments to the independence standards set out in Rule 204 of the Harmonized Rules of Professional Conduct. It also reviewed and commented on proposed amendments to the harmonized rules of professional conduct applied by the profession outside Quebec. These proposals related to the information and cooperation chartered accountants are required to provide to their provincial institute/Ordre, the cooperation chartered accountants who

have been removed from their duties are required to provide to their successor, the retention of files and the standards related to certain areas of practice.

**Jacques Filion, CA**  
Chair

### Committee members

**Martine Bouillé, CA**  
**Lise Lambert, ASC,**  
Representative of the public  
**Gilles Malette, CA**  
**Daniel McMahon, FCA**  
**Christine Montamat, MBA, FCA**  
**Caroline Nadeau, CA**  
**Gilles C. 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, FCA**  
**Daniel Vézina, CA**  
**Ed Victor, FCA**

### Secretary

**Christine Montamat, MBA, FCA**

## 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 consists of three persons, at least one of whom is a representative of the public appointed from a list provided by the Office des professions.

### From April 1, 2011 to March 31, 2012

During this period, the Committee received 20 requests for an opinion, all of which were submitted within the period prescribed by the *Professional Code*.

The Committee met 17 times to process 16 applications, two of which were brought forward from the previous year. The six other applications submitted in this period will be processed at a later date.

The Committee issued 17 opinions, one of which concerned a case from the previous year. In 14 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 and render a new decision as to whether or not to lodge a complaint. In another case, the Committee decided that there was 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. In another case, it asked the syndic to complete the inquiry and render a new decision as to whether or not to lodge a complaint, and suggested that the syndic refer the case to the Ordre's Professional Inspection Committee.

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

### From April 1 to May 15, 2012

Between April 1 and May 15, 2012, the Committee received two requests for an opinion, which were submitted within the period prescribed by the *Professional Code*.

The Committee met three times to process three applications submitted during the previous period.

Three applications submitted during the previous period and two applications submitted in this period will be processed at a later date.

The Committee issued three opinions. In one case, the Committee concluded that there was no cause to lodge a complaint before the Disciplinary Council. In the other two cases, the Committee asked the syndic to complete the inquiry and render a new decision as to whether or not to lodge a complaint.

**Martin Langlois, CA**  
Chair

#### Committee members

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

**Louise Cloutier, 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, FCA • Christiane Brizard, Lawyer, C.OCAQ • Ginette Lussier-Price, FCA • Martine Picard, FCA • André Richard, MBA • Évelyn Paquin, FCA • Marie-France Langlois, CA • Diane Messier, FCA • Daniel Benard, FCA

## 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**

Hamama Boudella

#### **Clerk, Administration and Data Collection**

Carole Pharand

#### **Clerk, 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**

Mélanie Charbonneau, CA

### **Coordinator, Administration and Finance**

Loraine Young

#### **Receptionist**

Rachel Bigras

#### **Accounting Technician, Accounts Receivable**

Cindy Chan

#### **Accounting Technician, Accounts Payable**

Lorena Alburez

### 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 Pêret

#### **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

#### **Clerk, Roll of the Ordre**

Claudette Custeau

### **Legal Counsel**

Geneviève Ouimet, Lawyer

#### **Coordinator, Roll of the Ordre and Legal Affairs**

Raluca Gheorghita

#### **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**

Sharon-Rose Alexandre

#### **Clerk, Candidate Roll**

Anne-Marie Marois

#### **Employer Counsellor, CA Training**

Position vacant

#### **Education and Recruitment Counsellor**

Marie-Christine Gagné, CA

#### **Coordinator, UFE and Recruitment**

Marie-Josée Hamel

## STAFF OF THE ORDRE

### INSPECTION AND PROFESSIONAL PRACTICE

#### Vice-President, Inspection and Professional Practice

Martine Picard, FCA

#### 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 Assistant, Professional Inspection

Caroline Bouchard

#### Coordinating Assistant, Professional Practice

Karyn Beauregard Lussier

#### Professional Practice Manager

Caroline St-Jean, CA

#### Coordinator, Professional Inspection

Danielle Arcudi

#### Professional Inspectors

Geneviève Audet, CA

Sylvia Dansereau, CA

Kim Lemire, CA

Mireille Quinn, CA

#### Clerk, Mandatory Continuing Education

Marie-Jo St-Pierre

### PROFESSIONAL PRODUCTS AND SERVICES

#### Vice-President, Professional Products and Services

Daniel Benard, FCA

#### Assistant Director, Professional Products and Services

Maryse Samson, M.Ed.

#### Administrative Assistants, Quality Assurance

Monica Hachey

Vali Thibaudeau

#### Administrative Assistant, Advisor to CAs

Diane Lafortune

#### Administrative Assistant, Logistics

Julie Beaulac

#### Administrative Assistant, Logistics and Desktop Publishing

Martine Primeau

#### Administrative Assistant, Professional Products and Services

Guerline Charles

#### Administrative Assistants, Customer Service

Linda Syrkos

Geneviève Trudel

#### 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

Lyne Fréchette

#### Coordinator, Logistics – Quality Assurance

Évelyne Cossette

#### Coordinator, Customer Service

Marie-Claude Cardinal

### STRATEGY, EXTERNAL AFFAIRS AND COMMUNICATIONS

#### Vice-President, Strategy, External Affairs and Communications

Christine Montamat, MBA, FCA

#### Assistant Director, Publishing, Events and Regional Groups

Maryse Dumais

#### Assistant Director, Marketing and Communications

Julie Péloquin, CA

#### Administrative Assistant, Events and Regional Groups

Jennifer Hum

#### Administrative Assistant, Strategy, External Affairs and Communications

Valérie Gauffre

#### Senior Advisor, Communications

Erika Vaugeois

#### Communications Manager

Roxanne Plante

#### External Relations Manager

Fanie Clément St-Pierre

#### Graphic Designers

Julie Milette

Guylaine Thiboutot

#### Computer Graphics Designer

Andrée-Anne Sénéchal

#### Events Planner

José Boucher

### SYNDIC

#### Syndic

Ginette Lussier-Price, FCA

#### Administrative Assistant, Office of the Syndic

Suzanne Racette

#### 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/AnnualReport](http://www.ocaq.qc.ca/AnnualReport).

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 Pension Plans  
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  
Professional 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  
Montreal  
Outaouais  
Quebec City  
Saguenay-Lac-Saint-Jean

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



ORDRE DES COMPTABLES  
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