

PIVOT



WINTER 2024

ON THE FRONT LINES



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crimes around
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FEATURES

22 | Mission critical

Tech-driven companies are drawing CPAs who are happy to embrace the risks of an entrepreneurial endeavour. **BY LIZA AGRBA**

28 | Nothing but net zero

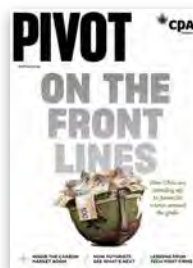
Skeptics assert that voluntary carbon offsets are a questionable tool for fighting climate change. Yet the carbon credit market is experiencing a boom in popularity. **BY JOHN LORINC**

36 | Future perfect

AI and tech continue to reshape the accounting profession. These futurists are tracking what's coming next. **BY ALI AMAD**

42 | Back to the front

Money laundering continues to rage around the globe, forcing CPAs to stand on guard for financial systems. **BY RENÉE SYLVESTRE-WILLIAMS**



**ON THE
COVER**

4 | From the CEO

FIRST IN

8 | Letters

10 | Communal healing

13 | Screen time

14 | What's mined is ours

16 | A look at the new entrepreneurs' tax challenge

17 | New cons, frauds and scams

18 | Enhancing audit quality

20 | Fast food, big returns

LAST OUT

49 | Artistic license

52 | Changing the world

53 | A Gladwellian remix of old ideas

54 | The latest must-read, must-watch and must-listen

58 | Rocky Road to revenue

WHAT DO YOU THINK?

Send your input to the editor at pivot.letters@cpacanada.ca. If your letter is chosen for publication, it may be edited for length and clarity.



LAST CALL: CPAs FROM ONTARIO AND QUEBEC, IT'S TIME TO MAKE YOUR VOICE COUNT

Pivot will soon be an exclusive resource available only to CPAs who are part of CPA Canada. Join CPA Canada now to ensure uninterrupted access to our resources, including all you need to know from *Pivot*, Canada's source for accounting news. **BY PAMELA STEER**

Good day, my friends and colleagues across Canada. I'd like to take a moment to address the fact that our national profession stands at a crossroads—one that we have only obliquely referenced in *Pivot* due to ongoing negotiations, but one that now directly affects you as a CPA and as a reader of this magazine.

This will be the final issue of *Pivot* sent to all CPAs across Canada.

A subscription to this multi-award-winning magazine is one of the many benefits of being part of the national

body. As of December 20, CPAs in Quebec and Ontario who are not part of CPA Canada will no longer receive the print edition or have access to CPA Canada's daily online news due to their regulators' decisions to withdraw from CPA Canada.

Upon withdrawal, CPA Canada fees in both Ontario and Quebec will no longer be collected and remitted to us beyond this fiscal year. The regulator in Ontario has prorated its annual member dues in this fiscal year, while CPA Quebec decided to maintain the level of dues

collected for a full year and keep the portion normally sent to CPA Canada.

Over the past 18-month withdrawal period, we have made progress to ensure continuing collaboration on shared national priorities. For example, both Ontario and Quebec will continue to remit part of their member dues to fund CPA Canada's stewardship of the standard-setting process, after we came to an agreement that protects important foundational work on behalf of the entire profession.

However, the decision by those provincial regulators—without the consultation of their members—means CPAs in Ontario and Quebec will no longer automatically be part of CPA Canada by virtue of membership in their provincial bodies, forcing individual CPAs in those provinces out of the national body.

We don't believe that is in the best interest of CPAs or is the right direction for the profession. We believe CPAs should have a voice beyond that of their provincial regulator.

Your voice matters

CPA Canada has conducted extensive consultations with CPAs across the country, and one thing is clear: the overwhelming majority have stated that they believe in a strong national body, signalling they want to be part of something bigger. We have learned that CPAs value strength in numbers, that they want the profession to be respected nationally and internationally and that they want continued access to the exclusive resources, savings and professional development opportunities that only we provide.

I thoroughly believe that being a part of CPA Canada is an essential part of your professional journey, so I have this message for every CPA in Ontario and Quebec:

Your regulator is leaving, but that doesn't mean you need to.

We know this move by the two provincial bodies was made without consulting you, without your voice.

We have received overwhelming feedback to this effect from across the country—particularly from members in Ontario and Quebec—and we believe that your voice matters.

A bright future

CPA Canada is turning this current situation into an opportunity, and I must say, I am absolutely optimistic about our profession's future. This experience has led us at CPA Canada to look inward, and in so doing, we've seen our strengths on display.

Take this magazine, for instance: In the six years that *Pivot* has been publishing, it has taken home more National Magazine Awards than any other magazine in its class (see the following page for a rundown). Further, it has recently won international accolades at the Trade, Association, Business Publications International (TABPI) awards:

"Our B2B publication awards program is the only one that is international in scope, and *Pivot* has been well regarded by our judges," says Paul J. Heney, president of TABPI. "The publication scored two wins in 2023 and an incredible seven in 2024. "[It] has much to be proud of—and its readership has much to be thankful for."

I couldn't have said it better myself.

The bigger picture

CPA Canada represents your career and your profession, in Canada and around the globe. The decision by the regulators in Ontario and Quebec to sever ties with the national body means that CPAs in those provinces will not only lose access to important information—in the pages of this magazine and in our extensive online library of resources—but to a national and global network wielding impact and influence.

That's why—with a mandate from CPAs in Quebec and Ontario—we are offering CPAs in those provinces a choice to remain part of our organization after the December

"THIS PUBLICATION HAS MUCH TO BE PROUD OF—AND ITS READERSHIP HAS MUCH TO BE THANKFUL FOR"

—Paul J. Heney, president of TABPI

withdrawal—at a cost that is far less expensive than your daily coffee!

Yes, it is a choice—one that we believe should have been afforded you by the regulators in Ontario and Quebec. But you can make your voice heard by signing up to remain part of your national body.

We are steadfast in our belief that every Canadian CPA deserves to stay connected to a strong national and global network, one that empowers them to be an influential force

in shaping meaningful policies and regulations and enhances their competitive edge and professional profile to open doors in Canada and around the world.

CPAs in Ontario and Quebec, don't allow this to be your final edition of *Pivot*. Sign up today to ensure you'll get unfettered access. As an Ontario CPA, I've already done so myself. I hope you'll all join me.

Together, we make the profession stronger. ♦

USE OUR EASY SIGN-UP TO JOIN CPA CANADA TODAY

Don't lose access to *Pivot* magazine! Join CPA Canada before December 20 for only \$195 and enjoy 15 months for the price of 12. Be part of CPA Canada to stay current on accounting news and analysis with *Pivot* print and digital access AND:

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PIVOT: BEST IN CLASS

On top of expert resources and thought leadership, engagement with industry leaders via our monthly town halls, and exclusive perks and volunteer opportunities, a subscription to *Pivot* is among the exclusive benefits of signing up with CPA Canada. Through thousands of letters to the editor since its first issue, it is clear the magazine is beloved by CPAs across Canada, but again, you don't need to take our word for it: *Pivot* has won more National Magazine Awards than any magazine in its class since its inception in 2018.

"*Pivot* is a brilliant business magazine that covers the key issues facing CPAs today, but it is also informative to anyone interested in the business world," said the jury for the National Magazine Awards: B2B Best Magazine in 2023. "[*Pivot* is a] great marriage of editorial and design."

24 Gold and 14 Silver awards, including best brand in 2024 and best magazine in 2019, 2021 and 2022

GOLD
Best Magazine
2019, 2021, 2022

GOLD
Best Issue
2020, 2022, 2023

GOLD
Best Brand
2024

From coast to coast to coast, the verdict is clear

CPA Canada matters. CPA Canada is a critical voice on emerging global trends—providing federal and global counsel on issues ranging from efficiency in the Canadian tax system to AI governance and sustainability standards. Being a part of CPA Canada ensures you have a spot at the table nationally and internationally; it elevates your designation and elevates your voice. Here is a sample of the countless CPAs who support a strong, unified national accounting body.

"Being a Canadian CPA means being part of something bigger—it's strength in numbers by having a national, unified professional body."

—Deborah Rosati, FCPA, Founder & CEO, Women Get On Board Inc.

"Being part of the Canadian profession opens a whole bunch of doors."

—Jim Knafo, CPA, CEO Global Accounting Alliance



INTERNATIONAL RECOGNITION

In 2023, we decided to take our content to the world stage and entered the Trade Association, Business Publications International awards, known as the Tabbies. Competing against publications on a global scale proved our content goes beyond borders.

"*Pivot* has had a truly impressive run in the Tabbie Awards the last couple of years," said Paul J. Heney, president of TABPI, the organization that runs the Tabbies. "Our B2B publication awards program is the only one that is international in scope, and *Pivot* has been well regarded by our judges, who are comprised of peers in the industry. The publication scored two wins in 2023 and an incredible seven in 2024.

"Perhaps more significantly, *Pivot* has excelled in our two most difficult categories, Feature Article and Best Single

Issue, even taking home the Gold prize in Feature Article last year. Considering the high level of submissions that we receive from across the globe each year, this publication has much to be proud of—and its readership has much to be thankful for."

It's clear the value *Pivot* brings to CPAs across Canada, and it is going to be exclusive to those who sign up after December 20, 2024. Be sure to scan this QR code for our easy sign-up process to ensure your access to the best accounting journalism in Canada stays uninterrupted.



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"CPA Canada has always taken bold steps to evolve the profession."

—Susan S. Coffey, CPA, CEO, Public Accounting, American Institute of Certified Public Accountants

"It's important that there is a national body that brings together diverse views and differences of opinions."

—Lee White, FCA, ACCA, CEO, International Federation of Accountants

"CPA Canada really means being unified on the global stage."

—Dinesh Balakrishnan, CPA, Divisional Controller, Calian Group

Accolades for CPA Canada

These national and international accolades show our tireless work to ensure your CPA designation remains a mark of quality and credibility

Global influence

CPA Canada stands out as one of the most influential accounting bodies in the world, with representation at the global profession's most prominent bodies, despite Canada representing only two per cent of the global economy.

Both the Global Accounting Alliance and the International Federation of Accountants have made clear their desire to continue **collaborating with us on a nation-to-nation basis**. And we remain the Canadian representative at the Fédération Internationales des Experts-Comptables Et Commissaires Aux Comptes Francophones.

We are a capacity-building partner for the International Sustainability Standards Board (ISSB) and we were instrumental in securing one of its offices in Montreal. We also stand in the **top five for contributions** to the ISSB's knowledge hub, meaning our resources are sought out globally.

Last year, CPA Canada even earned the title of **second-best professional body** of the year at the International Accounting Forum and Awards.

National advocacy

CPA Canada is routinely **sought out by the Government of Canada** for targeted consultations and committee participation on topics with pan-Canadian relevance—from anti-money laundering efforts to campaign finance audits to our involvement with the Standards Council of Canada's AI and Data Governance Standardization Collaborative.

The work of CPA Canada's Green Tech Working Group on tax credits has since been selected as one of **Clean50's Top Project award winners for 2024**, which speaks volumes about our profession's influence nationally.

A lot left in the tank

The Fall issue of *Pivot* contained a couple of articles that are two sides of the same coin. As David-Alexandre Brassard observes, current government pension plans will continue to be stressed given the double whammy of a wave of current and expected retirees hitting the system and the radical changes in life expectancy. Meanwhile, John Lorinc's article was one of many that focused on the problem of staff shortages and challenges in attracting and retaining young CPAs.

A solution that might alleviate some pain, albeit temporarily, is perhaps to consider those of us who are semi-retired CPAs in their 60s and who are not ready to spend six months of the year in Florida. Some of us—including myself—have more to give and would be happy to continue working in some capacity. Sure, we may not have the technological savvy of the younger cohort, but after 40 years in the game, one thing you do learn is that a lot

of the problems that organizations face (from governance, controls, systems and restructuring to the day to day) deal with the running of numbers, which have not changed. No amount of AI will prepare you for how to deal with confrontation, or to be in a room full of people looking for a workable solution that only experience can offer.

With rare exceptions, however, no company (or public sector entity, for that matter) is going to consider keeping or hiring someone new who is in their 60s. The mandatory retirement age at the big four and most mid-size accounting firms is 62. Once you hit that 60-year milestone, questions about your next steps start to arise.

CPAs who still want to contribute have few options. Consulting is often a hit-and-miss proposition at the best of times, and then there's volunteer work. We just do not fit with most traditional organizational metrics, and while we cannot solve the obvious demographic issues or the frustration of a first-year

accounting job, just like government pensions, it's time for a rethink.

—Michael Minnes, CPA, CA
Hamilton, Ont.

RE: The grocery wars

As interesting as your article was regarding food price inflation and grocery chain profit margins, I could not help feeling that this was a missed opportunity for someone to take a stab at the numbers and show what CPAs can contribute to public debate.

What is the average profit margin and what is the range? What is the trend in average profit margin over the last 10 years? What is the trend in labour costs over this period? What is the trend for purchases from food suppliers? Household products suppliers? These are just some of the elements that would have added much to this article had they been examined. Just saying.

—Jack Noodelman, CPA, CA
Montreal, QC.

PIVOT

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FIRST IN

PURPOSE DRIVER

CULTURAL CONNECTION

Sean Burke used his CPA training and a passion for mental health to develop apps that blend modern tech with traditional Indigenous healing practices **BY ALI AMAD**

Sean Burke, a North Vancouverite and former captain of the Simon Fraser University men's varsity basketball team, never imagined he would become a CPA. "I was studying accounting at the time, but I always saw myself in venture capital financing," he recalls. That changed in 2009 when he took a summer job at PwC and discovered that the profession's team-oriented nature mirrored the dynamics he thrived on as a point guard. This alignment with his values and skills convinced him to pursue his CPA designation, which he earned in 2012, setting the stage for a career that would ultimately take him beyond traditional accounting.

After six years at PwC, Burke co-founded FrontFundr in 2015, a crowd-funding platform that democratizes access to private equity investment. While the company flourished, Burke felt a deeper calling. In 2019, he made a major career shift to focus on mental health, launching CheckingIn, a platform dedicated to supporting Indigenous communities. Today, CheckingIn collaborates with several B.C. First Nations, including Squamish Nation and Tla'amin Nation, to develop custom mental health and wellness apps rooted in each community's language, teachings and cultural practices. These apps serve as digital gathering spaces, providing community members with tools for emotional check-ins and access to culturally relevant mental health resources. Integrating modern technology with traditional healing practices isn't always straightforward, but that hasn't stopped Burke from tackling his next goal: creating an app for each of the more than 630 First Nations communities across Canada.

What sparked your interest in mental health, which led to the creation of CheckingIn?

In 2017, I began working with my business coach, Judy Brooks, who really pushed me to develop my emotional intelligence. She introduced me to two simple yet profound questions: "What's your number?" and "What's your word?" The number was to define how much energy I had, and the word was to capture how I was feeling. This exercise transformed my life by helping me build self-awareness and slow down between stimulus and response. I realized how beneficial this was for my own mental well-being and wanted to share this tool with others.

In 2019, I launched CheckingIn, which initially just asked those two questions—"What's your number?" and "What's your word?"—to help people check in with themselves daily. When COVID-19 hit, numerous companies reached out to my team for support, and it became clear that what we had was more than just a self-awareness tool: it was a mental health tool.





How did CheckingIn begin working with First Nations communities, and why was that an important step for you?

During the early years of the pandemic, a relative of mine was in and out of recovery, and she shared a profoundly positive experience she had during a sweat ceremony—a traditional Indigenous practice for healing and purification. This made me curious to learn more about Indigenous culture and healing.

“PEOPLE STRUGGLING WITH ADDICTION TELL US HOW LISTENING TO COMMUNITY SONGS ON THE APP HAS GIVEN THEM HOPE”

I discovered that Indigenous approaches to mental health are deeply rooted in family, community, language and tradition. I wondered if I could adapt CheckingIn to support First Nations communities.

My first project was with Squamish Nation. I reached out to Glenda Gibbon, Squamish Nation’s health director, and explained my goal: to create a mental health app that reflects the community’s unique language and culture. I also wanted to address the mental health challenges, opioid crises and health inequities facing First Nations communities by lifting up all voices. One year after launching the app for Squamish Nation, over 25 per cent of the community now actively uses it. Simultaneously, my team has created similar apps for four other Indigenous communities in B.C.

Describe what the experience of using the app is like for an Indigenous person.

When a user opens the app, they are prompted to do their well-being check-in by selecting a word that describes how they’re feeling, and four numbers that reflect their emotional, mental, spiritual and physical states. They can also add notes to provide context. Based on these inputs, the app recommends support resources and teachings from community members, often utilizing storytelling and singing and drumming, to help process their emotions.

How do you ensure the apps reflect the specific cultural values and traditions of each First Nation?

I work closely with community leaders to identify the appropriate content and teachings that should be included in the app. When I worked with Squamish Nation, our team met with their health and wellness staff weekly for nine months. We listened, learned

and co-created an app that truly reflects Squamish culture. It’s crucial because many Indigenous mental health tools out there are too general, taking a national perspective that doesn’t account for the distinct languages, traditions and healing practices of each community.

This approach is reflected in the variety of our apps’ content. For example, Squamish Nation’s app includes a word of the day and a program called Journey to Self, where community members share their lived experiences. Tla’amin Nation’s app features educational content on natural medicines, while Sq’ewlets Nation’s app offers support for grief and loss.

How does CheckingIn integrate traditional First Nations approaches to mental health with modern technology?

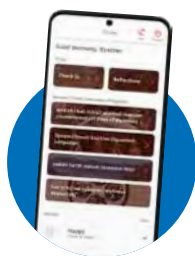
We meet communities where they’re at. Some are more comfortable with technology, while for others, it’s a new concept. It’s about understanding each community’s comfort level and working from there. We’re also mindful of cultural sensitivities. Not all teachings or practices should be recorded or shared digitally. We consult with elders and community leaders to determine what is appropriate. For instance, before we release any content, we ask for permission. We are there to facilitate what communities already know about healing and how it works in their culture. We use our technological skills to amplify that knowledge, not to replace it.

How has your CPA background influenced your work with CheckingIn?

The first thing I learned from my CPA training was the importance of building relationships. That skill has been crucial in my collaborative efforts with First Nations communities, where relationships and trust take time and patience to develop. Additionally, my accounting background has helped me build scalable systems. At PwC, I learned how to create structures that can support growth. This has been invaluable as we aim to expand CheckingIn Canada-wide. Over time, we’re hoping to build a self-sustaining model that can support each community’s needs indefinitely, with minimal input from us.

How do you measure the success of CheckingIn’s efforts in First Nations communities?

Success for us is not just about numbers, although we do track engagement metrics like the number of completed teaching courses. For example, in Squamish Nation, we had 18,000 teaching courses completed in the first year. But the real measure of



OVER 25%

The percentage of people in the Squamish Nation community who are using the CheckingIn app

success is the stories we hear from the community. People struggling with addiction tell us how listening to community songs on the app has given them hope. Others have taken the app into the forest and found solace in listening to traditional songs by their community members. This kind of feedback is what drives us to continue our work.

How do you balance the financial goals of CheckingIn with its deep social purpose?

We don't operate like a traditional for-profit. Profitability is not our main goal. We chose to be a for-profit entity to build a sustainable model that isn't reliant on precarious external grants. This decision sometimes raises questions, especially since I'm non-Indigenous. People ask me a lot about my intentions. I always explain that I want to create digital gathering spaces to nurture healing through culture. It's about sustainability and community-led projects. We also hire locals to help create the content for our app so that we can build capacity within the communities. This builds trust and ensures the app is truly community-owned and driven.

What's next for you and CheckingIn?

We're at a tipping point. By the end of 2024, we aim to be working with 10 communities. Our focus next year is on scaling our model within B.C. and expanding nationwide soon after. We're also building partnerships with organizations like B.C.'s First Nations Health Authority as well as regional health authorities and provincial and federal governments to secure sustainable funding for each nation to have its own app.

Our long-term mission is to be an integral part of a comprehensive system that supports mental health and cultural revitalization. Once we've achieved our goal in Canada, we want to expand to other Indigenous communities globally—in the United States, New Zealand, Australia and beyond.

What advice would you give to CPAs looking to build purpose-driven businesses?

Go do it! When I left PwC to co-found FrontFundr, I took a big risk. But it paid off because I was passionate about democratizing access to capital. When I left FrontFundr to start CheckingIn, it was another risk. But I believe in the work we're doing. When it comes to your own journey, if you trust your instincts and believe in yourself, you will land on your feet. The true measure of success lies in pursuing something you're deeply passionate about, not what you might have in your bank account at the end of the day. ♦

PHOTOGRAPHS BY ISTOCK

SCREEN SAVIOURS

Almost all Canadian adults watch feature films, but the great majority of those movies—98 per cent—are viewed at home through streaming services and broadcast TV. Just two per cent of all feature films are watched at movie theatres. Still, most Canadians venture out to the movies at least once a year for superior viewing, a shared experience and to support Canadian cinema. **BY STEVE BREARTON**

\$1.5 billion
Canadian movie theatre
revenues in 2022

730
Theatres screening
movies in Canada



Three in four Canadians go to the movies

74% Percentage of Canadian adults who went to the movies in the previous 12 months, according to a 2023 Telefilm Canada survey—Quebecers (83%) were most likely to see a movie in person, while Saskatchewan residents (46%) were least likely

Drama at home, action at the theatre

Canadians' preferred genres to watch at home



Drama



Comedy



Family

Canadians' preferred genres to watch in a theatre



Action



Sci-fi



Horror

Most moviegoers attend with friends or family

2.7 Average size of Canadian party going to the movie theatre

46% Percentage of Canadians who go to the movies in groups of three or more



Cost is cited as the biggest barrier to more theatrical attendance

Barriers to increased moviegoing, according to Telefilm Canada

Costs too much

72%

Have movies at home

36%

Nothing I want to see

39%

I don't like the crowds

27%

THE ECONOMIST

GROUND COVER

Canada's natural resources sector has an enviable international reputation. So why don't industries get the government support they need?



DAVID-ALEXANDRE
BRASSARD

Canada has developed thanks in part to the exploitation of its natural resources, from forests to mining, hydroelectricity and fossil fuels.

Even today, the importance of natural resource industries is undeniable, and their economic contribution considerable. These industries pay workers better than other sectors. Their presence brings economic benefits to many rural Canadian communities and provides significant opportunities for Indigenous communities. These resources are also a boon to the export sector.

Productivity in the mining industry is 2.5 times higher than the economy's average, and, in the oil and gas industries, it's 5.5 times higher. In fact, increasing the weight of these economic sectors would boost the productivity of the Canadian economy far more simply than relying on certain disruptive technological changes (such as automation and artificial intelligence).

Neglected industries

Despite this, natural resource industries have been largely neglected. They are receiving less investment than in 2006, while the opposite is true for other goods-producing industries: manufacturing receives 50 per cent more than natural resource industries, construction and utilities (for example, electricity distribution) receives 100 per cent more, and agriculture and forestry receives 120 per cent more.

After the 2009 recession, investment in natural resources surged, peaking in 2014 before falling until 2020. Since 2021, recovery has been slow, with current investments representing only 50 per cent of those made between 2012 and 2014. These fluctuations are hampering the productivity of these industries, even causing them to lose ground.

Given the highly cyclical nature of these industries, the role of the government is crucial, as it sets the regulatory and fiscal framework. While I in no way wish to call environmental regulations into question, an average of four and a half years to obtain environmental approval is excessive. It is legitimate to

Cobalt

Airbags, magnetic materials



Copper

Electrical wires



Graphite

Pencils, nuclear reactor cores



Lithium

Electric vehicles, rechargeable batteries



Nickel

Stainless steel, electroplating



ask whether this wait time is justifiable. It may seem trivial, but in reality, these delays have a direct impact on investment returns (time is money, after all) and increase risk. Recently, the message to our resource industries has become even more uncertain with the capping of emissions from the oil and gas sector and the very rapid rise in the price of carbon. We would do well to adopt a Scandinavian-style collaborative approach between government and the private sector.

The increase in investment brought about by tax prioritization of the manufacturing, forestry and agricultural sectors (such as tax credits and accelerated depreciation) has not increased the economic contribution of these sectors either. Their respective GDPs have remained relatively stable since 2016. It seems wiser to offer a competitive tax environment for all industries rather than picking "winners."

We also need to continue working on our export capabilities (pipelines and terminals), which limit the output of the oil and gas industries. The opening of the Trans Mountain Pipeline and liquefied natural gas terminals will boost production, but only in the short term for the oil industry. As the gas industry's export capacities have more room to manoeuvre, we need to be more ambitious in our natural gas production, which has changed little in Canada over the past 15 years, while doubling in the United States over the same period. It's essential to adopt an approach that reduces the challenges, complexity and uncertainty involved in developing transportation and export projects.

Focus on critical minerals

Canada has substantial reserves of critical minerals and ranks among the world's top 10 countries for five of the six main minerals (cobalt, copper, graphite, lithium, nickel and the rare earths). However, our production is well below our reserves for two-thirds of these minerals. It's estimated that we would need to double our production within 15 years to meet our needs.

We have developed a Canadian strategy for critical minerals. However, if this strategy doesn't reduce the time to production—the average time from discovery to production for 127 Canadian mines is 15.7 years—it will be ineffective.

The world will continue to need oil, gas and minerals for decades to come, and Canada must do all it can to exploit its potential. After all, Canada is a non-contentious oil and gas producer, as well as a mining producer with a favourable environmental performance and reputation around the world. ♦

David-Alexandre Brassard is CPA Canada's chief economist.



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THE BRASS TAX

SEEKING CLARITY

The New Canadian Entrepreneurs' Incentive is a smart idea. But does piling on more complicated rules do more harm than good?



JOHN OAKEY

The 2024 federal budget introduced the New Canadian Entrepreneurs' Incentive (CEI) to reduce the capital gains inclusion rate for qualifying business owners when they dispose of shares in a qualifying business. The CEI is presumably intended to offset the increase to the capital gains

inclusion rate, also announced in the 2024 budget, but its scope is narrow and it seems too complex and uncertain to produce significant benefits for taxpayers. These measures beg the question: Does creating complex tax benefits to offset other complex tax rules help or hinder the tax system as a whole?

The CEI reduces the tax rate on capital gains by one-half of the prevailing rate on the disposition of qualifying shares by an eligible individual. This reduced rate applies to up to \$2 million in capital gains per individual over their lifetime, effective for dispositions on or after January 1, 2025, phased in over five years.

Eligible individuals must hold the shares for 24 consecutive months before the disposition, must own at least five per cent of the votes and value of the corporation, and must have direct ownership of the shares during this period. The individual must also have been actively engaged on a regular, continuous and substantial basis in the activities of the business for a total period of not less than three years before the sale.

Shares that meet the qualified small business corporation criteria may qualify, along with farm and fishing property. But there's another hurdle—a long list of businesses are excluded from the CEI. These businesses include professional corporations; corporations whose principal asset is the reputation, knowledge or skill of one or more employees; corporations providing services relating to real property, short-term lodging, restaurants, entertainment and recreation; and corporations operating in the financial and insurance industries. These excluded business rules include some new terms that are currently undefined, making it difficult to determine whether some businesses actually qualify for the CEI.



COMPLEXITY WATERS DOWN THE EFFECTIVENESS OF INCENTIVES AND THEY BECOME TOO HARD FOR TAXPAYERS TO UNDERSTAND

It appears that the CEI was introduced to mitigate the increase in the capital gains inclusion rate as an incentive for entrepreneurship. But does this concept work in practice? The increase to the capital gains inclusion rate was estimated to bring the government \$19 billion over five years. The CEI was estimated to provide a \$625 million benefit to taxpayers over the same five years, about three per cent of the

ILLUSTRATION BY KAGAN MCLEOD.
PHOTOGRAPH BY THE ASSOCIATED PRESS

total revenue generated—so it does not do much to offset the impact of the tax increase.

Further, why is the government making the CEI so narrow in scope by excluding so many businesses from qualifying for the benefit? The incentive as announced in the federal budget was extremely narrow. Draft legislation that was released on August 12, 2024, broadened the scope of the CEI, but it is still narrow and complex with new vague, undefined terms.

In particular, I wonder why the CEI purposely leaves out the knowledge industry by excluding businesses “whose principal asset is the reputation, knowledge or skill of one or more employees.” Given the importance of the knowledge industry in the 21st century and its role in entrepreneurship, this exclusion is puzzling.

Aside from the limitations of the CEI itself, this measure adds more complex rules to a tax system that is already complicated and difficult for taxpayers to understand and for tax authorities to administer. As I pointed out in my previous column, complexity waters down the effectiveness of tax incentives to promote certain behaviour when it becomes too hard for taxpayers to understand the rules and determine whether they qualify. Though encouraging entrepreneurs is certainly a worthy goal, introducing complicated new rules to mitigate the impact of current rules that are already complicated enough is not doing our tax system any favours. ♦

John Oakey, CPA, is vice-president of taxation at CPA Canada.

SHAM, WOW

A catalogue of recent cons
BY ANDREW RAVEN

DEEPLY TROUBLING

The video opens with Deputy Prime Minister and Finance Minister Chrystia Freeland sitting behind a table, four Canadian flags draped behind her. A static news ticker displays at the bottom of the screen, showing a CBC logo. The tableau looks like any other press conference.

Then Freeland starts talking.

“Today, I want to draw your attention to a new opportunity,” she says, before pitching viewers on a new investment platform that uses artificial intelligence to generate massive returns.

“I personally guarantee the safety of your funds,” Freeland purportedly says.

The video isn’t real. But police warn it is one of a growing number of increasingly sophisticated deepfakes targeting novice investors.

“These deepfake videos can be convincing,” says a representative from the Canadian Anti-Fraud Centre, a partnership of the RCMP and Ontario Provincial Police.

In recent months, digitally manipulated videos featuring everyone from Elon Musk to Justin Trudeau touting dodgy investments have flooded social media platforms. The Freeland video was reportedly viewed 39,000 times on YouTube before being taken down over the summer.



THE LONG CON

A Montreal telemarketer has been sentenced to 10 years in a U.S. prison for spearheading a decade-long scheme that victimized thousands of American seniors.

Ari Tietolman, 50, was convicted of operating a series of call centres, known as boiler rooms, where telemarketers flogged “worthless” services to retirees, including a phony prescription drug discount card, said prosecutors.

Tietolman and others defrauded thousands of seniors out of “millions” of dollars, stated the U.S. Attorney’s Office for the Eastern District of Pennsylvania in a press release.

The scam ran from 2005 to 2014, mostly out of boiler rooms in and around Montreal. Tietolman was charged in 2017 and extradited to the United States in 2023.

In January, he pleaded guilty to three counts of wire fraud and money laundering. Alongside the prison sentence, he was ordered to pay more than US\$7 million in restitution to his victims.



NORTHERN DISCLOSURE

An Ontario woman who fraudulently claimed her daughters were Inuit to access tens of thousands of dollars in scholarships has been sentenced to three years in prison.

In a case that sparked anger and consternation across Nunavut, Karima Manji admitted to lying on forms filed in 2016 that would lead to her two daughters being granted Inuit status, the CBC reported.

Manji claimed the girls, who were born in Mississauga, were adopted from Nunavut despite having given birth to them herself. Over the course of several years, Manji’s daughters secured nearly \$160,000 in scholarships and grants meant for Inuit students.

ON THE RADAR

RAISING THE BAR

Financial statement audits play a critical role in maintaining trust, transparency and confidence in the global financial system. Given their importance, ongoing efforts to enhance audit quality are crucial.



ROSEMARY
MCGUIRE

CPA firms are making significant investments in tools and technology, attracting top talent and looking to make continuous improvement across many audit-quality-related initiatives, including training, culture and tone at the top, among others.

Professional standards have been modernized in Canada and abroad. The Canadian Public Accountability Board (CPAB), Canada's independent public-company audit regulator, continues to evolve its audit-quality-assessment program and, its approach to information disclosure about the results of its regulatory assessments.

"In our file inspections, we continue to see a correlation between strong systems of quality management and better audit quality outcomes. With this in mind, CPAB is committed to sharing our findings on systems of quality management to help audit firms in their pursuit of improved audit quality, which serves to better protect the Canadian investing public," says CPAB CEO Carol Paradine.

With increased disclosure, whether we are talking about record-breaking fines or bans on firms performing audits, it can be difficult to gauge—is audit quality diminishing or are we simply raising the bar on audit quality? As CPAs know, for every audit inspection result that gets publicized, there are numerous success stories that go untold, mostly due to the high expectations placed on CPAs to get it right. With over 8,500 reporting issuers falling within CPAB's mandate, this is no small feat. Canadian CPAs must adhere to stringent professional and ethical standards and audits are performed with the highest degree of integrity and quality. Financial statement audits of all sizes rely on competent CPAs who exhibit integrity, objectivity and skepticism, and apply a rigorous audit process and system of quality management (SOQM).

The profession's new standards

CPA Canada, as the national body, is continuing its ongoing efforts to contribute to the enhancement of

IAASB

Designed this visual aid to highlight the components needed to assess audit quality



audit quality in Canada and beyond. The new quality management standards, issued by the Auditing and Assurance Standards Board and published in the CPA Canada Assurance Handbook, represent a significant shift to strengthen and modernize audit firms' approach to quality management.

The new standards were adopted from the international standards issued by the International Auditing and Assurance Standards Board and address the increasingly complex audit environment. The United States has also enhanced its quality standards with the most recent changes by both the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board.

The Canadian Standard on Quality Management (CSQM) 1 deals with a firm's responsibilities to design, implement and operate an SOQM, which enables the consistent performance of quality audit engagements.

CSQM 1 moves away from a focus on quality control and introduces a new approach to managing quality. The concept of quality control was considered to be reactive in nature, with many reviewing files after they were performed to ensure the requirements of quality control were met. Quality management, on the other hand, is intended to be risk-based and proactive in nature, introducing a continuous process that is ingrained in the firm's culture and strategy. "When firm leadership has visibility on the progress of audit work and changes in risk, they can resolve issues promptly and proactively," states the CPAB's Regulatory Oversight Report from March 2024.

The standard was also designed to be scalable and recognizes a firm's SOQM will vary depending on the specific nature and circumstances of the firm and the engagements it performs. It is important to accommodate different risk profiles and processes not only in smaller practices (including sole practitioners) but also for firms that perform

only compilation engagements, now that the scope of the new standards has been expanded.

A continuous improvement mindset

With firms having only one full year of implementation and evaluation under their belts, naturally, as with any new or revised standard, there will be room for improvement as CPAs across Canada navigate these changes.

The latest CPAB report, “Developing a strong system of quality management: Strengthening audit quality,” includes examples of good practices within different components of CSQM 1 observed by CPAB.

CPA Canada’s Quality Management Guidance Task Force, made up of industry experts, continues to meet and discuss experiences with the new standards, including the improved robustness of their monitoring and remediation process. We also cannot forget the important role of management and audit committees. Planning, collaboration and open communication from all parties results in a more efficient and higher-quality audit.

What is clear is that this is not a tick-the-box exercise, but rather a commitment to quality and

**“ENHANCING
AUDIT
QUALITY
IS A LONG
GAME,
AFTER ALL.
IT IS ABOUT
INVESTING
FOR THE
FUTURE.”**

ongoing improvement. Enhancing audit quality is a long game, after all. It is about investing for the future, and we are confident that audit quality will be positively impacted over the long term.

In an era where new risks and new service areas emerge for the assurance profession, most notably now with new standards for assurance over sustainability information, the quality management standards could not have come at a better time.

CPA Canada is here to help

As firms look to refine, remediate and continuously improve their quality management systems, CPA Canada has several exclusive resources to help. Our dedicated quality management guidance resources hub includes links to implementation tools. For firms that would like more support with the design, implementation, monitoring and evaluation of their SOQMs, check out the new *Digitized Quality Management Guide – QMG Cloud* developed in partnership with Avenir. ♦

Rosemary McGuire is vice-president, member experience at CPA Canada.



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BY THE NUMBERS

QUICK TURNAROUND

Canada's restaurant sector has been buffeted by rising labour costs, increased food expenses and weaker consumer spending. "Slim profit margins, and the record-high cost of food and less discretionary spending in the pockets of consumers, is causing extraordinary strain," noted Restaurants Canada in a June release. Food providers are hurting, but many fast-food restaurants are bucking that trend. Embracing value offerings, such as \$3 breakfast sandwiches, saw Tim Hortons grow its profit in the second quarter of 2024. Fast food is on the restaurant sector's fast track. —*Steve Brearton*

Canada's restaurant sector is large

100,548
businesses



Almost 1.2 million
employed—including
19.6% of 15- to
24-year-olds

\$114
billion in
revenues
in 2023



But Canadians are dining out less and many are ordering takeout more often

25% Percentage of Canadians who dined out weekly or more often in 2023—down from 38% the previous year

3 in 10 31% of Canadians ordered takeout at least once a week in 2023—up from 25% the previous year



The economy led them to cut their restaurant spending

30% Percentage of diners who said if a restaurant increased its prices, it would “significantly impact” their willingness to eat there, according to Touch Bistro’s 2024 Canadian Diner Trends Report

10.6% The maximum percentage restaurant-price increase diners said they would tolerate before voting with their feet



Value for money, convenience and quality of food are playing the biggest roles in deciding when and where to eat

Top three factors for Canadians in deciding where to eat, according to Touch Bistro



Quality of food
60%



Value for money
51%



Convenient location
51%

\$36.4 billion

Canada’s nearly 20,600 fast-food restaurants employ over 400,000 staff and reached \$36.4 billion in revenue in 2024

Tim Hortons is the largest fast-food chain in Canada



Tim Hortons
3,509



Subway
2,874



McDonald’s
1,361



A&W
1,066



Dairy Queen
688



COVID pummelled full-service restaurant sales, while fast food benefited from some pandemic restrictions

-77% Percentage drop in sales of full-service restaurants in the year following the March 2020 onset of COVID-19 (fast-food restaurant sales dropped only 40%)

Fast food outgrew full-service restaurants in the post-pandemic

Full-service restaurant sales
May 2022 to May 2024

+12.1%

Fast-food restaurant sales
May 2022 to May 2024

+18.3%



Embracing value pricing increases traffic and food sales in 2024

“We do tracking very regularly to see how do we do in value for money perception with Canadians, and especially during a time like today, it’s even more important to be very attractive there.”

—Axel Schwan, president of Tim Hortons Canada and the United States, comments to the Globe and Mail following positive first quarter 2024 encouraged by lower prices and quicker service

Mission

A woman with short brown hair, wearing a teal textured cardigan over a white top and black wide-leg trousers, stands on a staircase. She is leaning her right hand on a metal handrail and looking upwards and to the right. The background is a dark, textured wall with vertical lines. The overall mood is professional and aspirational.

Innovative, tech-driven companies are embracing the risk that comes with any entrepreneurial endeavour. They're also attracting CPAs who find that helping these firms navigate the ups and downs of business is its own reward.

Karla Connolly, CPA and interim president and CEO of Genesis in St. John's, Newfoundland and Labrador



critical

By Liza Agrba

When CPA Karla Connolly started working at Genesis, a St. John's-based non-profit tech incubator, she found herself genuinely looking forward to Monday mornings. Initially serving as the company's director of finance and operations, and now as its interim president and CEO, Connolly's financial and strategic expertise helps bring innovative ideas from a suite of boundary-pushing tech companies to the fore. "We're working together to try to shape the future of tech here in Newfoundland and Labrador, and actively contributing to this transformative period in our province's history is incredibly motivating," she says.

Connolly is one of many CPAs who lend their skills to innovative companies that prioritize fresh perspectives and dynamic problem-solving over a rigid focus on quarterly earnings. Since even the best ideas flounder without sober financial guidance, their work is indispensable—and for CPAs in this field, a rock-solid sense of purpose is a major perk. But mitigating financial risk in largely unknown territory is a formidable challenge.

Innovation-minded companies distinguish themselves through a relentless focus on creativity, improvement and a proactive approach to change. Unlike their more traditional counterparts, these companies generally prioritize research and development, invest heavily in new technologies and foster a culture that encourages experimentation and calculated risk-taking.

“Calculated” is the key word there, of course, and that’s where CPAs like Connolly come in. You have to leave your company the requisite space for creative freedom, since overly tight purse strings may not afford fulfilling the mission. But neither can you ignore the necessity of strong financial governance. Walking this tightrope is something of a delicate dance—especially when your company is doing something that hasn’t been done before.

“Managing the extreme uncertainty and dual risks of technology and financing is one of the biggest challenges of working in an innovation-driven company,” says Greg Twinney, CPA and CEO of General Fusion, a firm in Richmond, B.C., working to develop clean energy with nuclear fusion. “Unlike traditional, more established companies—which have a financial history, trajectory, predictability and established models to lean on—we regularly navigate uncharted waters.”

Right now, General Fusion is building a fusion demonstration machine in Vancouver at 50 per cent of commercial scale. It’s a massive (and costly) project, and if it goes right, it could be a game changer for the race to a de-carbonized future. (Achieving fusion energy could provide a virtually limitless, zero-emissions energy source, reducing our reliance on fossil fuels.)

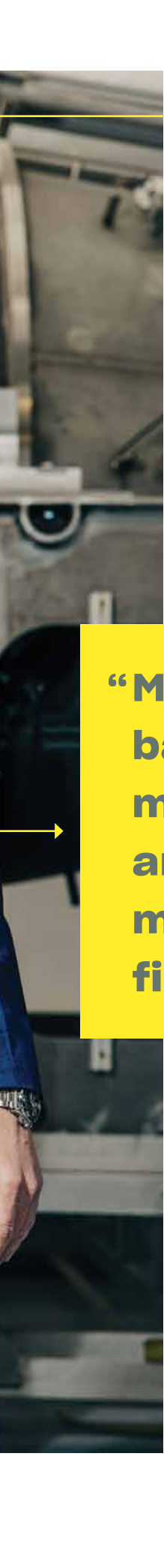
But the demonstration wouldn’t include every possible bell and whistle, even if the firm had unlimited resources. For instance, General Fusion’s process includes compressed plasma, which relies in part on liquid metal. And while that makes sense for a commercial power plant, it was too expensive for the demonstration project, so they opted for a solid plasma compression system instead—saving several times the amount of capital they would otherwise need to demonstrate the technology.

“Building a fusion power plant with all the attributes we would love to demonstrate as soon as possible would cost us many hundreds of millions of dollars,” says Twinney. In lieu of that, Twinney had to ask and answer a few hard questions. Since they can’t afford to build all those pieces, what are the most important things to showcase? And how can it be done within the company’s means? That meant spending a lot of time negotiating with the company’s engineers and scientists and working through many different potential outcomes.

Like so many CPAs working on the cutting edge, Twinney still had to activate his risk management training even as he explored a new frontier. He’s made an entire career out of this particular skill. “The common thread for me has been partnering with a founder and turning their ideas into a healthy, scalable business,” he says. Before General



Greg Twinney, CPA and
CEO of General Fusion
in Richmond, B.C.



Fusion, Twinney helped bring the mortgage and insurance disruptor Real Matters to a billion-dollar IPO, one among similar successes dating back to the dot-com era. “My accounting and finance background enables me to take virtually any business and map it out from a financial perspective, which is often the expertise missing when you team up with a founder with deep technical expertise in their field. Some of that financial and operational acumen came from my CPA training, and some from experience.”

Connolly also knows well the see-saw of risk management and innovation. One company that’s gone through Genesis’s incubation programs is developing tech to help improve workplace safety in the mining and offshore industry. Another is working on early detection for Parkinson’s disease. Their work is potentially groundbreaking, and these companies need stable support to make it

“My accounting background enables me to take virtually any business and map it out from a financial perspective.”

through the early stages. “It’s inspiring to see the clients working alongside each other within the Genesis workspace, learning from one another and lifting each other up,” she says. “Being an entrepreneur isn’t easy, and we get to lift them up and be their community as they work through important problems, identification and solutions. It’s deeply inspiring to watch.”

But they’re not cheap to finance. Between market volatility and economic downturns, maintaining a steady stream of public funding and private investment is no easy feat. Then there’s the financial burden of recruiting and retaining top talent; the tech sector is certainly not alone in that challenge, but Connolly says non-profit tech incubators like Genesis are really feeling the squeeze. It’s not just about compensation—other essential expenses, like technology, infrastructure, facilities, and training

and development, are all part of the picture. Managing the resources to maintain and grow that operational backbone is crucial for innovation-minded companies like Genesis to do what they do best.

“Incubators in the tech space face significant financial challenges, particularly when it comes to sustaining funding and scaling operations as our programs grow,” says Connolly.

To that end, Connolly says that being a CPA has been a north star throughout her career—and that continuous learning is what’s brought her to her current role. “When I got my CPA, I thought that was the end, but it was just the beginning,” she says. Connolly is currently working on her MBA, and her “eternal student” philosophy has translated beautifully to working in innovation.

Before Connolly came to Genesis, she worked as a senior finance supervisor at Newfoundland and Labrador Hydro, a crown corporation with a staff of more than 1,500 people. Her finance team was proportionally large, and transitioning to a small firm like Genesis was a bit of a culture shift. Fortunately, Connolly was able to take everything she learned there—and in her CPA training—to build a high-performing finance and operations team at a smaller scale. “Having the foundation of being a CPA has truly guided me to where I am today,” she says.

Building the financial infrastructure in a company that’s been more focused on ideas than anything else is a common experience for CPAs in innovation. When Harry Patterson (CFA, CPA, CMA) took a job as financial controller of Deep Genomics—a Toronto-based biotech start-up that uses artificial intelligence to help build life-saving genetic therapies—the firm used an outsourced bookkeeper. Patterson was the company’s first financial hire, and his major challenge was building the right processes to adequately prepare the company for its financial future.

“When someone doesn’t have an accounting background, they may not understand how to build a robust control environment. You have to set everything up—spending, invoice approvals, payroll approvals—to facilitate financial statements and audits,” Patterson says. “If those processes have not been intelligently designed with the experience of having gone through a CRA audit, for example, you’re probably not capturing the right data.”

Now, Patterson’s role is about maintaining the company’s financial health while it develops technology it hopes will revolutionize medicine as we know it. Soft skills, Patterson says, are indispensable to that end. “Through my career, I’ve worked with very technical, capable engineers and scientists who



Harry Patterson, CPA and
financial controller at
Deep Genomics in Toronto

have no finance training whatsoever,” he says. “Helping them get up to speed is a primary part of the job. If you’re going to be at a start-up, you can’t just be the finance resource. You have to be the finance educator.”

In one traditional view of leadership, if a company were a car, the CEO would be the accelerator, and the CFO would be the brakes. It’s never that simple in real life, and that’s especially true for innovation-focused firms where finance professionals need to take a diplomatic approach that prioritizes the company’s ambitious vision. Before Twinney led General Fusion, he was its CFO, where he learned first-hand how important it is to communicate effectively when you’re trying to reel in spending while continuing to build value for the company.

“Sometimes, the hardest part of the job is convincing people to walk away from what looks like a good opportunity,” Twinney says. “But if all you’re doing is pumping the brakes without communicating why you’re doing so, and how that actually

and fuelling new projects. Plus, a balanced focus helps keep investors confident in the knowledge that the company can manage its expenses—even as it works toward ambitious goals.

“The end goal is ultimately to direct resources to the most promising projects, right? We don’t want to put all of our focus into a project that’s going to fail, or a project that’s attractive and interesting but not aligned with our mission,” says Connolly. “CPAs have a real understanding of how to do that. Whether through risk management strategies or a keen financial plan, we can help ensure that projects that we undertake are viable and sustainable.”

Balancing innovation and sustainability isn’t easy, but for many CPAs, the palpable energy of working in a boundary-pushing firm makes it worth the effort. For one thing, finance professionals at companies that focus on innovation tend to wear many hats—they don’t just facilitate success in the background, but partner directly with the firm’s creative forces.

“If you’re at a big four firm, you might become an expert in a very particular area, and that’s what you do every day,” says Patterson. “But I was attracted to innovative companies because I like the breadth of opportunity they offer. You’re not pigeonholed into doing one thing and tend to really have a hand in the success of the technology.”

One of Patterson’s biggest achievements was helping lead Deep Genomics to one of its biggest financial milestones—a US\$180 million Series C funding round in 2021, one of the largest private raises for a biotech company in Canada. It’s helped the company scale its AI drug development platform, and Patterson feeds off the optimism the company’s mission inspires in all its employees. “Nobody’s just there for a paycheck,” he says. “Maybe you can get paid more somewhere else, but there’s this altruistic quality to the mission that changes the nature of the work. There’s this wonderful culture—we’re in new territory, and we’re not operating on perfect information, so you’re not as likely to get stuck in analysis paralysis.”

In some ways, being a CPA is like having a skeleton key. The skill set is both specific and highly versatile—financial management, strategic planning and regulatory compliance are relevant in virtually any industry. But if the idea of coming to work with a self-evident “why” resonates, an innovation-focused company might be an especially rewarding route. If there’s a unifying creed in the many and varied ways a company can steer itself toward innovation, it’s the belief that hard work—underpinned by sound financial strategy, of course—can bring about a better world. And optimism has something of a reputation for being infectious. ♦

“I was attracted to innovative companies because I like the depth of opportunity they offer. You’re not pigeonholed into doing one thing.”

creates value by keeping the company healthy and capable of fulfilling its larger mission, you might find that you just stop getting invited to the important meetings. To maintain influence and credibility in situations like that, soft skills are crucial.”

One key strategy is a balanced focus on top-line revenue and bottom-line profit. Innovation tends to involve significant investment, and keeping an eye on the bottom line ensures that the company can sustainably fund its initiatives. But neither can you neglect the top line, which is essential for driving market expansion, capturing new customers



NOTHING BUT NET ZERO

While skeptics assert voluntary carbon offsets are a questionable tool for fighting climate change, the global carbon credit market is enjoying a spike in popularity, setting the stage for its greater role in 21st-century business

BY JOHN LORINC

IN fiscal 2023, the Royal Bank of Canada reported that it had acquired 88,729 carbon credits (each the equivalent of a tonne of carbon dioxide), a figure that was fully 30 per cent higher than the banking giant's 2021 purchase. Those acquisitions, intended to offset a portion of RBC's emissions, represent but one element of the bank's sustainability program, which also includes power purchase agreements that allow RBC to claim it uses only renewable electricity and new disclosures about the amount of emissions resulting from its oil and gas underwriting.

Canada's other big banks have a range of approaches to carbon offset credits. Scotiabank, for its part, didn't purchase any at all in fiscal 2023. Its counterparts, however, seem more bullish. BMO, for instance, has acquired a carbon offsets advisory business. TD Bank set up its own offsets advisory practice. TD also reports that it has invested about \$10 million in a wide range of carbon offsets since 2010—everything from tree planting and landfill gas capture to schools in remote communities—and claims those investments have offset over one million tonnes of carbon dioxide since 2010. "In terms of what's happened in the last 12 to 18 months, I think, really is this mainstreaming of carbon markets," predicted Andrew Hall, managing director of TD's new carbon markets advisory unit, in the *Canadian Press* two years ago. "We've seen it grow very, very quickly, and I expect that trend to continue."

While these kinds of granular details about the ESG programs of very large firms are no longer unusual, there is something noteworthy about offsets and Canada's banking sector. According to research conducted jointly by CPA Canada, the International Federation of Accountants (IFAC) and the Institute of Sustainable Finance (based in Smith School of Business at Queen's University), publicly traded Canadian financial services firms and software firms together represented (between 2020 and 2022) by far the largest purchasers of carbon offsets among those companies that disclose such investments. Among large global companies, by contrast, the sectors that invest most heavily in carbon offsets are fossil fuels, manufacturing, services and transportation.

"Canadian corporate buyers have a strong 'home bias' when sourcing projects," a soon-to-be-released research paper adds. "Half of the credits are generated in North America—0.3 million (38.7 per cent) in Canada, followed by 0.1 million (11.48 per cent) from the United States. In contrast, globally, most purchased credits originate from developing countries."

This activity is yet another data point in the fairly recent global resurgence of voluntary carbon markets (VCM)—the discretionary buying and selling of offsets by firms that are eager to demonstrate, to both investors and customers, that they've got some kind of net-zero or carbon-neutrality plan in motion. For years, the voluntary offset market limped along, hampered by insistent questions about the credibility of these instruments.

Yet since about 2020, the global market for voluntary carbon offsets has spiked, to almost US\$2 billion, and some analysts see it growing explosively over the next two decades. In 2015, Mark Carney, in his capacity as the chair of the Financial Stability Board, set up a broad-based task force to scale voluntary carbon markets. Some analysts see the growth as almost inevitable. "By the middle of the century, Bloomberg expects that demand will rise from today's 127 million tons to at least 3.4 billion tons or as much as 6.8 billion tons," observed climate policy researcher Nicolas Kreibich of the Wuppertal Institute for Climate, Environment and Energy in Germany, in a paper published last year.

The current figure isn't huge, but it does mark a notable turning point for a corporate approach to fighting climate change that has attracted far more skepticism than capital since the concept of voluntary offsets was first popularized around 1995, following the adoption of the Kyoto Protocol. Widely publicized journalistic investigations, such as a 2023 deep dive by *The Guardian* into the problems with offsets based on claims about Amazon rainforest protection, have cast a pall over the far-flung VCM sector, which encompasses investors, offset project developers, underwriters, brokers, third-party

assessors, carbon credit rating agencies, sell-side marketers and various coalitions advocating for more robust standards.

The second life of carbon offsets is also attracting the attention of the accounting profession, as well as competition regulators worried about ESG greenwashing. "Carbon offsets can be used to incentivize climate action and support decarbonization efforts," says Taryn Abate, director of research and thought leadership at CPA Canada, and the collaborator of three papers on offsets, the second of which was published this fall. "As professional accountants, we focus on the transparency and quality of information, and concerns have been raised regarding transparency and integrity of voluntary carbon credits."

The original idea looked good, at least on paper: companies could reduce their carbon by investing in abatement technologies, switching to low-carbon energy or, in the case of so-called hard-to-abate emissions, mitigating their greenhouse gas releases through the purchase of offsets—basically, investments in activities that cancelled out whatever was escaping from an industrial process. Over time, some jurisdictions—both sub-national, as in Alberta, and transnational, as in the European Union—established regulated cap-and-trade markets that required participating emitters that couldn't bring down their own carbon releases to purchase offset credits from firms that had succeeded in making improvements.

But outside these regulated, and primarily industrial, markets, some climate-minded companies opted to promote their own versions—for example, airlines offering passengers a way of voluntarily offsetting the jet-fuel-generated carbon associated with a particular trip by paying into a fund that would do things like sponsor tree planting campaigns or protect rainforests.

Yet questions swirled around the quality of such offsets: Did these projects actually store carbon in ways that wouldn't have happened on their own—the so-called "additionality" principle? How do purchasers know they weren't buying a credit that had already been sold—the double-counting problem? And will the promised carbon reductions endure?

After all, a consumer or a firm may invest in a forest protection project one year, but then all of the promised benefits could literally go up in smoke the next if fires ravage the area.

Irene Herremans, a professor of accounting at the University of Calgary's Haskayne School of Business, points to the problems with low or no "tillage" credits that became popular in Alberta after the province in 2007 created an offset market for natural gas emitters. The idea was that if a farmer is paid



to minimize the amount of soil disturbance, those practices will result in lower emissions that can be converted into offset credits, which would be listed on a provincially maintained registry. As of 2014, 182 million carbon offset credits—each apparently equivalent to a tonne of CO₂—had been registered. Since then, that figure has leaped to over 800 million.

“The utility companies would [sign] agreements with a lot of the farmers not to till their land or to do low till and there was a protocol set up indicating how much GHG emissions were reduced if the farmer used that process,” Herremans says. The wrinkle, she adds, is that those emissions had to be “additional”; they couldn’t be business as usual. However, a growing number of Alberta farmers were shifting to low-tillage practices because it made sense for them economically. According to Alberta’s rule, if more than 40 per cent of a sector was engaged in a particular practice, such as low-tillage, that activity could no longer be considered “additional” for the purpose of calculating offset credits. In short, all those offsets no longer corresponded to carbon that wouldn’t have been emitted, raising doubts about the buyers’ reduction claims. In other cases, firms that switched from diesel or oil-burning boilers to natural gas for heating qualified as producers of carbon offsets, even though such changes were already taking place.

As Herremans and two colleagues noted in a 2018 study of Alberta’s system, regulatory fuzziness about the definition of what does and does not qualify produced a market hobbled by uncertainty for firms that wanted or needed to invest in offsets. “For the offset market to be effective,” they wrote, “investors must be willing to support the innovative and truly additional projects where offsets make up a significant and reliable part of the project revenue.”

Troubling revelations have dogged the voluntary offset market for years, especially those involving difficult-to-assess projects in remote developing world regions that rely on calculating a counter-factual—in other words, what kind of emissions *won’t* happen as a result of an investment in an offset project? This past summer, the Science-Based Targets initiative, an organization that advocates for empirically rigorous corporate carbon reduction strategies, released a literature review that found there was no clear scientific evidence showing that carbon offsets could be treated as a viable alternative to emission abatement investments.

Then there’s the mischief. As recently as this past fall, the U.S. Securities and Exchange Commission launched a lawsuit alleging fraud against a U.S. firm called CQC Impact Investors LLC, which, according to the filings, “sponsored projects that led to the issuance of carbon credits, charged management

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fees to develop, sustain, and monitor those projects, and then sold the projects' carbon credits to corporations such as airlines and technology companies." The SEC's statement of claim alleges that senior CQC executives "orchestrated a scheme to manipulate and falsely inflate the amount of carbon credits generated by and estimated from C-Quest cookstoves projects in Africa, Asia, and Central America." (The charges haven't yet been proven in court.)

"One of the biggest issues I do want to highlight here is that there is a loss of confidence in this market right now," says Yingzhi Tang, a senior research associate at the Institute for Sustainable Finance and another co-author of the CPA/IFAC research papers. But, she adds, there's rapidly growing interest in "carbon removal" technology, such as direct air capture and various forms of carbon sequestration. "The market is seeing removal as synonymous to high quality [offsets], while on the other end of the spectrum, avoidance [for example, a pledge to discontinue a carbon-emitting process] is questionable quality." Tech giants like Amazon, Shopify and Microsoft are investing heavily in these kinds of carbon offset projects as a way of neutralizing the massive amount of energy they require to cool data centres that represent the physical heart of the artificial intelligence revolution. The big tech firms, she adds, "are very bullish on removal right now, and that is very representative of the ecosystem."

Carbon prices reflect that bullishness. In the past three years, the price gap between removal offsets and all other forms, including avoidance offsets, nature-based offsets and aviation-related offsets, has widened steadily, an indication that the market has coalesced around the most reliable form.

The CPA Canada/IFAC studies have identified some key approaches that are relevant to accounting professionals who may encounter voluntary carbon offsets listed in corporate sustainability reports and then grapple with reporting questions such as materiality, disclosure and standards compliance.

Some involve the precise definition of offset-related terms, such as "additionality," "carbon leakage" and "permanence." Others have to do with issues such as the pricing and valuation approaches used by project developers, as well as core accounting questions, such as whether offset credits should be considered inventory-like assets or business expenses (the jury is out). A third is the problem of double-counting. In theory, an offset credit, once purchased ("retired" is the term of art), should not be resold; after all, it represents a tonne of carbon that *hasn't* been released into the atmosphere thanks

An investigation
revealed that

90%

of Amazon
rainforest offsets
were worthless





MIXED REVIEWS FOR ANTI-GREENWASHING LAW

Earlier this year, the Liberal government passed Bill C-59, Canada's first anti-greenwashing legislation. The law is an amendment to federal competition laws that prohibit companies from making current and future claims about their product's carbon mitigation performance in the absence of proof of those pledges. To help companies comply, the Bureau of Competition Policy released some suggestions on how to carry out this kind of verification:

- **Conducting the testing before making the claims**
- **Testing under controlled circumstances to eliminate external variables**
- **Eliminating subjectivity as much as possible**
- **Reflecting the real-world usage of a product (such as in-home or outdoor use)**

With this law, Canada joins a growing number of jurisdictions—California and the European Union—that enacted anti-greenwashing laws in the aftermath of wide-ranging concerns about the use of ESG claims in the investment industry.

Reviews have been mixed. In its September 2024 brief to the Competition Bureau, CPA Canada stressed that “the development of international sustainability reporting standards is a key tool to mitigate greenwashing and promote reliable, accurate, and consistent sustainability reporting.” But CPA Canada's assessment of the new rules is that they've mainly added confusion and uncertainty for firms trying to comply with an increasingly complex thicket of regulations and environmental accounting standards.

Wren Montgomery, an associate professor of sustainability and general management at Western University's Ivey School of Business, points to a shift in the nature of greenwashing, from corporate claims about their products to corporate claims about future carbon reduction plans over the next 20 or 30 years. “What they were doing is moving the greenwashing out to the future, where it's much harder to prove and it's much harder to be called out,” says Montgomery, who has studied the legislation. “The second part of the new Canadian law is that it's going after those net-zero or carbon-neutral claims, and saying it has to meet an international standard. I think [that's] necessary, because that's really been a huge growth in greenwashing in net-zero claims, and the vast majority are without evidence.” —John Lorinc

to some specific form of activity—tree planting, direct air capture, etc. Various organizations have established registries to ensure that a developer doesn't resell a credit, but the reality of the offset sector is that there are multiple markets and multiple registries, and this fragmentation of the market could potentially risk double-counting, worrying observers as this can hamper credibility.

Tang also points to the validation and verification of offsets, a task that involves third-party organizations, engineers and specially trained auditors who can determine that an offset credit is what it purports to be. “They are supposed to look at the documents and the design of the project, and also they are supposed to go on the ground to measure the impact,” she says.

The offset validation sector today essentially consists of four leading carbon crediting programs—Verra's Verified Carbon Standard, Gold Standard, Climate Action Reserve and the American Carbon Registry. “They are supposed to give independent opinions [and] are trained as assurance professionals,” says Tang. These outfits will offer assessments about the quality of the offset and the accuracy of the claims.

But the sector has faced probing questions about its independence and conflicts of interest because the offset producers both choose and then pay the assurance firms. A widely read investigative series published last year by the *Guardian* (U.S. edition), *Die Zeit* and SourceMaterial, a journalism non-profit, alleged that 90 per cent of the Amazon rainforest carbon offsets purchased by multinationals were effectively “worthless” because they did almost nothing to meaningfully reduce deforestation. The investigation, buttressed by University of Cambridge research, laid the blame at the feet of Verra, a non-profit established in 2007 by climate activists and business leaders, based in Washington, D.C., and which is considered to be one of the top third-party validators. As the reporting pointed out, Gucci, Salesforce, BHP, Shell, EasyJet, Leon and the band Pearl Jam “were among dozens of companies and organizations that have bought rainforest offsets approved by Verra for environmental claims.” (Verra has denied what it calls “the *Guardian* attack” and threatened legal action.)

As Abate notes, the CPA/IFAC research papers avoid describing the offset validation/verification organizations as auditors. “Verification and validation as it relates to the voluntary carbon market ecosystem is different from traditional financial statement auditing,” she says. “We are very interested in understanding how to ensure there is rigour in the verification process, considering things such as: What standards are being applied? How is the integrity of the carbon credit being defined and how do you prove ‘additionality’?”

With all the anticipated growth in voluntary offsets, the accounting profession recognizes it needs to seek out answers to these kinds of questions. “We are very focused on the purchaser,” she adds. “As a company, if you have a net-zero target, or a target to reduce your emissions, and you were thinking of using these, what are some things to consider?” ♦

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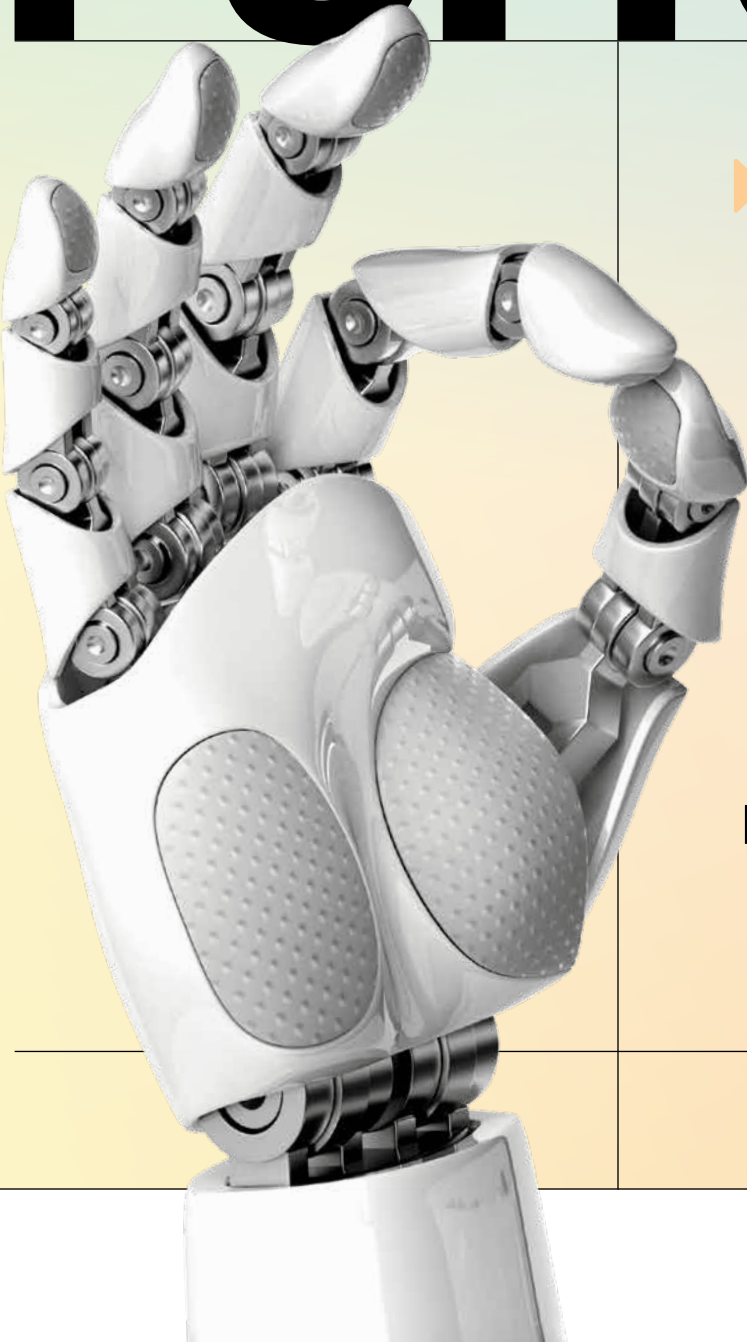
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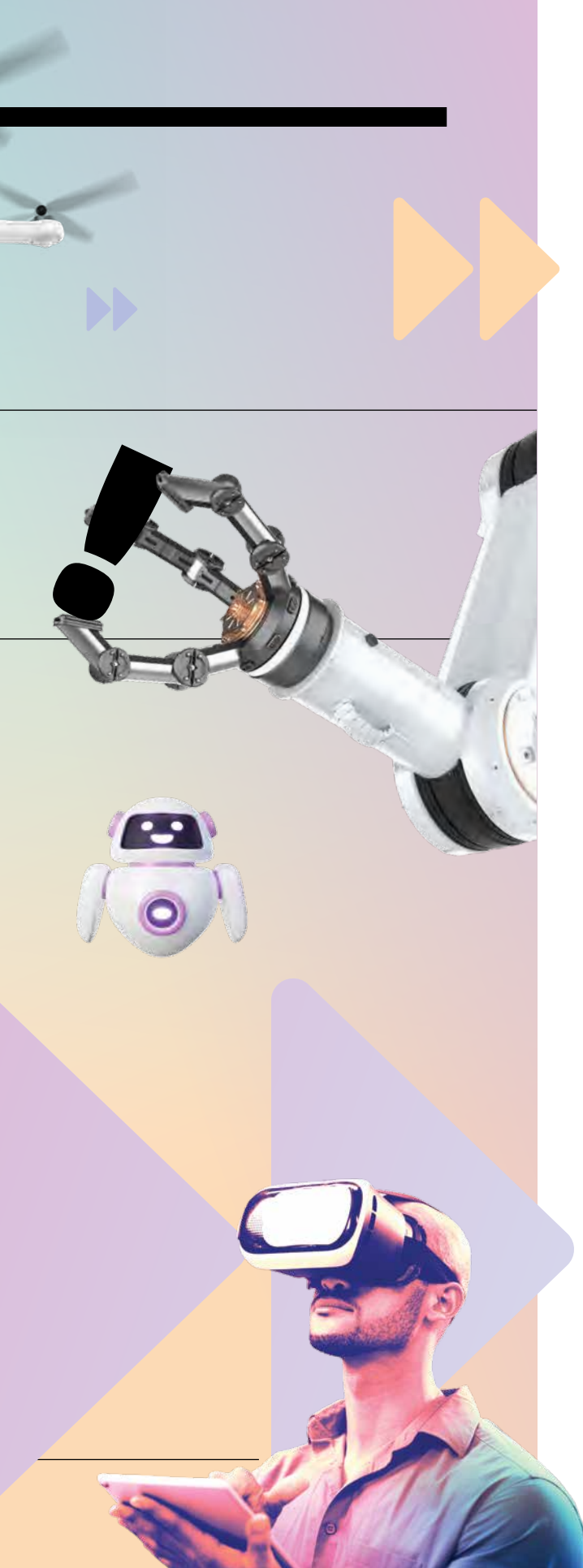




Future Perfect

► **Technology and AI continue to transform the accounting practice. These futurists are tracking those changes and keeping an eye on what's to come.**

By **ALI AMAD**



IN 1982, the same year Ridley Scott's *Blade Runner* hit movie theatres with its bleak depiction of a dystopian future where humans and AI are almost indistinguishable, *Time* magazine made a prescient choice. Instead of naming their customary Person of the Year, *Time*'s editors crowned "The Computer" as "Machine of the Year," in a prophetic nod to the technological revolution that would soon reshape the world. That year, Jim Carroll, a 22-year-old freshly minted chartered accountant at Thorne Riddell in Halifax, found himself at the forefront of this transformation.

When Thorne Riddell brought in a TRS-80 Radio Shack desktop computer equipped with a modem, Carroll was hooked. He dived into the pixelated domain of bulletin board systems—rudimentary forums that were precursors to the World Wide Web. Through these forums, Carroll could almost instantly communicate with people as far away as New Zealand, an experience that inspired him to help create Thornet, an internal information-sharing network that functioned similarly to LinkedIn today. "I didn't set out to be a futurist," Carroll says now. "But the more I learned about the possibilities of online connectivity, the more I knew something special was happening, and the more I wanted to be part of it." In 1989, the same year the World Wide Web was invented, Carroll left to explore the potential of the Internet. His new career took off with the publication of the *Canadian Internet Handbook*, a national best seller he co-authored in 1994, which sparked a wave of speaking engagements across North America on the Internet's impacts and broader changes on the horizon.

Based today in Guelph, Ont., Carroll is recognized as one of the world's foremost futurists, a role that has undergone a significant shift in public perception in the last few decades. In the past, futurists were often associated with sci-fi fantasies of flying cars and human cybernetic enhancements, popularized by science fiction writers like Isaac Asimov or computer scientists like Ray Kurzweil, who famously predicted in 2005 that AI would merge with human consciousness by the 2040s. Fast-forward to 2024 and many of these once-outlandish predictions are edging closer to reality. Companies like Alef Aeronautics and Daroni Aerospace are developing flying car prototypes, while Elon Musk's Neuralink implanted a neurochip in its first human subject this past January.

While those attention-grabbing stories dominate the headlines, a futurist's job is often far less flashy and far more practical—observing trends, interpreting data and helping industries prepare for what lies ahead. For Carroll, that means guiding businesses, including accounting firms, through rapid technological transformations, from AI to automation, as well as educating consumers on the growing threat of climate change. "Everywhere I go, every single client I talk to is overwhelmed

by the speed of change across every industry,” Carroll says. “Your car dashboard upgrades at the speed of iPhones—a car from 2018 is basically already a relic. The speed at which Pfizer brought its COVID vaccine to market was unprecedented in the pharmaceutical industry. Zara is now taking its fast fashion from the runway to stores within two months. And these developments are only going to keep accelerating.” To address these changes, Carroll preaches the same gospel to his clients whether they’re NASA astronauts, construction union leaders or Fortune 500 CEOs: “Get faster.”

Helping business professionals (like CPAs) modernize and be relevant was the main motivation behind B.C.-based entrepreneur Rocky Ozaki’s decision to launch his consultancy in 2016. He named his company the NoW of Work as a play on the buzz phrase “future of work,” because he believed that the “future” had already arrived. With experience in both traditional corporate environments and unconventional tech start-ups, Ozaki realized that every company, whether they liked it or not, was becoming a tech company. “It doesn’t mean everyone’s coding AI,” Ozaki says. “It means companies need to adopt the innovative, flexible approaches of the tech industry and learn to thrive in its hyper-evolving landscape to stay competitive.” Ozaki had been advocating for these ideas for years, but it took a pandemic for some of his clients to finally listen. In 2018, Ozaki advised one of his clients, a Canadian accounting firm, to implement remote work to boost productivity and financial resilience. They dismissed his suggestions as impractical and unnecessary—until the pandemic hit. “They said it would take one year for IT to make remote work possible for the entire firm. When they had no choice during the first global lockdown in early 2020, they did it in two weeks,” he recalls.

Since then, Ozaki has observed the pandemic act as a catalyst, forcing legacy firms to challenge long-standing assumptions about workforce management. On the business-facing side, across virtually every industry, Ozaki points to two key shifts that have accelerated over the past four years: hyper-personalization and democratization. “The accounting profession used to be about repeatability and predictability,” says Ozaki. “Now, clients want their experience personalized and tailored to their exact needs, and they won’t settle for anything less.” In addition, the monopoly firms once had on specialized knowledge is breaking down as technology makes information more accessible. As a result, CPAs have to offer more than just their core services to stay competitive.



Rocky Ozaki, founder and CEO of the NoW of Work, a business transformation firm focused on helping companies build future-proofed and resilient teams

For CPAs, this means more than just adopting new software—it means rethinking the entire client journey, from first contact to the end of the relationship. “It’s no longer about just delivering a service,” he says. “It’s about understanding the client’s goals and challenges, in order to provide a customized solution that goes beyond numbers.”

This democratizing and hyper-personalized transformation is a guiding force in the approach of Shayan Rashid, co-founder of the GTA-based accounting firm SRJ CPA. Rashid is part of a new wave of CPAs who are deeply intertwined with technology and perpetually seeking new avenues to add value to clients. “I wanted to build a fully virtual firm where my team could quickly innovate and adopt new technologies,” he explains. “At the same time, we are always adapting to meet clients’ growing needs. Clients nowadays are busy—they don’t

“They said it would take one year for IT to make remote work possible for the entire firm. When they had no choice during the first global lockdown in early 2020, they did it in two weeks.”

have time to come into the office or to gather documents and constantly answer questions. If CPAs are still doing things the old ways and not using the best technology, they’re going to easily be replaced by the firms that are using it.”

SRJ CPA stays ahead of the curve by employing five full-stack developers and even hiring a staffer solely focused on assessing new technologies that can be developed internally to boost the firm’s efficiency. Rashid also implements AI-driven tools across the board—tools that allow his team to focus on higher-level value-add work. “AI is already taking over data entry, bookkeeping and even parts of the audit process,” he says. “That frees us up to quarterback anything our clients might require so we can have a direct impact on their financial health. Our goal is to minimize the time clients spend on accounting, and to integrate all their financial needs under one roof.” Rashid’s firm offers everything from year-end accounting and back-office cloud bookkeeping to grant applications and strategic advisory, all through a tech-driven platform. “It’s not about being your parents’ accountant anymore,” he says.

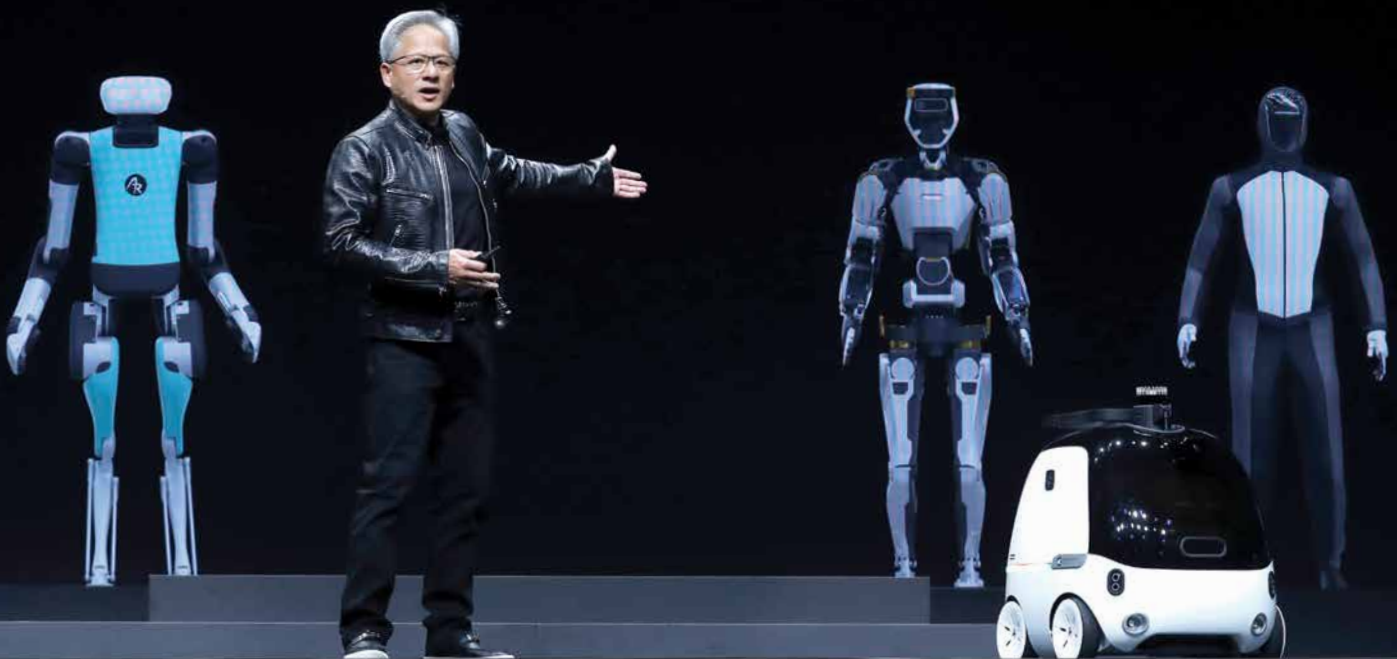


But Rashid also notes the most significant challenge will be bridging the trust gap between AI systems and human expertise. “It’s the fact that humans will have trouble when it comes to the new tech. As AI takes on more complex roles—such as financial analysis and audits—CPAs may struggle with trusting AI’s decisions, especially when its algorithms are too complex to fully comprehend,” Rashid says. “AI provides efficiencies, but the human element—creativity, adaptability—remains crucial.”

Jim Carroll agrees. He challenges the common fear that AI will replace CPAs entirely. “You won’t be put out of work by AI,” he says. “But you might be put out of work by someone who’s empowered themselves with AI.” For Carroll, it’s not about eliminating jobs but about transforming them. The repetitive aspects of accounting are fading away, and what remains is demand for outside-the-box thinking

and emotional intelligence—qualities that machines cannot replicate—at least not quite yet.

Carroll isn’t the only futurist preparing CPAs for a new era. Lindsay Angelo, an American-Canadian futurist based in Seattle, is also leading the charge. Angelo spent six years in corporate strategy at Lululemon, where she learned that the company’s success wasn’t just about creating a great product, but about cultivating a purpose-driven brand and culture. “People often think of Lululemon as an apparel company, but in actuality, Lululemon was born from a desire to enable people to become their best selves,” she says. According to Angelo, Lululemon’s incredible success—with annual revenue nearing US\$10 billion—reflects a broader trend in how consumers and workers, particularly the Gen Z and Alpha generation (born between 2010 and 2024), increasingly seek



Jensen Huang, CEO of Nvidia, showing new robotics at Nvidia GTC keynote in early 2024

to connect with aspirational brands that stand for something and lead with purpose. Angelo has integrated these insights into her consulting work, helping executive teams, including numerous CFOs, adopt a strategic mindset to navigate the future. Last year, she also launched a course called Futurist in 50 Days, which teaches teams how to build the capability to think ahead, spot trends and make proactive decisions. “The pace of change is accelerating,” Angelo explains. “Building the ability to problem-solve and think with great agility—given how quickly things are shifting—those skills are going to be more important than ever.”

Additionally, Richard Worzel, a Canadian futurist in Guelph, emphasizes to his clients that it’s important to consider multiple futures rather than bet on a single trajectory. “The biggest mistake companies make is thinking there’s just one future,” he says. “Businesses, particularly in accounting, must prepare for a range of possibilities—especially as AI continues to develop alongside demographic and cultural shifts.” Worzel’s perspective echoes Carroll’s conviction: CPAs can no longer afford to be mere “bean counters.” Instead, he believes the future belongs to those willing to engage with new technologies creatively and proactively. For Worzel, one potential approach that could reap dividends in the accounting profession is the concept of cobots—collaborative robots that work alongside humans. “AI will do what it’s good at—routine, repetitive tasks. Humans will handle problem-solving and novel situations,” he says. The cobot model represents a partnership between technology and people, maximizing efficiency and allowing accountants to focus on higher-value work.

As part of this higher-value work, Shayan Rashid sees future opportunities for his firm in AI governance and data privacy. Increased reliance on AI-driven systems and the extensive use of client data means there’s growing demand for oversight to ensure ethical usage and compliance with regulations. Rashid believes CPAs can educate themselves to provide expertise on how AI systems are implemented, evaluated and audited. This includes assessing risks associated with data privacy and ensuring that AI systems adhere to legal and ethical standards. By stepping into these positions, CPAs can offer substantial value to their clients, positioning themselves as essential advisers in a data-driven world where trust and transparency are paramount.

Angelo also sees an emerging crucial role for CPAs in creating purpose-driven business models that go beyond sustainability to regeneration. As climate change and social responsibility become more pressing concerns, she believes that firms with a strong, purpose-driven culture will gain a competitive edge in



Richard Worzel,
*futurist and business
visionary whose
keynote speeches
challenge companies
to innovate and
prepare for the future*



Doroni Aerospace's flying EV

“Businesses, particularly in accounting, must prepare for a range of possibilities—especially as AI continues to develop alongside demographic and cultural shifts”

attracting top talent, especially among younger workers who prioritize careers that align with their values. To entice those workers, firms must transition their core philosophy and priorities away from a profit-centric framework. “We tend to think of profit and purpose as mutually exclusive, but I encourage my clients to explore how to find that magic middle, where purpose and social impact are the bridge to profit,” she says.

Futurists and innovative CPAs each bring a unique perspective on what’s next for the accounting profession, but all agree on one thing: the old ways of doing business are no longer sufficient. Whether it’s embracing AI, rethinking work culture or finding new methods to add value, the firms that succeed will be those that understand and accept change. “Firms that listen and adapt will attract the best talent and the right clients,” Ozaki says. “The others will struggle to keep up.”

For Carroll, the inquisitive spirit that kick-started his futurist journey back in 1982 still endures in 2024. On any given day, you can find him in his Guelph home office researching blockchain or configuring Ubuntu servers for a personal project—endeavours that are a far cry from the basic functions of his Thornet information-sharing network nearly 40 years ago. It’s all part of his ethos to keep learning and staying on top of new trends as a futurist, an ethos that CPAs can also benefit from. When faced with unfamiliar technologies and possibilities, don’t sit back and wait—jump in, learn and make it work for you. It’s what Carroll did with the TRS-80, and it’s what he advises CPAs to do now: “The job of a CPA will change, but those who embrace change will find new opportunities and thrive.” ♦

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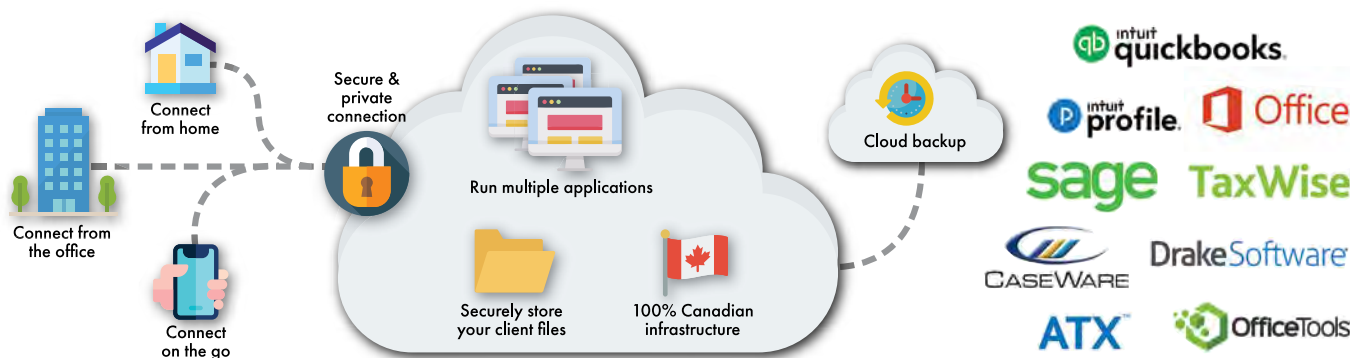
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BACK TO THE FRONT

CPAs are dealing with ever-changing tactics in the battle against financial crime and money laundering. But as geopolitical tensions continue to rise, protecting the integrity of financial systems might be more important than ever before.

BY RENÉE SYLVESTRE-WILLIAMS

Warfare.

The word conjures soldiers, weapons and fields of battle strewn with wreckage. Today's warfare has evolved to include financial manipulation as a key strategy to hurt both individuals and companies and may even destabilize countries' political systems.

Increasingly, these new battles are being waged from within our borders. Criminal Intelligence Service Canada estimates that \$45 billion to \$113 billion is laundered each year. Canada has a reputation as a haven for the global elite to hide money, known as snow-washing, but also is an attractive place for criminals to launder money because of the secrecy behind its corporate registration and federal and provincial systems.

And there's no doubt that money laundering is an international problem. It's estimated by the United Nations Office on Drugs and Crime that two to five per cent of the global gross domestic product is laundered annually—US\$2 trillion.

"The appeal of financial crime is, quite simply, that it pays," says Jeremy Weil, CPA and vice-president of the Financial Action Task Force (FATF). He says that until the risk-reward calculus shifts worldwide, this is always going to be an uphill battle for governments. "A couple of years ago, the statistic that the former [FATF] president Raja Kumar would cite was that only one per cent of criminal proceeds are being confiscated worldwide."

The consequences of that are devastating. That money goes to funding terrorists, arms dealers and drug dealers, and geopolitical conflicts such as the war in Ukraine.

There are many defences against digital and economic warfare, and CPAs can be valuable allies. "CPAs don't necessarily realize how important they are in the fight against financial crime," Weil says.

A CPA's expertise can be valuable to help companies navigate a complex web of international regulations. They're now essential to ensure businesses remain compliant, preventing them from inadvertently supporting illegal activities or terrorist entities that can lead to the destabilization of countries and can eventually threaten democracies.

That means that CPAs are living in interesting times, says Michele Wood-Tweel, FCPA and vice-president, regulatory affairs at CPA Canada.

"If you look back several years, consider that in London, England, a lot of Russian money found its way into real estate," she says. "It's not clear whether people knew it then or realized later, but there was a whole lot of money laundering." That, she says, is one of the notable examples of one country strategically and purposely using another country for essentially a criminal process.

"When Russia invaded Ukraine, there was recognition in the [media] that England, as a part of this, had allowed some of this to happen because, without them, Russia wouldn't have had the money to do many of the things they were going to do to Ukraine," Wood-Tweel adds.

She points out that Canada has also been affected. The Commission of Inquiry into Money Laundering in British Columbia (known as the Cullen Commission) found that money was being

5%

Estimate of the percentage of global GDP that is laundered every year

laundered through B.C. casinos. In turn, the Canadian government has continued its efforts to strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime to address evolving risks and vulnerabilities for money laundering and terrorist financing.

In a statement, the Consultations and Public Affairs Branch for the Department of Finance Canada said that Canada has a robust and comprehensive AML/ATF Regime. "[This] promotes the integrity of the financial system and the safety and security of Canadians. It supports combating transnational organized crime and is a key element of Canada's counter-terrorism strategy... The AML/ATF Regime is operated by 13 federal Regime partners...coordinated by the Department of Finance Canada." Canada also works in close collaboration with global partners,



Leaders of BRICS nations, including Russia's Vladimir Putin, attend the 2024 BRICS Summit

“YOU HAVE TO BE REALLY QUICK AT WHAT YOU’RE DOING FOR YOUR ORGANIZATION TO BE WELL SERVED”



In 2022, Commissioner Austin Cullen's inquiry found China had been laundering money through B.C. casinos



including Five Eyes partners, to combat money laundering and terrorist financing threats.

“I think it puts us into a place where the financial system and what we’re all accustomed to working with (in terms of businesses and CPAs) could be in the throes of geopolitical tensions,” says Wood-Tweel.

Unfortunately, the systems that help money move around the world can also be used to conceal the nature of the parties you’re doing business with, and also to conceal whether bad money is making its way through the financial system, says José Hernández, a CPA and CEO of Ortus Strategies. It’s an always-evolving process, he says, citing the movement of Russian money into London.

“We may sanction one party, but one party may be associated with a hundred different legal entities directly or indirectly.”

Hernández says the CPA’s role starts with strong due diligence controls including doing an intake on suppliers and third parties. He adds that looking at the financial and technical risks just isn’t enough.

“Now you’re asking, ‘Who is your owner? Who are your directors? Who are the ultimate beneficiaries of funds and profits of this enterprise?’ That’s one type of question.” The second question to ask is about the use of subcontractors and performing due diligence on them.

Wood-Tweel says that’s an area of increasing risk in today’s world, simply because businesses are dealing with other countries and parties and with third-party businesses.

“If some of those transactions are happening in countries where there are degrees of concern because of the way they perform internationally, the risk is even higher,” she says. “The bad actors are going to do everything to keep you away from the information. So, they’re going to start using third parties and other companies. You’re going to see transactions where it’s company to company to company, as opposed to [from] one company to the next.”

Hernández adds that CPAs also need to look for more subtle, unusual transactions.

Examples of this might be a request to change purchasing from one entity or country to another because the new owners are based in the new country or own the new entity. Another instance might be a request to divert money to a new entity because the owners put a holding company there. Or a new consultant is introduced to the pipeline.

“[They may ask,] Would you mind taking five per cent of our bill and sending it to this consultant?” Hernández says. “It’s unusual because you’re saying, ‘Wait a minute, my purchase orders are with this party. Why am I sending two transfers to different parties?’” Hernández says in his

experience, there is often a correlation between the unusual and the risk of becoming corrupt.

“That’s where you have to understand the nature of the business, what you’re doing, where you’re buying,” he says. “Whenever things come up, whether different parties [are] involved, different purchase orders, different owners, different types of activities. This is where you need to raise your hand and say, ‘What is it exactly?’”

Hernandez adds, “One of the good practices is, know your risks...Not just when you enter into a relationship, but monitor it during the time of the relationship, and don’t wait until there’s a disaster, because by then, of course, you will get to the risk, but it’s a bit too late.”

Global business can move fast, but Wood-Tweel says a CPA can be the sober second thought throughout a business’s transaction lifecycle.

“I think, in practice, you have to be really quick at what you’re doing in order for your organization to be well served,” she says. “You’re going to have to move in rhythm with the organization. But I think if you start going down that transaction process and identifying red flags, you’ve got to be elevating those red flags and getting the attention you need in the organization.”

Weil adds that whether a CPA serves as “chief anti-money laundering officer” or works in internal control or in virtually any other key financial role in a company (or for a company), the main thing they need to remember is how important they are in the fight against financial crime in relation to the role they play in the organization.

“You might not wake up every morning and put your pants on and think, *I’m going to protect the integrity of the financial system today*, but depending on your role, that may very well be the case.” ♦



A GLOBAL PERSPECTIVE

Canadian Jeremy Weil, CPA and vice-president of the Financial Action Task Force (FATF), is currently serving as Department of Finance Canada’s senior director of international financial crime policy and sanctions.

When Weil spoke with *Pivot*, he was just back from a trip visiting the Action Group against Money Laundering in Central Africa, one of the nine regional FATF groups in the organization. One of his personal priorities has been to try to better understand the technical assistance needs of small and developing members across the network, and to try to help match them up with providers of technical assistance bilaterally with Canada, or with big multilateral organizations like the IMF, the World Bank and the United Nations.

The FATF is a lean organization, made up of 40 international members, though it suspended the membership of the Russian Federation in 2023 due to its action against Ukraine. That leanness means that the member-lateral organization’s strength when tackling big challenges is really the combined human resources of its members.

One of his favourite things working with FATF is learning from the different regions. “I can go to the Caribbean and learn from the attorney general of Montserrat, and go to Nigeria to sit down and talk about members who are subject to sanction and learn about the geopolitics of it and how you ensure you maintain a strong anti-money laundering and counter-terrorist financing (AML/CFT) regime in that context.”

For Weil, the learning experiences can be taken back to the FATF and used to sensitize the organization to the global network’s different needs and capacities. “The FATF is not going to water down its standards, but we do need to be mindful that not every jurisdiction in the world has the same capacity, or the same ability to engage,” he says. “Providing required support to some of the jurisdictions is one of the big appeals of the job.”



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A proud Manny Schulz discusses one of his art pieces

SPOTLIGHT

FROM BALANCE SHEETS TO BRUSH STROKES

Retirement hasn't slowed Manny Schulz, who transitioned into a successful and fulfilling second career as an artist **BY CHRIS POWELL**

With some reluctance, Manny Schulz wore a suit today. A wardrobe staple during his accomplished accounting career, they've been rare since he retired at the age of 57 to pursue a similarly rewarding post-retirement career as an artist.

Today, though, Schulz pulled out one of the couple dozen or so suits still hanging in his closet to shoot a promo video for his upcoming *Heaven and Earth* solo exhibition at Winnipeg's Soul Gallery.

"I wore a suit every day for decades," he explains in the casual, laid-back tone of someone comfortably settled into retirement. "The only time I wear them today is weddings, funerals and when we have one of these openings."

His exhibition is comprised of 25 pieces, including a painting called "The Crossing." Inspired by a reference photo he took while driving back home to Winnipeg from Edmonton several years ago, the 100-centimetre-square painting is of a dirt-road

intersection sitting under a wide prairie sky dotted with white clouds.

The artist describes it as emblematic of the moment when we're forced to stop and reflect where we're at on our journey through life.

Schulz's own life journey has seen him stop and reflect at more than a few metaphorical intersections along the way, particularly during a professional accounting career spanning 24 years.

And while he's largely left the corporate world behind, Schulz's business astuteness—a firm grasp of its highly specific language, the ability to think strategically and tactically, a lifelong acumen with numbers—has never really left him, even after nearly a decade of retirement.

It's similar to the way that his artistic abilities, despite being put aside during his more than two decades in

corporate finance, would manifest themselves in things like presentations, where he engaged in a totally ethical form of creative accounting.

"I always felt I had an upper hand because I understood the language of colour and presentation," he says. His artistic and business acumen, he says, are "all interwoven, but in a weird, fun, different way."

And with his accounting career now in the rear-view mirror, Schulz still finds himself drifting back to the world of business. He'll soon wrap up his two-year term as president of the Society of Canadian Artists, a group



DURING HIS RETIREMENT, SCHULZ ALSO BECAME PRESIDENT OF THE SOCIETY OF CANADIAN ARTISTS

that traces its roots back to the late 1950s and today is comprised of more than 500 professional artists from across the country.

The youngest of four siblings, and one of three brothers, Schulz showed a particular aptitude for art from a young age. And yet he also demonstrated an uncanny ability with numbers.

He attributes the two seemingly diametrically opposed skill sets to what he describes as a "wacky learning thing" called dyslexia. "For a long time, I thought of it as a learning disability—now it's my superpower," he says. "I can think strategically, which is kind of a

creative thing...and also at the same time, I can be numeric and tactical."

Schulz would go on to study architecture at the University of Manitoba, but ultimately never spent a day in the profession. It became clear pretty early on that it wasn't an ideal fit—he'd often cut class and head over to his buddy's engineering class to help with his thermodynamics lessons, or sometimes he'd sit in on other friends' fine art classes.

After school, there were a few years spent drifting around North America as a quintessential starving artist. One time in New Orleans, he started drawing people in order to raise enough money for a train ticket to California.

But the itinerant life started to become tiresome, and he quit painting cold turkey at the age of 25 to start a family and pursue what would ultimately become a fruitful career in finance, which included being recognized as a Fellow for meritorious service to the profession.

Even then, Schulz knew with absolute certainty that he would one day return to art. "I always wanted to get back to it, but things happen, one day leads to the next," he says.

Meanwhile, his career started to take off, and somewhere along the way he became a pretty good golfer,

winning back-to-back club championships at Winnipeg's Wildewood Golf Course in 2022 and 2023.

And his professional stature continued to grow. He was offered partner at an architectural firm where he was CFO, but turned it down. He always had a knack for knowing just when to move on during his career, which included stints at the likes of Grant Thornton and Dow Chemical, before spending the final 11 years of his career with Manitoba Hydro.

His return to art was hastened by a minor argument with his daughter in November 2016, during which she

said that he tended to regard the world in black and white because of his profession.

Indicating the paintings bearing the signature "Schulz" that hung on the walls throughout the family home, he responded, "Emily, I'm an artist." She said, "No, you're not."

That might have been the end of it. But that Christmas, he received a gift of paints, canvases and an easel. On one of the canvases was a note: "Your life is like a blank canvas—it is now time for you to paint it."

And so he did. What shocked him was just how quickly he was able to relearn his skills, becoming even more proficient than he was when he'd first put his brushes aside.

He always had strong technical skills, but found that he had evolved into a deeper and more sophisticated artist than before. The skills returned in due time, but were augmented by an approach to art that was informed by the intervening years.

Soon he was doing live painting demonstrations outside the Upbeat Artworks gallery in the city's Portage Place mall, often still wearing the suit he wore to his day job at Manitoba Hydro. "I'd be there at my easel painting, in my suit, and sometimes my colleagues would come by and say, 'What the heck are you doing?'"

He says, "It was weird because for over two decades I was a business guy. And I really had a hard time coming to grips with being an artist."

But he was entering exhibitions, earning some awards and accolades, and he slowly started to feel like he belonged. "Now I'm quite comfortable saying, 'I'm an artist. And also an accountant,'" he says. "I started to become an artist at 57, and I'm now more well-known as an artist than I ever was in my business career."

"You're never too old to follow your dreams and do the things you believe are yet to be done. I'm thankful for my business career, because it gave me the opportunity to do something I couldn't do in my youth."

But the suits still stay mostly inside the closet. ♦

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JOURNEYS

AIMING HIGH

As chair of CPAB, Richard Payette reflects on the past and looks to the future, revealing how thinking big helps bring him success **BY ALEX CORREA**

Richard Payette's 40-plus years in accounting had a humble beginning.

As a teen in Saint-Leonard, Que., Payette found inspiration in how his uncle handled the logistics and business management of his own transportation company, CP Cartage. "He and my aunt were very close to our family. I had the opportunity to visit his business a few times," says Payette. "I even designed a logo for the company, which was not used, albeit I have a sense it inspired the final logo."

At the outset of his journey into the business world, Payette enjoyed all aspects, particularly the psychology and sociology of an organization, "which, on the surface, may be viewed as far from accountancy and tax. But I understood that accountancy was actually a people's business and that's what first attracted me to it."

After completing his bachelor's degree in accounting at HEC Montréal in 1982, Payette applied to all big eight accounting firms (as they were known at the time). All of them offered him placements except one—Raymond Chabot Grant Thornton LLP, the largest francophone firm. "During the interview, I was asked what I wanted to do in life. I said, 'I want to change the world,'" he recalls. He believes that it was that answer that kept them from sending an offer. "What I meant to say was that I wanted to have an impact on my environment—something different from the typical 'making big bucks' story." While Payette now attributes that sentiment to youthful enthusiasm, he kept that idea in mind, even as he would go on to become CEO of Raymond Chabot Grant Thornton LLP.

Payette joined MacGillivray & Bruneau in 1982 as a junior auditor at



"I UNDERSTOOD THAT ACCOUNTANCY WAS A PEOPLE'S BUSINESS AND THAT'S WHAT FIRST ATTRACTED ME TO IT"

the age of 21. Two years later, the firm merged with Raymond Chabot Grant Thornton, and in 1991, Payette was promoted to audit partner—one of the youngest at just 29. He was elected a member of the executive committee as well as VP of the Montreal region in 2001, until becoming president and CEO in 2005. He has since gone on to take senior roles at Manulife Quebec and BDO and is currently chair of the Canadian Public Accountability Board (CPAB).

As he moved to different roles, Payette's leadership style evolved. He's moved away from what he calls "leadership by authority" to "leadership by influence," which helped him greatly throughout the years, and still serves him well today. "We're not all natural born leaders,"

says Payette. "It's about engaging people—listening and bringing them together to encourage and support them to deliver what they could do best and to allow them to have impact." He adds, "I think now that I'm on boards and overseeing management teams, I try to keep that style of leadership by influence, but it's a lifelong journey."

In recognition of his significant contributions to Canadian society, Payette was awarded the Queen Elizabeth II Diamond Jubilee Award in 2012. This prestigious honour was presented to him on the recommendation of Perrin Beatty, a former federal cabinet minister and CEO of the Canadian Chamber of Commerce. Payette's work with the Canadian Chamber of Commerce, particularly

in advancing entrepreneurship in Canada, was among the achievements that earned him this recognition.

Leading a 2014 initiative called the Path Forward for Entrepreneurship in Canada, Payette worked to support small- to medium-size businesses across the country. These businesses represent a sizable portion of the economy and are vital to competitiveness, says Payette, whose efforts helped create a more supportive environment for their growth.

"In addition to my professional accomplishments in the economic development sphere, I'm particularly fond of my experience with YMCA Canada," says Payette, who served from 2016 to 2019. As a board member, and later chair of YMCA Quebec's major awareness campaign, Payette was pivotal in developing strategic plans aimed at expanding the organization's impact. He was known for his visionary ideas, earning the nickname "the moonshot guy" for his ability to think beyond immediate limitations and push for innovative solutions.

While working on YMCA Canada's strategic plan, he advocated for the development of their virtual capabilities; this, in turn, led to YMCA Quebec launching initiatives like Web Walkers (*les Promeneurs du Net*), a program that helped create a safe virtual space to assist youth in honing critical thinking skills with respect to online information and images. "This virtual approach proved very useful during the pandemic [through YMCA Quebec] as we got into physical activity virtually, which was for many people the only way they could do physical exercise," says Payette.

Since joining the CPAB in 2021, Payette has been responsible for overseeing the board's strategic direction and ensuring effective regulatory oversight of auditors in Canada. With his extensive experience in audit, accounting and financial services, Payette is helping the organization tackle emerging issues such as artificial intelligence, sustainability and governance, and culture at auditing firms. "It's about confidence—the

confidence in capital markets relies on the confidence in financial information," says Payette. "And so the role that CPAB plays as Canada's independent public-company audit regulator is of significant importance to build trust in capital markets and protect the interest of the investing public."

As CPAB prepares to launch its 2025–27 strategic plan later this year, Payette remains focused on maintaining the organization's commitment to audit quality, while adapting to the evolving challenges and opportunities in the financial world. "You have to be resilient and rigorous, do your homework and think big," he says.

Payette's career, like the logo he once designed for his uncle's company, has been shaped by both inspiration and evolution. From his early days in Quebec to leading roles in some of Canada's top organizations, his journey reflects a consistent dedication to innovation, collaboration and impact—values that have guided his every step. ♦

BOOK VALUE

SMALL CAUSES AND BIG QUESTIONS

In his new book, Malcolm Gladwell explores tipping points for a world that is vastly different from the world that embraced his original work **BY BRIAN BETHUNE**

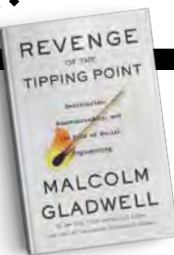
Malcolm Gladwell's career as a best-selling author has reached the quarter-century point now, marked from the beginning, 2000's *The Tipping Point*, by an idiosyncratic blend of fine narrative writing, intriguing anecdotes and an immersion in social science data. But while the building blocks have remained the same, Gladwell's

tone and goals have evolved. The Canadian-raised *New Yorker* staff writer is no longer simply noting correlation—amounting, in his opinion, to causation—between some aspects of human behaviour and certain socio-economic outcomes. He's now questioning what can be done about small causes and large ill effects, and the possible evils that good intentions might bring about via those very interventions.

Gladwell's new book, *Revenge of the Tipping Point*, a "refresh" of the original to mark its 25th anniversary, is a case in point. It is framed around the familiar sort of phenomena that delight Gladwell's readers, like the Magic Third principle: until minority participation in anything passes the 25 per cent to 33 per cent barrier, it's effectively ignored by the majority. But *Revenge* is crafted in language that was once almost entirely metaphorical and is now anchored in real life: the words used to describe the causes, effects and possible responses to epidemics, whether biological or social.

More importantly, whether discussing COVID-19 or the opioid epidemic or even the makeup of the women's rugby team at Harvard, Gladwell argues that quite a few people are aware of these particular tipping points. And they manipulate them, usually on the sly, often in defence of the status quo or for their own benefit.

Consider that rugby team—where a recent roster showed young women from one affluent enclave after another, including two graduates from exclusive private Canadian girls' schools—and all the other elite sports teams at America's elite universities. Their members are not the ordinary youth who take up public university athletic scholarships in popular sports in hopes of pro careers (think: fencers, rowers, rugby and tennis players, usually from upper-crust families). As Gladwell acidly notes, given the training costs and practice time required, the sine qua non of a good varsity tennis player was "to come from a wealthy family and live near a country club."



Collectively those athletes are the beneficiaries of an affirmative action process that is not openly recognized as such, particularly not after the U.S. Supreme Court struck down racially based affirmative action. No longer allowed to admit economically underprivileged students with lower academic credentials, America's Ivies can still admit economically privileged students with lower academic standards as long as their parents, writes Gladwell, "can afford to spend hundreds of thousands of dollars on their children's ground strokes."

REVENGE OF THE TIPPING POINT NOT ONLY CONFIRMS THE CLAIMS OF HIS FIRST BOOK, BUT PROVIDES HELPFUL NEW INSIGHTS

And the universities do that to ensure that minority students—a minority not by their ethnicity but by their class background—never crack the Magic Third ceiling and actually influence the elite schools' patrician culture. "If you don't think that social engineering has quietly become one of the central activities of the American establishment," Gladwell concludes, "you haven't been paying attention."

As attention-grabbing as that section of *Revenge* is, it pales beside the epidemiological parts. One of the universally recognized terms that arose during the COVID-19 pandemic is "super-spreader," which most people associate with an event—infected people in enclosed spaces spreading the virus to others. But medical research shows there is a massive individual aspect to super-spreading. In late February 2020, in the pandemic's early days, the biotech company Biogen held its annual meeting in Boston, from which 300,000 people from around the world were eventually infected with a rare COVID mutation (C2416T).

Almost certainly it came to the gathering within a single European attendee, since C2416T had previously been seen only in two patients in France. And this particular Patient Zero was likely one of those individuals who—for reasons still not entirely clear to medical researchers—produce expiratory particles during breathing and speech at a rate 10 times or more than average. That's why the Biogen conference became a super-spreader event when numerous other close encounters did not: because there was a super-spreader human involved.

Super-spreaders were also key to the social epidemic of opioid abuse in the United States. One per cent of American doctors wrote almost half the OxyContin prescriptions that fuelled the epidemic. Sales reps for Purdue Pharma, the OxyContin maker that turned the Sackler family into billionaires, identified "core" and "super core" physicians and began courting them. Tennessee doctor Michael Rhodes wrote 297 OxyContin prescriptions in 2007, so the local Purdue rep made the first of 126 visits to Rhodes. He blossomed under the attention (and free meals), moving from core to super core in 2008 with more than 1,000 prescriptions, an annual rate that continued to spiral upward. By the time Rhodes lost his medical license in 2015, he had prescribed 319,560 OxyContin tablets.

Epidemics have rules and predictable patterns, Gladwell concludes. But increased awareness of those patterns doesn't automatically mean positive results. In the midst of the pandemic, marked by political struggles over the intensity of the lockdown, we weren't aware of the out-sized role of super-spreader individuals. That won't be true in the future. *Revenge of the Tipping Point* is probably Gladwell's most significant book, and certainly his most urgent. When the next epidemic arrives, he implicitly asks, What will we do to, for and with those we consider the most dangerous among us? ♦

PIVOT RECOMMENDS

Off the clock

BY CHRIS POWELL



Watch

The unbearably awful final season of the serial killer drama **Dexter** helped kill much of the goodwill it had built with audiences over its previous seven seasons. Now the franchise is entering the prequel phase of its redemption arc with **Dexter: Original Sin**. Debuting December 13, the show follows a young Dexter as he interns in the forensics department of the Miami Metro Police Department while learning how to harness—and hone—his killer craft. Original star Michael C. Hall (sort of) reprises his role as Dexter, providing a voice-over as the character's inner voice, but otherwise it's an entirely new cast—including Patrick Gibson as the titular character; the always reliable Christian Slater as his father, Harry; and Sarah Michelle Gellar as Dexter's boss.

Listen

Back for a third season after a five-year hiatus, CBC's **Personal Best** provides practical advice for listeners looking to "get less bad" at the types of little things they'd never dream of bothering a life coach with. It's focused less on practical things like cooking, and more about the esoteric. One episode follows Tracy, who wants to curb her tendency to overshare; another episode has Cihang seeking help to expand her limited conversational topics. "If my brain was like Google, and I could just pull up facts to talk about, that's ideal," Cihang says. Whether you're a Tracy or a Cihang, **Personal Best** is a great conversation starter.



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STAYING FROSTY

A food lover at heart, CPA Pierre-Luc McLean found most of the ice cream sandwiches on the market to be a little...vanilla. So, using his experience as a CPA, he launched Frisquet, his own brand of premium-quality frozen desserts. **BY MATHIEU DE LAJARTRE**

The idea of re-imagining the ice cream sandwich was born out of the dissatisfaction and disappointment I felt when I went to ice cream shops. The options were so bland. As a joke, a friend gave me some ice cream sandwich moulds and told me to "have fun." **That's where I got the idea to start my own business.**

I studied accounting at HEC Montréal, then worked for a small firm, Fortin Dansereau, and then for a mid-size accounting firm, BFR. **Over four years, I had the opportunity to work with many SMEs and learn a lot about how they operate.**

The idea of studying accounting came from a high school guidance counsellor. **Over the years, I discovered the many roles a CPA can play within a company.** I did find it exciting, but ever since I was a child, I'd dreamed of becoming a chef and creating new recipes and flavours.

Launched in 2021, Frisquet makes frozen dessert sandwiches, cookie dough and gelato. **We offer a lot of the classic flavours (vanilla, chocolate, etc.), but we also create novel flavours that run for about two weeks—for example, fig-balsamic-pecan, jalapeño-pineapple-cream cheese bagel, and black beer and lavender.** There's something for everyone. We let the customer be the judge!

When I was seeking financing at the start, my CPA designation provided a lot of reassurance to lenders. I could speak their language. I knew where I was going and how I was going to get there. In fact, they weren't so much interested in what I knew about ice cream, but more in what I knew about financing and entrepreneurship!

Our storefront is on Rachel Street East in Montreal, but our products are also sold at more than 30 different retail outlets, including supermarkets and ice cream shops. **We'd like to expand, but that would mean producing huge quantities that can be difficult to move.**

Our product is unique. For example, we use a sauce that requires special machinery, which makes it difficult to team up with other manufacturers to reduce operating costs. **Eventually, I'd like to come up with a solution to produce more (but not too much) locally, while also providing an opportunity to collaborate with others.**

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