

PIVOT

FALL 2024



CPAs WHO KEEP
THE SHOW GOING

WHY OUR
TAX SYSTEM
NEEDS A REBOOT

GROCERY
CHAINS VS THEIR
CUSTOMERS



SUPPLY CHAIN

Canada needs more CPAs. What the profession
must do to prepare for the future.



90%

of our satisfied
tax preparers
renew each year.

Proof is in the numbers.

- ✓ Carry forward files from DT Max®, Cantax®, Taxprep®, or ProFile®.
- ✓ In the heat of tax season, our support team is just a phone call away.
- ✓ Save time with tax software designed by tax experts.

Switch to what works today!

taxcycle.com/cpa

Call us at **1-888-841-3040**

**Inspired by accountants,
built by tax experts.**



TaxCycle
FROM XERO



FEATURES

24 | The grocery wars

It's a clash of consumer versus corporation and it's pulling in activists, economists and CPAs. But, are grocery chains really to blame for high food prices? **BY ANDREW RAVEN**

32 | Supply and demand

As the need for accountants outpaces the number of new CPAs, the profession has an opportunity to show young people how they can be part of accounting's future. **BY JOHN LORINC**

38 | Curtain call

Their work might be backstage, but these CPAs play an essential role to make sure the show goes on. **BY LIZA AGRBA**

PHOTOGRAPH BY KATHERINE HOLLAND



ON THE
COVER

4 | From the CEO

FIRST IN

6 | A guiding hand

9 | Team support

10 | No slowing down

11 | Citation needed

14 | Change for the better

15 | New cons, frauds and scams

16 | Supporting sustainability reporting

18 | Teaching teachers

20 | Free spirits

22 | Artificial influence

LAST OUT

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.

47 | Non-profit pro

48 | Finding repurpose

50 | Accessible art

52 | The great indoors

53 | National pride

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

58 | Coffee bean counter

CPAs AND FINANCE: A SYMBIOTIC RELATIONSHIP

CPAs are the financial backbone of organizations across sectors. No wonder we're so in demand. **BY PAMELA STEER**



The ONE National Conference

This year is focusing on turning insight into impact. CPAs are uniquely positioned to bridge the gap between these two concepts and I am very much looking forward to exploring this in the coming days with all my compatriots in beautiful Calgary.

Finance has become the career field that Gen Z considers most stable and attractive, according to a recent survey by the CFA Institute. When I read this, I felt a deep sense of connection to our youngest working cohort; CPAs are, after all, integral to every aspect of the financial world.

To me, there is no other career with such wide-reaching potential. In fact, our keynote speaker at the ONE this year, Canada's own Hollywood A-lister Simu Liu, is a shining example of how the skills learned as an accounting student can bolster career success in unconventional ways. The tools and teachings learned by aspiring CPAs build the foundation for any number of careers, especially those in business and finance. In my own personal case, everything I've accomplished can be traced back to those beautiful letters, C-P-A.

The experiences and challenges I've encountered have been staggering at times, but always, always worth it. The pillars of the CPA profession—judgment, integrity, trust, logic and control—were essential when I was in on the ground floor of a true start-up,

THE TOOLS AND TEACHINGS LEARNED BY ASPIRING CPAs BUILD THE FOUNDATION OF NUMEROUS CAREERS

where I fundraised the first million. They were imperative when I moved on to a massive multinational and compulsory when I moved into the highly regulated broader public sector.

As you will see in our "Supply and Demand" feature on page 32, there is ample evidence showing major demand for jobs in the CPA sphere.

The article cites a Robert Half study that found some 90 per cent of businesses have reported difficulties in filling internal accounting positions and more than a third were concerned that the resulting backlogs were leading to accounting inaccuracies. The ranks of CPAs working in Canada have not grown at the pace needed over the past decade to satisfy the coming demand. Now we are seeing a younger, digitally fluent generation that wants in, and we have the capacity to enable them.

Without an adequate supply of CPAs across Canada, "the cost to society is huge," says Irene Wiecek, an accounting professor who also sits on the newly established accountancy education panel of the International Federation of Accountants (IFAC). "There is a decline and it's not just in Canada."

Without CPAs, companies struggle with public disclosure and compliance, which could lead to a decline in the integrity of public markets. An article in *Bloomberg* recently connected a shortage of accountants to high-profile errors in regulatory filings, with at least four major U.S. companies needing to correct their earnings reports last February soon after releasing them—citing "clerical error" as the reason.

The *Bloomberg* story also concludes that, as the talent pipeline dwindles, businesses have "fewer experienced accountants to do strategic thinking and other high-level tasks."

The picture being painted here is clear: The world needs more CPAs.

As a CPA, you are the financial backbone in any organization, industry or sector. You get to be on the ground floor of all the remarkable things that are happening in the ecosystem, such as sustainability, advanced technology and artificial intelligence.

These are global issues that require global solutions—and CPA Canada plays an important role as *the* representative of Canadian CPAs at international tables—the trusted partner of the Global Accounting Alliance, IFAC, the International Sustainability Standards Board and many others.

As stable as they are, careers in finance and business are changing and CPAs have an opportunity to lead—globally. This is why we believe so strongly in finding a way for members from Ontario and Quebec to remain a part of our national profession.

Throughout everything in my career—all the insight on display from our recent focus groups across Canada and all the amazing work I've been a part of around the world since taking the helm here at CPA Canada—being a CPA and representing the profession has been my proudest honour.

Thinking back on that scrappy start-up early in my career and on through the years, I would not have any of those experiences without my designation. There are few career paths more open-ended than ours—few degrees, diplomas or documents have the power to take your career anywhere the way a CPA does.

I have so much pride in this profession as it stands, but I'm even more excited to see it grow and evolve as the younger generation joins. ♦

 Pivot News is now live at cpacanada.ca/news and chock full of in-depth analysis, guidance and advocacy.

This month, you'll find exclusive whistle-blower protections, ethical system design and anti-money laundering.

Let us know if you enjoy our new print and digital content strategy at pivot.letters@cpacanada.ca.



For members in Ontario and Quebec who wish to remain part of CPA Canada and maintain access to all our assets, advocacy and guidance, scan this QR code

PIVOT

VOLUME 7 | ISSUE 4

EDITOR
Paul Ferriss

FRENCH EDITOR
Mathieu de Lajartre

SENIOR EDITOR
Alex Correa

SENIOR ART DIRECTOR
Adam Cholewa

ART DIRECTOR
Dan Parsons

MANAGING EDITOR
Cassandra Cadieux

COPY EDITOR
Kellyl Jones

CONTRIBUTORS

Liza Agbba, Corrina Allen, Ali Amad, Heather Bennett, Brian Bethune, Carol Bethune, David-Alexandre Brassard, Steve Brearton, Jessica Deeks, Catherine Dowling, Ashley Doyle, Thomas Fricke, Lora Grady, Katherine Holland, Brit Kwasney, Emily Latimer, Jen Lauriault, John Lorinc, Sarah MacDonald, Rosemary McGuire, Kagan McLeod, Ishani Nath, John Oakley, Chris Powell, Andrew Raven, Allison Seto, Gerald Trites, Lucy Uprichard, Lisa Vella



For every ton of paper used in the printing of this magazine, SJC's Partners in Growth® program will plant a tree through Trees for Life Canada.

PUBLISHER
CPA Canada

ASSOCIATE PUBLISHER
Douglas Dunlop

SALES DIRECTOR, CUSTOM CONTENT PUBLICATIONS, SJC MEDIA
Karen Kahnert
karen.kahnert@stjoseph.com

TRANSLATION
CPA Canada Language Services

DIRECTOR, LANGUAGE SERVICES
Karine St-Onge

EDITORIAL ADVISORY BOARD
CHAIR:

John Redding, CPA, CMA
MEMBERS:
Maury K. Doneen, CPA, CMA
Debra J. Feltham, FCPA, FCGA
Caroline Garon, CPA, CGA, CAFM
Jason R. Kwiatkowski, CPA, CA, CBV, ASA, CEPA
Ashley Lowe, CPA, CA



Pivot is published four times a year by Chartered Professional Accountants of Canada in partnership with St. Joseph Communications. Opinions expressed are not necessarily endorsed by CPA Canada. Copyright 2024.

TORONTO
277 Wellington St. W., M5V 3H2,
Tel. (416) 977-3222,
Fax (416) 204-3409

MONTREAL
2020 Robert-Bourassa Blvd.,
Suite 1900, H3A 2A5,
Tel. (514) 285-5002,
Fax (514) 285-5695

Additional annual subscriptions are available at the following rates: members, \$32; students, \$45; non-members, \$55. Single copy, \$5.50. Outside Canada: \$89 for a one-year subscription; \$8.90 for a single copy. GST of 5% applies to all domestic subscriptions. For subscription inquiries, call (416) 977-0748 or 1-800-268-3793 from 9 a.m. to 5 p.m., Monday through Friday; fax: (416) 204-3416. GST registration number 83173 3647 RT001. Publications Mail Agreement No. 40062437. Printed in Canada. ISSN 2561-6773. Return undeliverable Canadian addresses to the Toronto address above. *Pivot* is a member of the Canadian Business Press and Magazines Canada. All manuscripts, material and other submissions sent to *Pivot* become the property of *Pivot* and the Chartered Professional Accountants of Canada, the publisher. In making submissions, contributors agree to grant and assign to the publisher all copyrights, including, but not limited to, reprints and electronic rights, and all of the contributor's rights, title and interest in and to the work. The publisher reserves the right to utilize the work or portions thereof in connection with the magazine and/or in any other manner it deems appropriate. No part of this publication can be reproduced, stored in retrieval systems or transmitted, in any form or by any means, without the prior written consent of *Pivot*.

SUBSCRIPTION INQUIRIES
Tel. (416) 977-0748 or 1-800-268-3793
pivot.subscriptions@cpacanada.ca

ONLINE
cpacanada.ca/pivotmagazine
ADVERTISING
advertising.pivotmagazine@cpacanada.ca

STRATEGIC CONTENT LABS

VICE-PRESIDENT CLIENT SOLUTIONS, MEDIA & CONTENT
Cameron Williamson

VICE-PRESIDENT, MARKETING & BRANDED CONTENT
Sasha Emmons

DIRECTORS, CONSUMER MARKETING
Lenny Hadley, Janet Palmer

VICE-PRESIDENT, PRINT OPERATIONS Maria Mendes

PRODUCTION MANAGER Joycelyn Tran

A DIVISION OF ST. JOSEPH COMMUNICATIONS
CEO Tony Gagliano

PURPOSE DRIVER

DETERMINED TO AMAZE

After experiencing the harsh challenges that immigrant women face in Canada, Ifeoma Ngwudike was inspired to help others who found themselves following a similar path **BY ALI AMAD**

Growing up in Enugu, a bustling city in southeastern Nigeria, Ifeoma Ngwudike always had ambitions to build a career and explore the world. After obtaining a degree in accounting from the University of Nigeria, she and her husband moved to Treviso, Italy. Eager to also start a family, Ngwudike hit pause on her professional ambitions, taking 10 years off to raise their four children. However, after moving with her family to Calgary, Alberta, in 2008, she decided to resume her career, eventually becoming a CPA in 2012.

Drawing from her experiences and challenges as a Canadian immigrant and working mother, Ngwudike wrote a book titled *The Successful Immigrant Woman* in 2021 and launched a new career as a success coach later that year. Every year, hundreds of thousands of immigrants settle in Canada, with more than 470,000 people arriving in 2023 alone. These newcomers face numerous challenges, including increasingly unaffordable housing and a highly competitive job market. “Each immigrant comes here with their own personal dream of life in Canada,” says Ngwudike. “But once they arrive, they often find themselves living in Canada without a dream.” That’s why Ngwudike is now focused on helping immigrants adapt, thrive and transform their dreams into reality.

As a newly arrived immigrant to Canada, what was the biggest challenge you faced in kick-starting your accounting career?

My complete ignorance of the workplace culture. It really was a fear of the unknown: I was a newcomer to Canada, and to make things even more daunting, I hadn’t set foot in an office for more than 10 years. I was preoccupied with raising my four kids at home, and for the most part, the only people I interacted with were other moms and kids at places like playgrounds and swimming pools. Despite that, I was confident of my accounting skill set—I had begun pursuing a CMA designation in a program for female immigrant accountants and picked up some bookkeeping and consulting work on the side. However, I needed help with understanding all those business norms that integrate you into the workplace: What is acceptable professional attire? How does one seek a job

“IMMIGRANT WOMEN OFFER FRESH PERSPECTIVES AND INNOVATIVE SOLUTIONS TO LONG-STANDING CHALLENGES WE FACE HERE”

or behave in a job interview? I was even clueless about the little things: How firm of a handshake does one give when greeting a prospective employer or client? How long do you maintain eye contact during a meeting?

How did you overcome this barrier?

To get answers for all those questions, I conducted information-gathering interviews with local professional women. I was curious to learn about workplace norms and how Canadian working mothers balance their careers with family life. I cold-called my first interview subject, a vice-president at Bow Valley College in downtown



Calgary, and, to my surprise, she was more than happy to help. As a fellow mother, she emphasized the importance of being organized at home to avoid spillover into work life. (She also recommended blouses as workplace attire—for their versatility!) But the most important thing I discovered is that if you take that perhaps intimidating first step of reaching out and asking for support, people are often more than willing to devote some time to giving you advice and mentoring you in your career path.

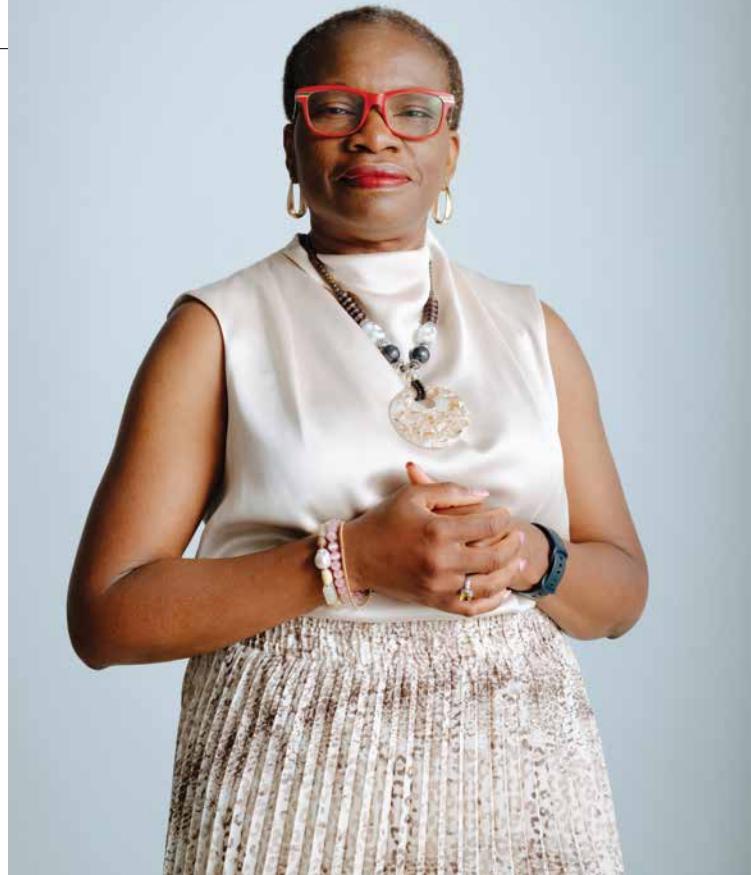
What motivated you to become a success coach?

After obtaining my CPA, I became a financial analyst at Bow Valley College, where my first Canadian mentor worked. Although I was in the finance department, I was always eager to expand my skill set. A colleague suggested I take an open position in student services, overseeing new student orientation. In this role, I helped students determine their career goals and set action plans to achieve them. This experience reminded me of the challenges faced by many immigrant women I met in my CMA program when I first arrived in Calgary. They had come to Canada to start their own businesses or climb the career ladder, but while they had taken the initial step of moving to Canada, they were struggling to progress any further.

Over the course of building a new life twice—first as a mother in Italy and then as a CPA in Canada—I realized that one of my strengths was helping others maximize their potential. Whether it was raising my children, guiding students or supporting other immigrant and BIPOC women in my community, I had a knack for empowering others. In late 2021, I decided to formalize this passion by incorporating my success coaching business, Yes2Amazing. The name reflects my belief that to excel, you first have to say yes to amazing and challenging opportunities that come your way!

In your experience, what is the most significant obstacle holding back your immigrant clients?

I was fortunate to be educated in English from a young age, but for many professional immigrants, lack of proficiency in English is a substantial barrier. Many arrive in Canada having been top of their class and highly accomplished in their fields back home. However, without strong English skills, they quite literally struggle to translate their expertise into success in Canada. This significantly impacts their confidence, causing them to question their abilities and develop a sort of imposter syndrome.

**“FOR MANY PROFESSIONAL IMMIGRANTS, LACK OF PROFICIENCY IN ENGLISH IS A SUBSTANTIAL BARRIER”**

That uncertainty then detracts from their focus, further worsening their communication challenges in the workplace or during job interviews.

What are the key approaches you use to help your clients succeed in Canada?

It's incredibly frustrating and demoralizing when you can't communicate your strengths and value to employers and colleagues. That's why I first help my clients identify their strengths and the best ways to express them. This leads me to the next important strategy I use with my clients: intentionality. Whether attending a meeting, job interview or networking event, being very intentional about what you're bringing to the table and aiming to take away distills everything to its essence. When language is an obstacle, breaking things down to their core helps in understanding and communicating even the most sophisticated ideas. This formula guided me in authoring my book, *The Successful Immigrant Woman*, which I wrote in the most basic, easy-to-understand language possible to reach a broad audience.

4.2 MILLION

The number of immigrant women in Canada in the labour market in 2022, according to Statistics Canada

Can you share a memorable success story where you helped a client thrive?

Absolutely. Reflecting on the theme of intentionality, I recently met a Venezuelan woman at a Calgary event for immigrant entrepreneurs. She and her partner ran a renovation business, and while helping a few relatives move to Canada, she encountered the unaffordable housing crisis that is so prevalent nationwide. She explained that many people in her native country live in community-driven housing cooperatives, and she wanted to start a company to build similar housing complexes in Canada. However, she felt overwhelmed and didn't know how to start. I pointed out that she had already identified her key intention—helping Canadians obtain affordable housing. I advised her to focus on effectively conveying this intention in all her business dealings. She recently shared with me that this simple

philosophy had completely focused her efforts, and she now has her company up and running.

What are you working on next?

As you can see, many immigrant women bring a wealth of experience and insights from around the world. Sometimes, they offer fresh perspectives or innovative solutions to address long-standing challenges we face here. I aim to support them in achieving their aspirations and help Canada tap into this valuable resource. My next focus will be on providing tailored financial literacy courses for immigrant women. Financial literacy is crucial for success in the competitive Canadian market, especially for entrepreneurs seeking funding and managing finances. I see myself as a facilitator, empowering immigrant women and building their confidence, because ultimately, everyone stands to gain. ♦

YOU NAME IT

In May, the Women's National Basketball Association announced it was awarding a franchise to Toronto. At press time, the team had yet to be named, but fans eager for the 2026 tipoff have already suggested they be called the Northstars, Huskies, Dragons or Aurora. Only one name wins and there will forever be a list of geographic features and local animals that almost made the grade. Toronto Racoons, anyone? —Steve Brearton



Toronto Blue Jays
Major League
Baseball

FIRST GAME
April 7, 1977

Toronto's new MLB franchise held a name-the-team contest, which solicited over 4,000 possible nicknames. The Hogtowners, the Bootleggers, the Trilliums and the Great Lakers were all considered. A 14-person jury sent 10 finalists to the new club's board of directors, who settled on Blue Jays.



Toronto Raptors
National Basketball
Association

FIRST GAME
November 3, 1995

Team owners chose the *Jurassic Park*-inspired Raptors name. "You're talking about a unique name with an unusual colour combination and a highly provocative uniform," Tom O'Grady, the NBA's creative director, later said. "Back then, that was exactly the right formula to get the team noticed."



Winnipeg Jets
National Hockey
League

FIRST GAME
October 9, 2011

When names were considered in 2010, Winnipeg almost became the Falcons, the Warriors or the Manitoba Moose, but management settled on the Jets, the name of the previous World Hockey Association and NHL franchise. Mark Chipman, chairman of True North Sports and Entertainment, told the *Free Press* in 2011, "The number-one deciding factor, or criteria, was what our fans wanted. And that was obvious."



Ottawa Redblacks
Canadian Football
League

FIRST GAME
July 3, 2014

In January 2013, a list of five names was released for the new tag of the expansion club, including the Nationals, Redblacks, Voyageurs, Rush and Raftsmen. At the time, some suggested owner Jeff Hunt had already settled on the Redblacks. "The popular theory around town is that Hunt's choice is being surrounded with lacklustre options to make it prettier-by-comparison," wrote one local columnist.



Toronto
Professional Women's
Hockey League

FIRST GAME
January 1, 2024

In fall 2023, the PWHL floated a trial balloon for names of its six inaugural franchises. Among them were Montreal Echo, Ottawa Alert and Toronto Torch. "These PWHL names sound like they were created in 1997 for a soon-to-fail roller hockey league," read one social media post. Ottawa, Montreal and Toronto will have team names for the coming season.

WORKING OVERTIME

Encouraging experienced workers to stay in the market would solve a lot of problems, provided it's done properly



DAVID-ALEXANDRE BRASSARD

While the rapid pace of immigration is far from slowing, I still believe our labour force, particularly experienced workers, is far from being used to its full potential. At 65 per cent, the employment rate for those 55 to 64 years old in Canada is well below that of many countries.

It is 72 per cent in Finland, 74 per cent in Norway, 75 per cent in Germany and the Netherlands, 78 per cent in Sweden, 79 per cent in Japan and 83 per cent in Iceland.

In Canada, moving from 65 per cent to 75 per cent would add 500,000 workers to the labour market every year—the same number as our current immigration threshold. And yet, it is not often talked about. Could it be ageism? Or a lack of political courage?

An ill-adapted market

A recent Statistics Canada study found that among workers planning to retire, 55 per cent would continue to work if they could do so part time, and 43 per cent would do so if the stress were lower or the work were less physically demanding.

We have to admit that we can do better when it comes to flexibility. The labour market seems to operate at two speeds: the classic full-time job, at 40 hours per week, including all the stress, regardless of a worker's age; and the part-time job, at 20 hours per week or less. The introduction of accommodation programs for workers nearing the end of their careers, as already exist in the public sector, would be worth exploring for companies and organizations. But this would mean rethinking our concept of work, as well as our relationship to responsibilities, tasks, hours and stress levels, in order to adapt to the expectations of workers who already enjoy a certain degree of financial freedom. These are workers with a wealth of experience, and expertise, who require little supervision, having worked for the same

organization for an average of 16 years—twice as long as workers aged 25 to 54. Unfortunately, the lack of adjustments and discussions about what would encourage them to stay longer often leads to their retirement.

The carrot or the stick?

The elephant in the room is pension plans and benefits for seniors. In other words, are we being too generous? Of course, many seniors are still struggling to make ends meet, but the financial situation of retirees has improved significantly over the last 15 years. Not only do they have more income, but the income replacement rate has increased from 85 to 90 per cent. The wealthiest 40 per cent of Canadians see virtually no loss of income at retirement.

Employment rate by age group (in %)

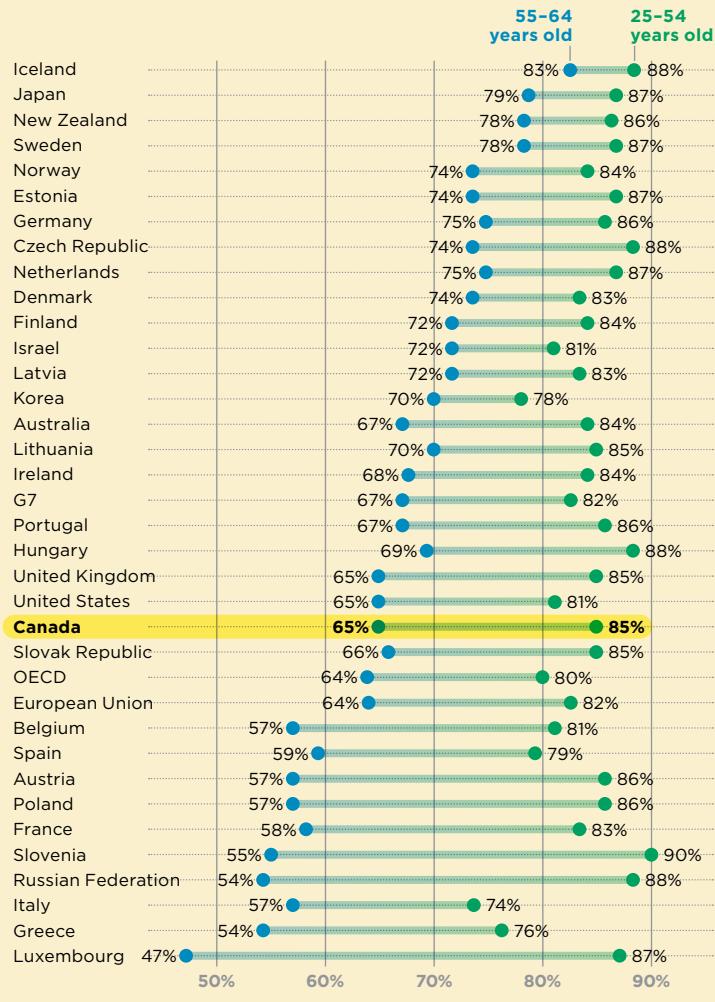


Chart source: OECD, Get the data

The size of the public sector in our economy is one of the reasons for the low employment rate among seniors, since the average retirement age is 62 or 63, which is two years earlier than the private sector and five years earlier than self-employed workers. At the risk of alienating some people (I know that many CPAs are public servants), we have to ask ourselves whether early retirement heavily financed by the employer (in other words, the government) is sustainable in the long term for society.

We may also want to revisit the age of eligibility for receiving federal retirement benefits—a sensitive topic, to be sure! Keep in mind, however, that the current age of 65 was established in the 1960s, when life expectancy was around 70 years. At the time, it was far too late, but since then, life expectancy has risen by 11 years to 81, tripling the length of retirement. Several countries, such as Finland, Denmark and Portugal, have already linked retirement age and life expectancy, which seems only logical.

A SURVEY FOUND THAT AMONG WORKERS PLANNING TO RETIRE, 55 PER CENT WOULD CONTINUE TO WORK PART TIME

Intergenerational inequalities

We know with certainty that the current demographic crisis is not about to go away and that the birth rate will continue to fall, leading to a relative reduction in the number of workers. Yet very little is said about the financial burden an aging population can place on society, particularly on the young people who bear the brunt—that's just how our system works. I understand the logic, but there will come a day when these foundations will have to be reconsidered.

The recent inflationary period is fairly representative: some workers had to negotiate, even go on strike, to bring their pay into line with inflation, while the amounts paid to pensioners (benefits, Canada Pension Plan) were automatically indexed. In short, prioritizing retirees at all costs is a societal choice, but for my children's sake, I hope that the burden of my old age will be better distributed, so that they don't have to foot the bill. ♦

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

GUEST COLUMN

MINDING THE GAPS

Artificial intelligence presents an array of ethical challenges. But humans can still rely on basic principles of honesty and integrity as we learn to live with it.



GERALD TRITES

Ever since generative AI, particularly ChatGPT, burst onto the scene, the use of AI has exploded. Its use has covered a wide range of activities and has led to considerable improvements in productivity. All indications suggest it will continue on this path indefinitely.

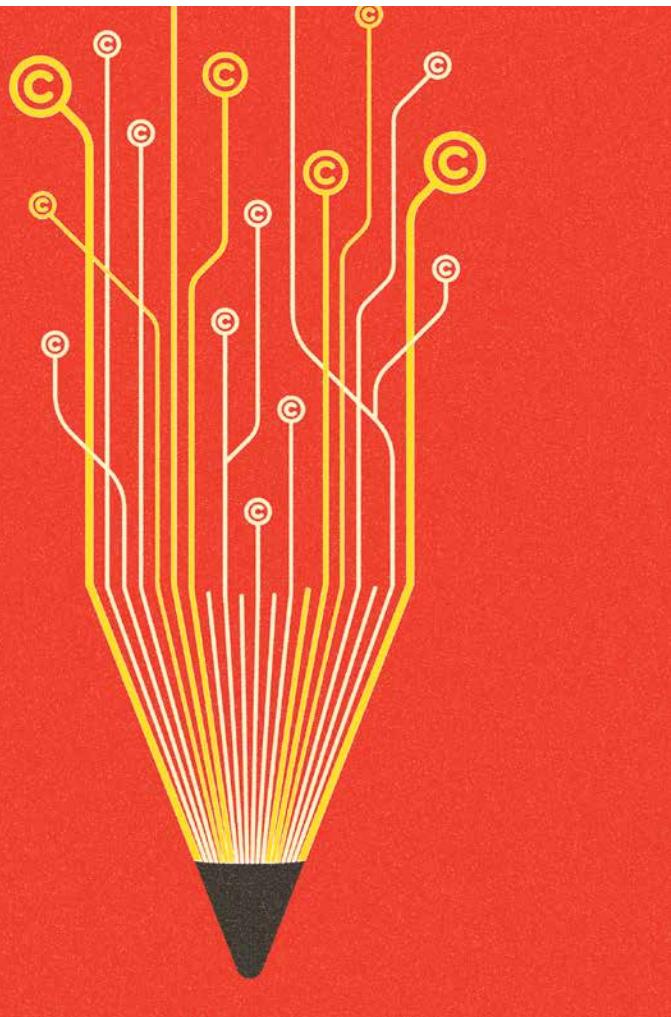
And, while GenAI can be a useful tool—helping to develop articles, letters and emails, summarize large amounts of written material, not to mention prompting further creative ideas—it also presents an potential conflicts, dilemmas and uncertainties.

For writers who offer content that they themselves are supposed to have written, consultants who develop reports they are paid to develop and students who are tasked to provide assignments, AI poses an opportunity, a challenge and a dilemma. And for users who depend on such content, they may encounter many doubts.

The root of these issues goes to the basic characteristic of GenAI, namely that the systems are trained using actual documents and previously published work, usually scraped from the Internet. When a GenAI model uses that information, it does not disclose its sources, making it difficult or impossible for users to accurately cite their sources.

Sometimes, readers and users of content created by GenAI and claimed to be original might recognize parts of it as something they themselves wrote or as coming from a familiar source. This can lead to lawsuits and other issues of credibility and reliability for the author or creator. An example of this occurred when actor Scarlett Johansson threatened legal action after a voice adopted by ChatGPT for its new "assistant" sounded "eerily similar" to her own. OpenAI responded by announcing that it would discontinue the use of that voice.

GenAI can be used for generating new content and also for manipulating content already prepared separately by the user. The former poses the most ethical issues because the tools do not disclose their own sources and could be violating copyright rules. To further complicate the issue, the use of GenAI



to produce new content can vary tremendously. For example, if someone is developing an article for publication, the AI prompt can simply ask for the tool to write the whole article on a particular topic. Or it can ask for ideas or ask for an outline. The human author can then take what GenAI provides and edit it a little or a lot.

When is this plagiarism and when is it not? Clearly having the whole article written by AI, doing a little editing on it and then presenting it as your own creation is a case of pure plagiarism. It's no different than having another person write it but passing it off as your own.

Most universities have addressed this issue in one way or another. Some of them ban the use of AI in preparing papers. Even the International Conference on Machine Learning announced last year that the use of GenAI to write papers for its conference was prohibited. Other organizations have adopted policies about the citation of AI sources,

normally involving the proper citation of any usage of the particular AI tool used. For example, a citation might look like "ChatGPT, response to 'Create appendices to illustrate the major points made in this article,' OpenAI, May 20, 2023."

This approach addresses the issues of plagiarism and cheating, but not some other issues inherent in AI systems, like bias or developing fictional content, known as hallucinations. Bias can be built into the sources used by the AI, which it will reflect in its response to a question. Some of the developers of GenAI have been trying to address these issues, but have they been successful? Partially, but we really don't know at this stage.

Preparers of reports or other documents for someone else who wishes to use AI, say an institution or company, are well advised to inquire about their policies on the use of AI.

The ethical implications of using GenAI usually devolve into basic principles of integrity, honesty and transparency. If it's used to prepare the whole report, then that's wrong for the reasons noted. If for some reason that course of action is pursued, then it is imperative that this be disclosed to the recipient. If it is used for some part of the report, then that needs to be disclosed as well and cited as described above. This would apply to even minor parts of the report.

The use of GenAI for internal reports presents fewer issues with regard to copyright but still presents issues around bias, accuracy and privacy. Auditors using AI need to be particularly aware of these issues. They would never, for example, enter

GEN AI SYSTEMS ARE TRAINED ON INTERNET-SCRAPED CONTENT BUT DON'T DISCLOSE SOURCES, WHICH COMPLICATES CITATION

client documents into an AI system for analysis or response. That would be a breach of privacy. Hopefully, their firm will have clear, fully thought-out policies regarding the use of AI.

Few areas in life change as quickly as generative AI. The use of GenAI and the systems themselves are changing daily and any use of them needs to take this into consideration. What's acceptable today may not be acceptable tomorrow, and vice versa. ♦

Gerald Trites, FCPA, FCA, CISA, is the editor-in-chief of ThinkTWENTY20 (thinktwenty20.com), a magazine for finance professionals.

Simplifying complex donations while maximizing tax efficiency

If your client owns preferred shares in a Canadian-controlled private corporation, donating those shares in-kind has the potential to provide significant additional tax benefits



It wasn't long into her meeting with Claire and Mark that Kristin* had an idea. The couple had come to her for advice on what to do with their private company preferred shares in the family farm. They had significantly increased in value since Claire had inherited them years earlier.

Kristin had been their accountant for many years. It was clear to both Kristin and her clients that they did not need these additional funds. Kristin knew her clients were financially secure and had a propensity for generosity, as they had supported various causes over the years.

THE IDEA

Kristin proposed that Claire and Mark donate the private company preferred shares in-kind to charity, which provided a tax-efficient vehicle for the donation, while still generously supporting the causes of their choice. Claire and Mark loved the idea but knew that some of the charities they gave to would not be able to facilitate a donation of that kind, and the thought of deciding who received what support and when was overwhelming.

THE PLAN

While creating a plan for her clients, Kristin drew on her knowledge of their unique situation. Details she considered were the ownership structure of the farm, the existence of previous buy-sell agreements, the potential for AMT, and other considerations of the private shares (valuation process, etc.). After gaining Claire and Mark's approval, Kristin connected them with a gift-planning consultant at Abundance Canada to help handle the complexities of the donation. Adept at managing such donation scenarios, the foundation handled all the administrative details, including how to invest the donation.

As a public foundation, Abundance Canada was able to accept the preferred shares from the farm as an in-kind

donation. The family farm corporation then redeemed the shares from Abundance Canada for \$700,000 (there could be additional tax benefits available to the farm corporation when redeeming the shares). At the time of purchase, Claire and Mark received a donation receipt for their donation of the shares, and \$700,000 was added to their Gifting Fund™, a donor-advised fund, with Abundance Canada.

THE RESULT

Claire and Mark were thrilled that they were able to make such a large donation. And by using the value of their charitable tax credit against their personal income tax owing, they were able to eliminate the tax on the capital gain from the sale of the private shares without using their lifetime capital gains exemption.

For the past few years, the couple has consistently disbursed the annual earnings from their Gifting Fund to support several of their favourite charities. Recently, they have begun discussions with their children regarding future donations to continue their family's legacy of generosity.

What began as a complex situation with various outcomes and possible tax implications grew into a beautiful expression of generosity for the whole family.

*Names have been changed to protect anonymity

Abundance
CANADA

Generosity changes everything

Abundance Canada is a public foundation with 50 years of experience helping clients with significant and complex charitable gift-planning scenarios. Our donor-advised fund model has been described by donors and advisors as simple and flexible. To learn more about all types of asset donations, call us at **1.800.772.3257** or explore the resources available at abundance.ca.

THE BRASS TAX

THE TANGLED WEB

Canada's tax system has become so complex and difficult to navigate that it now needs a comprehensive, top-to-bottom overhaul



JOHN OKEY

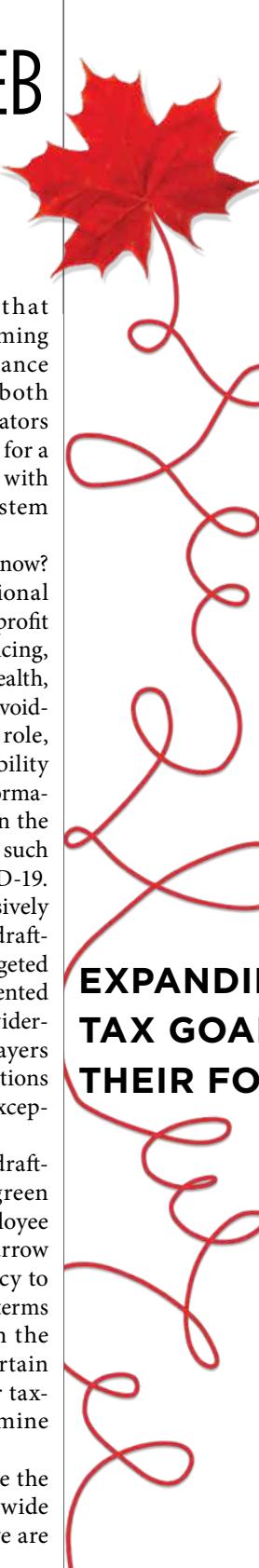
I think it's undeniable that Canada's tax system is becoming too complex and its compliance demands too difficult for both taxpayers and tax administrators to properly manage. It's time for a review of the Income Tax Act with the aim of ensuring the system remains workable going forward.

Why is the system becoming so complicated now? Some of the reasons may include international pressure to combat aggressive tax planning, profit shifting, money laundering and terrorist financing, along with domestic pressure to redistribute wealth, deal with deficit financing, and minimize tax avoidance and evasion. Technology also plays a role, providing governments with a new-found ability to data-mine copious amounts of collected information. We're also seeing a growing reliance on the federal tax system to solve current problems, such as the economic disruption caused by COVID-19.

Another change that is creating an excessively difficult system is an evolution in legislative drafting. The focus has changed from specific, targeted anti-avoidance provisions that were implemented only when they became necessary to much wider-reaching provisions under which all taxpayers undertaking certain broadly defined transactions are caught and only those that meet narrow exceptions are released.

We are also seeing problems in legislative drafting for tax incentives, such as the recent green technology investment tax credits and employee ownership trust rules, where the rules are narrow and complex, and often go beyond tax policy to legislating government-approved commercial terms and conditions. Complexity waters down the effectiveness of tax incentives to promote certain behaviour when it becomes too difficult for taxpayers to understand the rules and determine whether they qualify.

As the government finds more ways to use the federal income tax system to accomplish a wide range of goals beyond revenue collection, we are



starting to see a breakdown of the basic principles on which the system is built, such as certainty, simplicity, effectiveness, predictability, fairness and efficiency. This situation disproportionately hurts small businesses more than larger ones, who are better able to hire advisers to help them navigate the system.

We don't have to look very far to see evidence of increasingly difficult tax compliance demands:

Trust reporting

This new policy was intended to combat money laundering and terrorist financing. However, when bare trusts were added to the legislation, the level of uncertainty was significantly increased, making compliance so difficult that CRA needed to exempt bare trusts from the reporting rules for 2023. This exemption came just days before the filing deadline and cost an estimated \$1 billion in taxpayer resources for unnecessary compliance.

Underused housing tax

These provisions aimed to address the housing crisis by focusing on vacant foreign-owned residential properties. However, the negligible number of such properties contrasts starkly with the actual housing shortage. This tax led to extensive reporting by Canadians who indirectly owned their residential property through a corporation, partnership or trust, necessitating deadline extensions. CPA Canada advocated for the exclusion of Canadians with indirect ownership, which eventually resulted in legislative changes.

EXPANDING FEDERAL INCOME TAX GOALS UNDERMINES THEIR FOUNDATIONAL PRINCIPLES

Mandatory disclosure rules

These rules broadly define "avoidance transaction" to include regular tax planning and impose harsh non-compliance penalties. The rules' vagueness leads to high administrative and compliance costs, pushing professionals to report extensively to avoid penalties. Given that vagueness, the CRA was forced to produce its own interpretive guidance to make the regime workable.

General anti-avoidance rule

Recently enacted GAAR amendments also bring uncertainty, particularly around transactions significantly lacking economic substance. This ambiguity will likely compel over-reporting by

taxpayers and practitioners seeking to sidestep possible penalties. Following the 2024 federal budget's change to the capital gains inclusion rate, the CRA's Income Tax Rulings Directorate has stated that the "crystallization of an accrued gain, solely as a means of ensuring access to the current inclusion rate, would not, in itself, be subject to GAAR." With the potential lack of economic substance in crystallization transactions, this statement may actually create further confusion about the general application of GAAR.

While tax rules aim to achieve policy objectives, their design is as crucial as the objectives themselves. Recent approaches have led to broad, complex rules

0.13

The percentage of Canadians with an average income of \$1.4 million that are expected to pay more personal income tax on their capital gains in any given year

that increase compliance costs and administrative burdens. What's needed is a thorough review of the act, a sentiment shared by CPA Canada in our 2024 pre-budget submission, which recommended prioritizing a principled approach to tax policy and administration that is driven by purpose and vision. Such a review can help ensure that Canada's tax system remains guided by good basic principles so that compliance costs can remain reasonable and taxpayers can have simplicity, fairness, predictability and certainty of outcome. ♦

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

SHAM, WOW

A catalogue of recent cons

BY ANDREW RAVEN



HEAVY LIES THE CROWN

A 25-year-old Ontario man who billed himself as the "Crypto King" has been arrested, the latest development in a sensational case that in many ways has mirrored the dramatic rise and fall of the cryptocurrency markets.

Aiden Pleterski, from Whitby, Ontario, is facing one count each of fraud and money laundering following a sprawling, cross-border police investigation that dates back more than 18 months.

Pleterski, from Whitby, styled himself as a crypto savant, raking in money from investors by promising huge returns, police said after his arrest. While Pleterski flaunted a lavish lifestyle in social media posts, at some point in 2022, his investors lost access to their money, police allege.

During a press conference announcing Pleterski's arrest, securities officials said the amount defrauded from investors was "massive."

According to previous reporting, Pleterski, who was not a registered trader, had raised more than \$40 million. Just 2 per cent of that was put into the markets, with allegedly millions instead going toward luxury cars, vacations and private jet rentals.

FRAUD BY THE NUMBERS

A man who masterminded a decades-long scheme to forge paintings attributed to famed Indigenous artist Norval Morrisseau has pleaded guilty to fraud.

David Voss admitted in a court in Thunder Bay, Ontario, to overseeing an assembly-line process that churned out thousands of fake Morrisseau tableaux, a case that has been called Canada's largest art fraud.

The CBC reported that to forge the paintings, Voss would draw an outline in pencil and number areas to be coloured in by a roster of painters.

Investigators later used these pencil markings to identify scores of forgeries, which spanned from 1996 to 2019.

Voss reportedly sold the paintings to auction houses and consignment stores across Canada. In 2023, police charged eight people in connection with the plot, seizing more than 1,000 suspected forgeries, some of which had sold for tens of thousands of dollars.

Morrisseau, who died in 2007, is considered the grandfather of contemporary Indigenous art in Canada. He founded the Woodlands School and was known for his brightly coloured paintings that featured traditional scenes.



THE RISE OF SYNTHETICS

Toronto police have arrested a dozen people in connection with a sprawling fake-identity scam that defrauded businesses, including multiple banks, out of \$4 million.

The suspects allegedly created nearly 700 fictitious identities, using them to open hundreds of bank and credit accounts dating back to 2016. Police say the scammers used the credit accounts for in-store and online purchases, cash withdrawals and electronic transfers.

Officers called the scam "synthetic identity fraud," which is often used to launder money from human trafficking, drug dealing and armed robbery.

Police said they seized dozens of "electronic templates" for creating fake IDs, hundreds of debit and credit cards, and \$300,000 in cash.

Police believe more people were involved in the scam and said the investigation was ongoing.

ON THE RADAR

LOOKING AHEAD

With sustainability reporting gaining global prominence, CPAs need to prepare organizations for mandatory disclosures by assessing potential impacts and enhancing reporting infrastructure



ROSEMARY
McGUIRE

Sustainability has quickly risen to the top of business and government agendas, and various jurisdictions around the world, including Canada, have implemented or proposed new sustainability disclosure requirements. Incorporating sustainable business practices and providing greater transparency on environmental, social and governance issues (ESG) have become hot-button issues for organizations.

This momentum toward mandatory sustainability reporting is being driven in large part by investors who are seeking consistent and credible sustainability information to inform their capital allocation decisions. According to PwC's 2023 global investor survey, three-quarters of investors and analysts say that their investment decisions are greatly affected by a company's sustainability management, while—surprisingly—94 per cent believe corporate reporting on sustainability performance contains unsupported claims.

Enter the International Sustainability Standards Board (ISSB). The ISSB was established with the mandate to develop a global baseline of sustainability disclosure standards for the capital markets and in 2023 delivered its inaugural standards covering general sustainability disclosure requirements (IFRS S1) and climate-related disclosures (IFRS S2).

Now, the focus is shifting to adoption. Jurisdictions representing nearly 55 per cent of global GDP are on a pathway to using the sustainability disclosure standards issued by the ISSB as a baseline for mandatory reporting. Earlier this year, the Canadian Sustainability Standards Board (CSSB) published two exposure drafts for comment, which are identical to the ISSB standards except for additional transitional reliefs to provide Canadian companies with additional time for compliance.

We expect the CSSB will issue final standards before the end of the year; however, questions remain as to when and how these standards will

85

The percentage of investors and analysts who say that reasonable assurance (like the audit of financial statements) would give them confidence in sustainability reporting, according to PwC



make their way into Canadian regulation and which entities will have to apply them. The Canadian Securities Administrators have indicated they will be looking closely at responses to the CSSB consultation as they decide on how to move forward with their climate disclosure rule. During our outreach on the CSSB exposure drafts, we heard from many, not surprisingly, that reporting in compliance with these standards will be a significant challenge for most, especially smaller entities.

While these standards are voluntary at the moment, CPAs should not sit on the sidelines until securities regulators make a final decision. Now is the time to identify matters for which disclosure is likely to be required, understand the potential effects on financial statements and put the appropriate infrastructure in place to support enhanced internal and external reporting.

Identify material disclosure matters

Disclosure will be required if it is material. As most CPAs know, the most important aspect of any materiality assessment is a clear understanding of your user and what information will influence their decision. This is no different for sustainability reporting than it is for financial reporting. And the good news is that the definition of material information in the ISSB standards is aligned with that used in IFRS Accounting Standards—that is, information is material if omitting, obscuring or mis-stating it could be reasonably expected to influence investor decisions.



However, this does not mean that materiality assessments are without challenges, especially given the nature and complexity of sustainability issues. Materiality assessments rely heavily on management judgment, and entities will often have to consider financial implications over longer time periods than the time periods considered in preparing financial statements. Entities will also need to look beyond their organizational boundaries and look at risks and opportunities within their value chain, including an entity's supply and distribution channels.

94 PER CENT OF INVESTORS BELIEVE CORPORATE SUSTAINABILITY REPORTING CONTAINS UNSUPPORTED CLAIMS

Connectivity between sustainability and financial reporting

It is important to connect the dots between sustainability and financial reporting. IFRS S1 requires qualitative and quantitative disclosures on the anticipated financial effects of sustainability-related risks and opportunities. Sustainability issues may also affect financial statements in a number of different ways. For example, climate-related matters may indicate that an asset is impaired or affect the fair value measurement of assets. The International Accounting Standards Board has commenced a helpful project to provide further guidance and examples regarding how an entity

applies IFRS Accounting Standards to report the effects of climate-related matters.

Organizations also need to evaluate the accounting implications of net-zero commitments. The IFRS Interpretations Committee recently published an agenda decision regarding whether an entity's net-zero transition commitment results in a constructive obligation that should be recognized. Whether an obligation needs to be recognized requires careful evaluation of the specific facts and circumstances. The accounting treatment for carbon offsets is also coming under enhanced scrutiny and has been discussed on several occasions by Canada's IFRS Accounting Standards Discussion Group.

Looking beyond climate

While the focus has mostly been on climate, CPAs should focus on other areas garnering increased attention and ones that will likely make their way. Notably, in April 2024, the ISSB signalled their next research projects will be on biodiversity and human capital. In addition, some organizations have already started preparing for disclosures on nature-related risks and opportunities, as over 300 organizations have signed on as early adopters of the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), a voluntary risk management and disclosure framework.

Prepare for implementation

A 2024 KPMG study found that only 29 per cent of companies feel ready to have their ESG data independently assured. A few steps to ensure readiness are resourcing the sustainability reporting team and clarifying reporting governance requirements. Also, documenting processes and controls, and assessing data integrity—a mapping exercise will help identify any gaps.

Stay informed

Sustainability reporting is a rapidly evolving area. CPA Canada is committed to keeping our members up-to-date and providing guidance to help entities report sustainability information. To stay current on reporting and assurance matters, read our reporting resources developed as part of our capacity-building partnership with the IFRS Foundation. We also encourage members to join our TNFD Consultation Group to explore nature-related reporting or take our Sustainability Certificate for an in-depth educational experience. ♦

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

BASIC TRAINING

The effective use of AI by teachers—along with some sage parental advice—can help students develop critical skills that will equip them to make sound financial decisions



ASHLEY
DOYLE

As grade school students are increasingly exposed to financial products at earlier ages—thanks to social media—it is crucial that financial education evolves in order for young people to cultivate financial thinking skills. And, it's important that education leverages technology to make learning more engaging and accessible. This evolution can empower students to make personal financial decisions that are aligned with their values and build their confidence to support their overall financial well-being.

Misinformation and disinformation

The 2024 World Economic Forum's Global Risks Report has listed misinformation and disinformation as the number-one threats in the short term, ranking ahead of extreme weather events. As well, financial fraud has increased significantly in recent years, with no signs of slowing down.

While we're all facing increased risks of fraudulent websites and deepfakes, there are still benefits to this new wave of technology, such as AI's ability to create individualized learning pathways for financial education, which incorporates the learner's present skills and knowledge. Financial simulations are also now more readily available, offering students the opportunity to engage in financial decision-making, which is essential for genuinely developing their financial skills.

Financial education initiatives can integrate AI technology specifically to combat disinformation, but that needs to be done thoughtfully while teaching students about AI technology's limitations. For instance, assessing the risk associated with an investment decision can be optimized with data visualization and explainable AI, but it should be coupled with collaboration with financial institutions to enhance its reliability. Equipping our children and students with relevant and current financial literacy education is vital to navigating a world of economic uncertainty.



Six Thinking Hats has been used to help students build critical decision-making skills

Start at home

Research suggests that parents are the number-one influence on children's financial behaviour, even with increased education, and children born into families from higher socioeconomic backgrounds have greater confidence in money management. It is never too early to start teaching financial literacy to children by using real-life scenarios, demystifying the concepts and introducing common terminology. There are many ways to do this, such as having your child create a budget for grocery shopping, discussing the difference between needs versus wants, creating goals together and encouraging thoughtful decision-making when spending money. While many financial literacy education advocates put the onus on parents, who are more equipped than ever to help their children develop financial literacy skills, we need not lose sight of the importance of equipping all children with the education they need.

School curricula must include up-to-date financial education to ensure all students receive the tools needed to navigate our increasingly complex economic environment. Traditional financial literacy education has focused on knowledge and content transference. There are several reasons why educators should be shifting the way we teach, focusing on teaching students how to think when making financial decisions versus simply focusing on what technical knowledge they need to know.

Transforming minds

Author and philosopher Edward de Bono's book *Six Thinking Hats* is the name of a widely adopted methodology that utilizes parallel thinking to support the human decision-making process. The methodology uses a visual representation of six differently coloured hats, each representing one of a broad range of points of view: objectivity, intuitiveness, creativity, optimism, cautiousness and control. By metaphorically wearing each individual hat, younger students can start to develop their critical thinking skills early on—a tactic that can aid tremendously in financial decision-making. In class, students learn to wear one hat at a time in a sequence that matches the financial decision being made, providing an opportunity for multiple perspectives and thereby working to discourage risky or impulsive financial decisions.

The University of Cambridge notes that by age seven, many of the habits that will help children manage their money are already set, which means that elementary school curriculum needs to adapt to address the shifting financial landscape in the age of the “finfluencer.” Something like the Six

Thinking Hats methodology can help foster a lifelong habit of structured and comprehensive financial decision-making.

As the economic landscape becomes increasingly complex, it is important that educators keep up with the changes. The integration and literacy surrounding AI will allow students access to this evolving technology, and filtering financial education through

FINANCIAL EDUCATION INITIATIVES CAN INTEGRATE AI TECHNOLOGY TO COMBAT DISINFORMATION

a thinking methodology like the Six Thinking Hats can show students how to think about the subject. If this is done at the earliest stages of the educational process, it will equip our future leaders with the power to make sound economic decisions. ♦

Ashley Doyle is an assistant professor at Acadia University. Her research focuses on financial literacy disparities in Canada and the integration of thinking methodologies in financial literacy education.

Canada's premier tax law firm.

Working together, we share an uncompromising commitment to excellence in everything we do.

BY THE NUMBERS

GROWING THIRST

Canadians are trading beer for zero beer, and cocktails for mocktails. Market growth is driven by a rising health consciousness among consumers (especially younger consumers), as well as by the improved quality and the greater range of options among non-alcoholic sparkling wines, ales, lagers and IPAs. Together they represent a global US\$27 billion sector, with sales of non-alcoholic beer projected to grow 7.8 per cent, non-alcoholic wine 12.1 per cent, and zero spirits 10 per cent annually until 2030. —Steve Brearton

Canadians are buying less alcohol

In 2022/2023, Canadians consumed 1.1 per cent less alcohol by volume compared to the previous fiscal year—a second consecutive year of decline

The global non-alcoholic beer and wine market generates \$27 billion in sales annually.

Here are the numbers:



US\$23.12 billion

Non-alcoholic beer

US\$4.1 billion

Non-alcoholic wine

US\$104.3 million

Zero-proof spirits



Canada's non-alcoholic beer market reached **\$171 million in sales in 2023**. (There are no figures for the much smaller non-alcoholic wine and zero-proof spirit sales.)

376

Average per-person consumption of standard 341-mL bottles of beer by Canadians of legal drinking age in 1975

191

Average per-person consumption of standard 341-mL bottles of beer by Canadians of legal drinking age in 2023



"No amount is healthy"

New alcohol guidelines released by the Canadian Centre on Substance Use and Addiction in 2023 report that consuming "two standard drinks or fewer per week" is a low health risk. Previous standards suggested women consume no more than 10 drinks per week, while men limit themselves to 15. Last year's report outlined: "Research shows that no amount or kind of alcohol is good for your health."

Canadians embracing opportunities to drink less



41%

Percentage of Canadians who either took part in Dry January in 2024 or reduced their alcohol intake during the month

"Dry January's popularity spotlights the growing consumer interest in non-alcoholic alternatives. It's increasingly clear this shift transcends a mere seasonal fad. Health and well-being trends are reshaping consumer preferences, and it's important for operators to acknowledge this through their offerings."

—Mitch Stefani, Client Solutions Director for the Americas at global market research firm CGA by NIQ



Millennials and Gen Z-ers in particular are embracing non-alcoholic beverages

Ontario data shows that alcohol consumption among students has decreased from 66% in 1999 to 41.7% in 2019

"They're drinking less and really focusing more on their health and wellness," says Mitch Cobb, co-founder and CEO at Upstreet Craft Brewing and Libra Non-Alcoholic Craft Beer. "They want to be able to go out and meet their friends. They want to be able to go out for dinner, but they don't want to wake up the next day and feel lousy."



Nearly one in three Canadians has bought or consumed non-alcoholic beverages

Percentage of adult Canadians who have purchased or consumed non-alcoholic beverages, according to a 2023 survey by Narrative Research



30%

Purchased or consumed non-alcoholic beer



22%

Purchased or consumed non-alcoholic wine



18%

Purchased or consumed non-alcoholic spirits



Improved taste for non-alcoholic beer

Better technologies are improving taste. "For decades, non-alcoholic beer was awful," Steve Abrams, co-founder of Harmon's Craft Brewing in Toronto, told *Food in Canada* magazine. "You can [now] add all the hops you want...and you can get the recipe to where it tastes like a regular beer."



A growing industry

67%



Growth in non-alcoholic beverage sales at the Liquor Control Board of Ontario in 2023. Canada's largest beer, wine and liquor retailer introduced no- and low-alcohol beverages to their shelves in 2018.

New bar destinations

Zero Cocktail Bar in Toronto and Split Zero Proof in Edmonton offer non-alcoholic drinking spaces. Joining them in Vancouver is Mocktails, a new "exclusively non-alcoholic liquor store."

"When I started doing this, I maybe found three products. Now there are over 200 in the Canadian market."

—Gail Lynch of Zero Cocktail Bar





HAVE AI AND AUTOMATION ENABLED OR DISRUPTED BUSINESS VALUATION?

AI and automation have brought efficiencies to the business valuation process, introducing time savings and enhanced data analytics capabilities. While innovation can be disruptive, CPAs and CBVs are adept at keeping pace with this technological change. **BY HEATHER BENNETT**



Generative AI—the AI system designed to create new content, including text, images, music and code that is similar to existing data—skyrocketed to the top of executive agendas in 2023. It continues to dominate boardroom conversations in 2024 as businesses transition from experimentation to operational advantage. Meanwhile, business professionals are inundated with headlines that proclaim they may lose their jobs to GPTs and other AI technologies.

Chartered Business Valuators (CBVs), the Canadian business valuation professionals regulated by CBV Institute, have heard this refrain for decades and recognize that the volume has been amplified since GenAI became mainstream via ChatGPT. On the real property side, automated valuation models (AVMs) debuted in the 1950s as computer-assisted mass appraisals. On the business valuation side, automated business valuation software has been available since the 1980s. Today, even more software tools promise to perform valuations for accountants and business owners without the assistance of a business valuation expert. Just how good are they? Let's dive into some capabilities and limitations.

Data collection

Automation truly shines at the data input stage, where technology enables extraction from a wide variety of data sources, such as financial statements, shareholder agreements, customer contracts, tax or other regulatory filings, or meeting transcripts. Automating this (menial and repetitive) work

significantly accelerates the process of moving from client intake to more meaningful conversations around the unique drivers of value.

Data analysis

AI greatly enhances the efficiency and robustness of predictive analytics and scenario analysis (for example, Monte Carlo simulations), which are some of the more complex modelling techniques employed by business valuators. By making quick work of analyzing large data sets from various sources, AI can improve data insights and allow the valuator to focus on critical aspects, such as analyzing the reasonableness of inputs, assumptions and the conclusion of value—the “so what.”

HUMAN OVERSIGHT IS CRUCIAL WHEN CONSIDERING THE CURRENT LIMITATIONS OF AUTOMATION AND AI



Report writing

Software programs designed specifically for business valuators help automate the report-writing process by entering data into a report template that has been customized by the business valuator to meet applicable laws, regulations and standards. This streamlines the valuation process, allowing valuators to communicate their insights and expertise more quickly.



Real-time valuations

Private markets, forecast to grow from \$14.7 trillion (assets under management) to an estimated \$20 trillion or more by 2028, require more frequent, robust and transparent fair value reporting for their private investment portfolios. These portfolios can include hundreds of private company investments across a variety of asset classes. Several technology solutions have been launched by experienced valuators who have partnered with AI experts to solve a pressing market need.

Accurate valuations are vital to the integrity of both public and private capital markets, whether for the sale of a business, financial reporting or dispute resolution. While technology offers efficiencies, overreliance on AI and automation in business valuation can create several risks. Business valuation is not merely a mechanical process—it requires specialized training, informed professional judgment and a high degree of integrity and accuracy.

**180
MILLION**

The number of ChatGPT users as of December 2023, according to AI prompt manager company AIPRM

Although “automated” might imply a fully complete process, when software completes a valuation with little to no human intervention, this is not the reality. The capabilities of AVMs and AI tools vary, and while each may facilitate the process to a different degree, all software-driven valuations ultimately require professional judgment and human oversight.

Professional judgment is essential, for example, in choosing the appropriate valuation methodologies, normalizing financial statements, adjusting valuation metrics for specific risks, assessing intangible assets, and triangulating or calibrating valuations from different methodologies.

Human oversight is crucial when considering the current limitations of automation and AI. Algorithms may work well on average, but is there such a thing as an average company? In addition, automated tools are only as good as the data they process. Inaccurate, incomplete or biased data can lead to flawed valuations, with potentially severe consequences. As regulated professionals, CBVs remain accountable for the integrity of the data used in their analyses.

In short, although technological advancements like AI and AVMs have become critical enablers to the valuation process, accredited business valuators remain essential to protecting the robustness and integrity of the overall process and resulting conclusions.

There is no doubt that technology can be transformative, and that AI and automation are having a real impact on the valuation process across all asset classes. Although every business is unique, which presents its own valuation challenges, leveraging technology allows the valuator to focus on more strategically important work for the client. Given the competitive market for valuation professionals, the demand for technology-enabled solutions is not surprising.

AI isn't just having a moment—it's permanently changing workflows for all professionals in the information economy. CBVs remain at the forefront of this trend, deploying the latest technology alongside real-life practical experience to put forward globally respected valuations of a business, its securities and/or its assets. ♦



Heather Bennett, a seasoned business valuation research professional, spearheads guidance and thought leadership initiatives at CBV Institute. CBV Institute leads the Chartered Business Valuator profession, upholding the highest standards of business valuation practice through education, accreditation and governance of the CBV, for the benefit of the public interest.

Food prices have surged since the pandemic, sparking accusations that Canada's grocery giants are gouging customers. But is that really the case? We asked the experts.

GROCERY WARS

BY ANDREW RAVEN



In November 2023, a new group popped up on Reddit called “Loblaws is out of Control.” Originally, it was a place where frustrated shoppers could post pictures of \$13 chicken breasts and vent about high grocery prices.

But over time, complaints coalesced into a full-scale revolt against Loblaws and its parent firm, Loblaw Companies, which also owns No Frills, Shoppers Drug Mart and others.

Reddit members accused Canada's largest grocer of price gouging and called for a boycott, which had hit the two-month mark by July.

“[Loblaws] is straight up robbing, big time,” posted one user.

The movement tapped into a well of public anger over food prices, which have jumped

nearly a quarter since 2020. The surge has sparked parliamentary hearings, an investigation by Canada's competition bureau and threats of government price caps on staples.

But four years into this tempest, two important questions remain. Firstly, are Loblaws and Canada's other big grocery chains really gouging customers or are they merely innocent victims of global inflationary pressures? Secondly, and even more importantly, have three decades of consolidation in the grocery industry dashed competition and left Canadians at the mercy of an unbreakable grocery oligopoly?

Pivot recently put those questions to a group of experts, including activists, industry insiders and chartered professional accountants. Here's what they had to say.



Loblaw has become the scapegoat of many angry consumers across Canada

THE ACTIVIST

Emily Johnson
Food Security Campaigner



It was November 2023 and Emily Johnson was surfing Reddit when she came across a picture of a bare-bones holiday planter from Loblaw. “It was sticks and ribbon and it had an \$85 price tag,” she recalls.

More bemused than anything, the mental health and addictions worker decided to start her own Reddit group, or subreddit, where people could commiserate over high grocery prices.

Little did Johnson know that the thread “Loblaw is out of control” would morph into an uprising against Canada’s largest grocer. Within a few months, tens of thousands of Canadians had joined the subreddit. Loblaw Chairman Galen Weston Jr., the scion of one of Canada’s wealthiest families, quickly became a favourite target, and posts took on an eat-the-rich vibe.

“[There was] a lot of anger and frustration being vented on the platform,” says Johnson, a single mother of two from Milton, Ontario.

Group members came to the realization that “we as consumers need to be doing more to hold companies like Loblaw accountable for their choices and how they impact consumers,” says Johnson. So she and other subreddit moderators called for

a boycott of Loblaw and its affiliates for the month of May. In a manifesto, they demanded a halt to “retailer-led” price increases for 2024, a cap on the price of essential goods and the identification of products that had been “shrinkflated.”

The protest grabbed headlines across the country and pollster Leger found that 18 per cent of Canadians either joined the boycott or had someone in their household who did.

Johnson, who met with Loblaw CEO Per Bank during the height of the boycott, says she understands that grocers are facing rising prices from suppliers and that food retailing is a small-margin business. But she believes a lack of competition in the grocery industry, which is dominated by five big retailers (see sidebar, opposite, “How did we get here?”), is inflating prices and hurting Canadians.

“When we’re seeing general inflation cooling, when we’re seeing food inflation cooling and we’re not seeing prices cool to reflect that, you kind of have to stop and say, ‘Well, what’s going on here?’”

Johnson and some fellow boycott organizers are now focused on launching a charity to advocate for the nearly 9 million Canadians who live in food-insecure households. The response to the Loblaw boycott has left her optimistic that Canada is finally ready to confront what she considers a long-standing national black eye.

“Just seeing that kind of support, it does make me hopeful that this light that’s shining on the issue can really affect change.”

How did we get here?

A look at 30 years of consolidation in the grocery industry

Five behemoths—Loblaws, Sobeys, Metro, Costco and Walmart—dominate the grocery business in Canada. Critics say that has stifled competition and is one of the reasons food prices have spiked in recent years.

Canada's grocery market hasn't always been so top-heavy, though. As recently as 1986, 10 large chains operated in the country. But an unrelenting series of mergers has seen names like IGA, Safeway and A&P swallowed up by competitors. Here are some of the most-notable mergers.

1990
A&P and Steinberg's

1992
Steinberg's split between Metro, Provigo and IGA

1998
Sobeys and IGA

2005
Metro and A&P

2009
Loblaws and T&T

2013
Sobeys and Safeway

2013
Loblaws and Shoppers Drug Mart

2018
Sobeys and Farm Boy

2021
Sobeys and Longos



THE PROFESSOR

Sylvain Charlebois

*Director of the Agri-Food Analytics Lab,
Dalhousie University*

Sylvain Charlebois, one of Canada's most prominent food chain researchers, says grocers aren't blameless when it comes to rising prices. But the man who goes by the X handle "the Food Professor" thinks the public antipathy toward them is largely misplaced.

"Most social groups that have actually aimed at grocers oversimplify what I believe to be a much more complicated issue. They think that if a food price actually goes up, that's the grocer's fault. That's not how it works."

Charlebois says a combination of factors, from climate change to supply chain bottlenecks, have forced food costs higher globally, leaving grocers with little choice but to jack up their prices.

He believes terms like "profiteering" and "greed" are being thrown around too loosely, especially in an industry where profit margins often hover around 3 per cent, much lower than most sectors.

"Define profiteering. Define greed," he says. "Nobody's actually ever successfully defined what greed looks like or how you measure

greed in the grocery business. Do you have to look at net profits? And if you do look at net profits, what is the proper threshold? (Is it) 2 per cent, 3 per cent, 4 per cent?"

Charlebois says he put that query to New Democratic Party Leader Jagmeet Singh during a meeting last year. (The NDP has called for a price cap on certain staples and backed a windfall tax on grocers.)

"He was never able to answer that question," says Charlebois.

Charlebois's views have made him a favourite foil for members of "Loblaws is out of control." His photo appears in the subreddit's banner alongside Loblaw Chairman Galen Weston Jr. and CEO Per Bank. His media appearances are routinely met with scorn by group members, with some accusing him of being an apologist for big grocers.

But Charlebois says there has been a lot of "idiocy" around the accusations of profiteering and that many people "have no idea how food distribution actually works."

In his view, the biggest problem in the industry isn't inflation but rather price volatility, which is driven in part by the fees grocers charge food makers for shelf space.

Charlebois is hopeful that a new grocery code of conduct (see sidebar, page 28, "Where do we go from here?"), now under discussion, will tamp down that volatility.

"You wouldn't see this cat-and-mouse game between suppliers and grocers. That really impacts competition and prices over time."



NDP Leader Jagmeet Singh proposed a bill to lower grocery costs



THE INDUSTRY INSIDER

Richard Baker
Food Marketer

If anyone knows how the grocery industry works, it's Richard Baker. He has spent about 15 years helping mid-size food and beverage companies break into grocery stores.

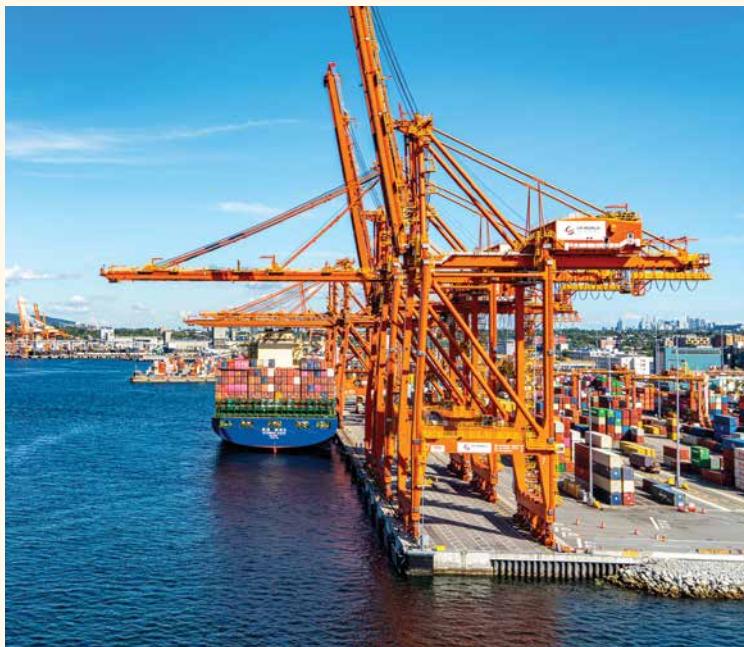
Baker doesn't see any grand scheme to gouge customers. Rather, he says his clients and other suppliers have faced an unrelenting rise in the cost of ingredients, leaving them with two choices: shrink the size of their products or charge grocery stores more, a price bump that will inevitably be passed on to consumers.

He thinks brands and grocers are being unfairly vilified, including by politicians eager to score points with voters. Baker pointed to U.S. President Joe Biden's State of the Union Address in March, when he called out Snickers for downsizing its bars, though the company denied reducing the size or number of the bars.

"What he doesn't talk about, though, is that, over the past year, the price of cocoa has gone up by 250 per cent," says Baker. "So what is the manufacturer supposed to do? Go bankrupt and shut down the lines?"

Baker says since the COVID-19 pandemic, a shortage of shipping containers, the war in Ukraine and climate change have driven up ingredient costs. In 2022, he spoke with a hot-sauce maker who wanted to get her products into Canadian supermarkets. Her sauces used to retail for US\$5.49, but because of rising raw material costs, they're now priced at US\$7.99—a jump that would make breaking into stores here a slog.

"I'm sorry, that's not greedflation," he says. "That's just the effect of the pandemic."



Shipyards dealt with container shortages that, in turn, led to supply issues that caused consumer goods prices to rise

Where do we go from here?

A new grocery code of conduct is aiming to take a bite out of food inflation



Wielding the threat of legislation, federal and provincial governments have been pushing the grocery industry to develop its own voluntary code of conduct. This set of guidelines would level the playing field between the grocery giants and their suppliers. The latter often complain that they face arbitrary fees and hefty fines from grocers but have little choice but to open their wallets.

Experts say those costs are often passed on to customers, playing a significant role in food inflation.

Among other things, the code of conduct would allow suppliers to go to an arbitrator to settle certain disputes with grocery chains.

"It would stabilize prices," said Sylvain Charlebois, a food chain expert at Dalhousie University.

After months of resistance, Walmart and Costco both agreed in the summer to sign the code of conduct, joining Empire, Metro and Loblaws. The code is supposed to be officially enacted next summer.



Despite growing complaints, Loblaws, Sobeys and Metro posted a combined \$3.6 billion in profits in 2022

THE ECONOMIST

David-Alexandre Brassard
Chief Economist, CPA Canada

Since the start of the pandemic, profit margins for Canada's three biggest grocers have ticked up to 3.1 per cent from 2 per cent—evidence, critics say, of price gouging.

But David-Alexandre Brassard, chief economist at CPA Canada, doesn't think that's the case. He believes grocers have instead benefited from a surge in demand, first during the dark days of the pandemic when people had fewer things to spend their money on, and more recently as Canada opened its doors to more immigrants. (Canada welcomed more than 400,000 new permanent residents in each of 2022 and 2023.)

"[Grocers] are making more money overall because if you've got more customers in the same store, your returns are bound to get better," Brassard says.

Loblaws, Sobeys and Metro posted a combined \$3.6 billion in profits in 2022, according to the Competition Bureau of Canada, while the grocery industry at large made \$6 billion, according to the Centre for Future Work, a think tank.



Those lofty totals prompted the New Democratic Party to accuse the big chains of "blatant greedflation." The NDP floated proposals to impose a windfall tax on grocers and cap the prices of staples, as some European countries have done.

Brassard doesn't think that type of intervention is a good idea, though.

"I'm not a big fan of those arguments, because whenever you try to stall [revenue] growth, you're stalling productivity and innovation in the meantime."

He thinks the better approach is for the federal government to encourage more competition in the industry, which is dominated by five companies: Loblaws, Empire (which owns Sobeys), Metro, Costco and Walmart. But with the cost to break into the market so high, Brassard thinks that ship might have sailed.

"[Officials] should have done more in the past to try to ensure that the grocers did not get in such a strong position. I don't want to be negative, but their capacity to act on this is limited."

Food price inflation has levelled off in recent months, reaching 1.5 per cent in May and raising hopes among some shoppers that grocery store prices could fall back to something close to pre-pandemic levels.

But Brassard says that's unlikely. "Basically, we never see disinflation outside of a recession."



The Calgary Food Bank, like many others, is dealing with a spike in users

THE ADVOCATE

Farhana Janmohamed, CPA, CMA
Treasurer, Calgary Food Bank

As food prices rise, more people are staring down the barrel of hunger. In March 2023, 1.9 million Canadians visited a food bank, a nearly 80 per cent jump from 2019, according to Food Banks Canada, a charity.

CPA Farhana Janmohamed has seen that surge first-hand. She is the treasurer and a member of the board of directors of the Calgary Food Bank. The number of food hampers the food bank distributes every day has doubled over the last five years.

"The need now is more than it has ever been," she says.

More than one-third of food bank users are employed, a sign that money is not going as far as it used to, Janmohamed says. As an example, she points to one client, a single mother of two



who works in health care and uses the food bank to "stretch" her paycheck.

"We are seeing more working people coming on a more regular basis, and that's concerning," Janmohamed says.

When clients go to the grocery store, they often pass up on meat and other expensive proteins, she says. But Janmohamed doesn't think higher food prices alone are responsible for the surge in demand for food banks. Rising rents, sky-high child-care costs and other factors are also putting pressure on Canadian families, she says.

"The cost of everything is going up."

She doesn't see that vise loosening anytime soon.

"I think we were hopeful that we would see a decline [in food bank use] after the pandemic, but we have not. I'd love to put on some rose-coloured glasses but we are preparing to see demand increase."

While the big grocery chains have been pilloried for rising prices, they supply more than 80 per cent of the food bank's fare, including fresh produce and staples like bread. Janmohamed says that's a side of grocers that many people don't see. ♦



SAAS AND
OUTSOURCING SERVICES

RECONCILE INVESTMENT PORTFOLIOS IN MINUTES.



Accounting Firms and Family Offices across Canada trust ARTIFFEX's automated investment bookkeeping solution for unparalleled accuracy, productivity, and profitability.

- ▲ Increase margins and scale your business
- ▲ Free up internal resources
- ▲ Seamless integration into existing workflows
- ▲ Get personalized, expert user support

"ARTIFFEX's accounting reconciliation software has truly delivered on its promise to help us save time and increase operational efficiencies within our firm. As a result, we can better serve our clients with confidence and grow our business." – Jennifer Wakeham, McCay Duff LLP

FAST. PRECISE. SECURE.

Contact us to see how ARTIFFEX can transform your firm.



📞 514-843-9855 📧 info@artiffex.com 🌐 www.artiffex.com

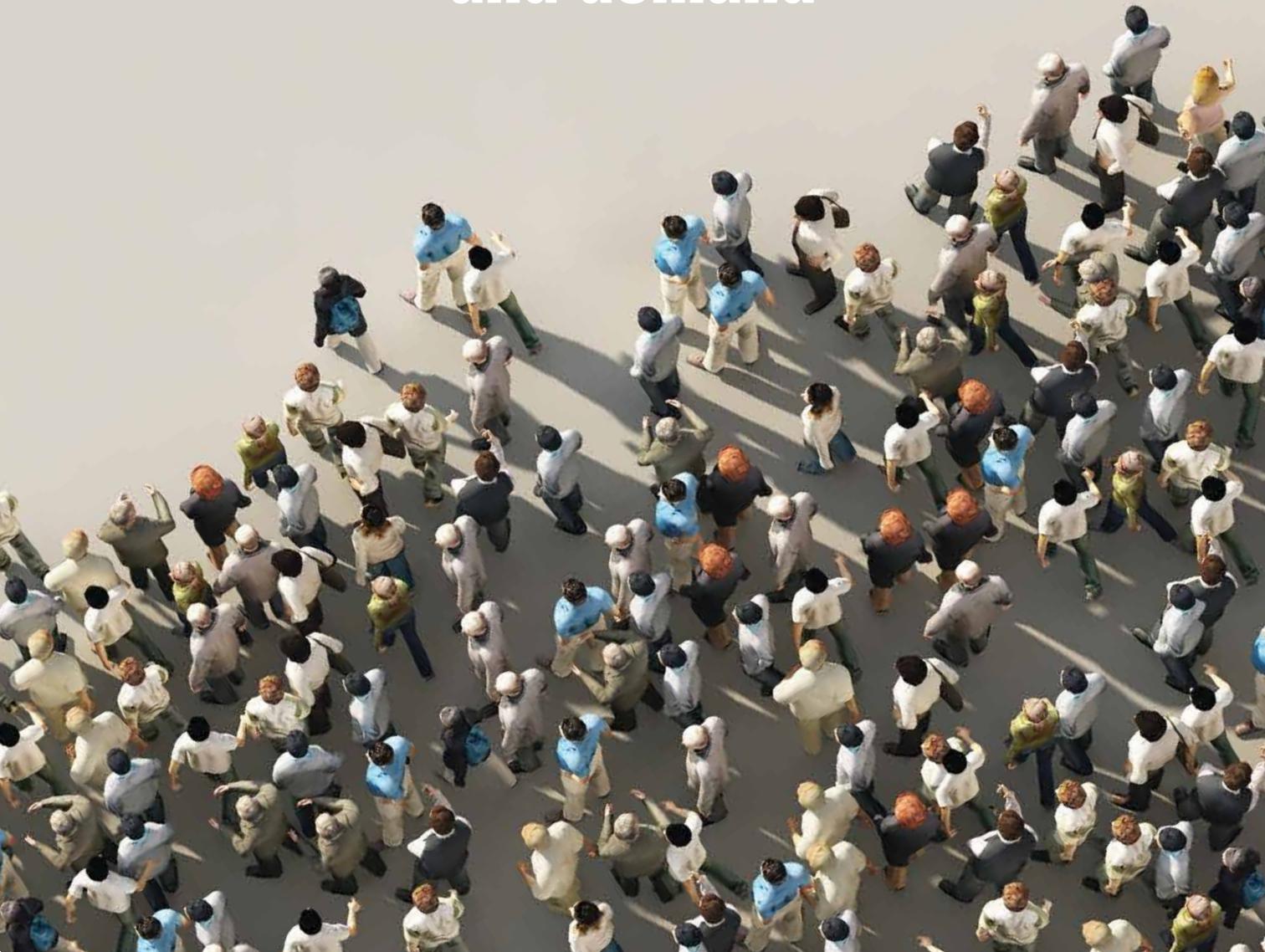
BY JOHN LORINC

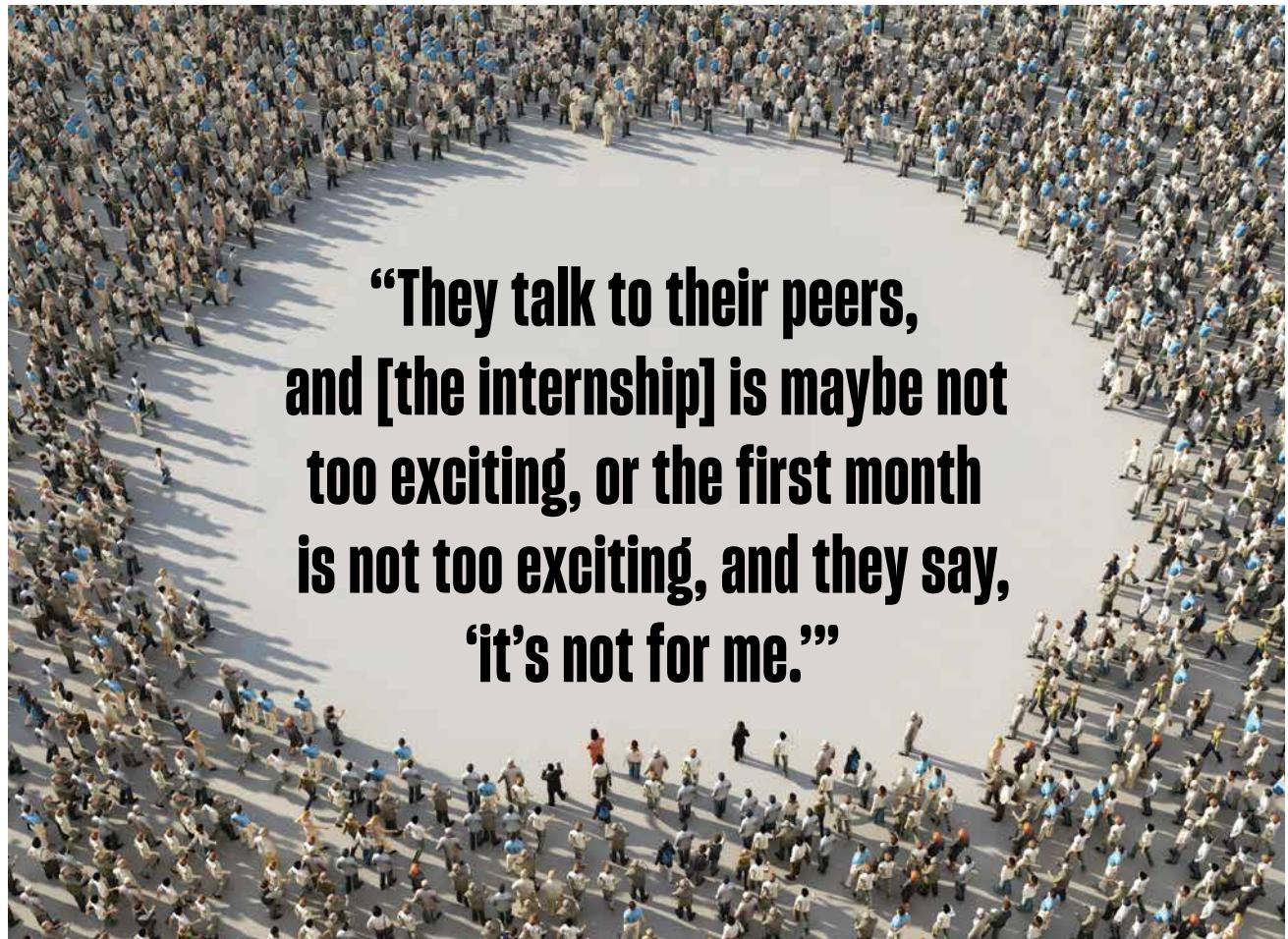
Supply



As the need for accountants outpaces
the number of new CPAs, the profession
has an opportunity to show young
people how their values can be part of
accounting's future

and demand





“They talk to their peers, and [the internship] is maybe not too exciting, or the first month is not too exciting, and they say, ‘it’s not for me.’”

Mitchell Stein, an associate professor of managerial accounting and control at the Ivey Business School, recently had what struck him as a revealing conversation with a student at Western University. A psychology major, she had taken a business accounting course as an elective and discovered, somewhat unexpectedly, that she enjoyed the discipline enough to move into Ivey’s program. She then secured a summer job at an accounting firm, and also consulted Stein for his advice on doing a CPA just before she began the work program.

He told her she seemed to have an aptitude for accounting and urged her to pursue it. “One thing that stuck out at me,” he recounts, “is that she said, ‘I’m starting this in the next week or two, [but I] need to catch up on summer courses, and if I don’t like it in a couple of weeks, I’m not going to do it.’”

The exchange dovetailed with similar sorts of feedback he’s heard lately from commerce and accounting-focused students. “They talk to their peers, and [the internship] is maybe not too exciting, or the first month is not too exciting, and they say, ‘It’s not for me.’”

Other accounting educators point to an expectations gap that dissipates once young people get going in their careers. “There might be a bit of a misconception of what the profession entails versus what it actually is and what it offers,” observes Catherine Barrette, an associate professor in the teaching stream at the Rotman School of Management. “Some of those misconceptions [are] that the profession is a little bit rigid and [it] would limit what you can do afterwards, which actually is quite contradictory when you see CPAs in the workplace and where they end up five or 10 years after graduation.”

There’s nothing especially new about young people zig-zagging through those early academic and work-related experiences as they try to figure out what suits them best. Yet in the aggregate, the sorts of stories that Stein and many other accounting educators tell about the diminishing lustre of the CPA badge seem to be at odds with what those in the profession feel—revealing the contours of what has become, for some, a deeply worrying imbalance between the supply and demand for CPAs.

A labour market survey conducted by CPA Manitoba, for instance, found that 45 per cent of the province’s accountants

felt confident that the value of the designation has remained consistent, and another 36 per cent saw it gain in importance. Yet Manitoba, like many other parts of the country, has seen some stagnation in new entrants.

The ranks of CPAs working in Canada has not changed meaningfully since 2011, yet the population, the numbers of tax filers and the size of the labour force have risen in the same period. There are 20 per cent more small businesses today compared to 2011, yet the productivity gains have not kept pace with these trends, according to CPA Canada data.

An online survey of almost 200 HR managers conducted late last year by recruiting giant Robert Half found that 90 per cent reported difficulties in filling internal accounting positions and over a third were concerned that the resulting backlogs were leading to accounting inaccuracies. Half attributed these responses to “a shrinking talent pool.” In the United States, the *Wall Street Journal* reported late last year that tax preparation firms and the Big Four were scrambling to find accountants abroad to handle returns before the filing deadline.

The consequences of this pipeline crisis—for capital markets, government institutions and individuals—are bracing. “There is a decline, and it’s not just in Canada,” says Irene Wiecek, an accounting professor with the University of Toronto’s Institute for Management and Innovation, who also represents Canada on the accountancy education panel of the International Federation of Accountants. “The cost to society is huge.” Without a sufficient supply of CPAs, companies will find themselves scrambling to carry out a wide range of tasks, from internal controls to public disclosure and compliance. Governments and society more generally rely on the profession for tax advice, tax collection, and assurance services guaranteeing the integrity of public markets. It’s not an overstatement to assert that accountants are an integral part of the modern economy, with its dual reliance on the wealth-generating function of the private sector and the responsibility of government to raise the funds needed to provide the services required in a highly diverse society.

“There are key tasks, that are economy-wide, that are done by accountants, such as tax administration for individual businesses,” adds David-Alexandre Brassard, CPA Canada’s chief economist. “Taxes need to be done in a timely way, and they need to be done at low cost. If you don’t have enough accountants, the timeliness part is an issue, and the cost part is an issue as well.”

Wiecek points to other concerns related to the shortage of accountants, such as the steadily expanding standards and regulations governing the disclosure of hard information about corporate environmental performance. She cites the latest set of sustainability reporting requirements adopted recently by the European Union, which may impact Canadian firms supplying to European companies. “Anybody who has this footprint in the European Union, whether they’re listed or not on public markets, requires this additional reporting, and then they need it to be assured as well.”

While the cascading impact of the decline is apparent, the reasons behind it are multi-faceted and therefore challenging to confront. What’s more, Canada is by no means alone in experiencing a drop in enrolments and graduations. Similar trends have been observed in the United States, Europe and Asia.

Accounting educators in Canada concede they need to do a better job at communicating the full range of career opportunities made available by an accounting degree so that it appeals to a generation of young people more interested in disciplines like sustainability and analytics than conventional auditing. As Andy Thomas, CPA Canada’s vice-president of education, says, “There are some very exciting stories to be told there, and maybe we need to get out there and do a better job of telling those stories.”



Since the beginning of the COVID-19 pandemic, American accounting organizations have been reporting disquieting statistics about an accountant shortage, including low retention rates for accounting students. The American Institute of Certified Public Accountants in 2023 revealed that the number of first-time candidates sitting for CPA exams plunged by a third between 2016 and 2021, from more than 48,000 to about 32,000. The following year marked a lower number of exam takers than in 2006, and far fewer candidates are passing the fourth section of their tests.

In 2023, a survey published by the Association of Chartered Certified Accountants (ACCA) found that the profession is being buffeted by stagnating wages, hybrid work arrangements and burnout, while career mobility is seen to be driving a talent crunch. Technology is also playing a role, the ACCA found. The faster pace of technological change in the profession is “turning off” some people, especially millennials and baby boomers; for others, there is the talk of AI taking over the work of the accountants—although most experts are not convinced that the latter will be happening anytime soon, if at all.

Andre Bellefeuille, president and CEO of the CPA Atlantic School of Business, says his institution actually saw a slight uptick in new learners in 2024, but acknowledges the overall trend. His analysis of what’s driving it, however, draws in an array of wider societal forces. “What we’re seeing in the profession is no different than what we’re seeing at grad schools,” he says. “I think it’s more a function of demographics than people are willing to give credit to.”

Baby boomers swelled the ranks of the accounting profession, and every other job category, but the rate at which they’re retiring hasn’t been offset by new entrants. “We’re having the undoing of that at the other end,” Bellefeuille notes. “And the question becomes: Can employers ask would-be employees to jump through the same hoops when there

are ever more jobs available and less of a feeling of crisis over getting a job than, say, would have been the case for me when I entered the [labour force] in the 1990s.” CPA Canada’s Brassard adds that the average age of accountants in Canada, 47, is about five years older than the average for accountants globally, which means the retirement/replacement pressures are being felt sooner than in other sectors, and potentially more acutely than in the United States, because our tax code is more complicated.

Taking a more sanguine approach, Bellefeuille argues that the ebb and flow of demographics, coupled with macroeconomic trends, will largely sort out issues of supply and demand. Recessions traditionally lead to rising enrolments in professional programs, including accounting, and the COVID-19 recession of the past few years has been no exception. There’s also some evidence that employers, responding to inflation-driven increases in the cost of living, have sought to become more competitive with their salary offerings. The Robert Half survey conducted last year found that 45 per cent of the responding firms were offering referral bonuses, 40 per cent had bumped up entry level salaries and 38 per cent were offering paid internships.

But the persistence of the trend lines has accounting educators rethinking their approach to recruiting and retaining students—and that includes conveying the fact that there is a wide array of career trajectories that a CPA designation opens up, beyond working in private practice.

“We have many students who’ve gone to telecoms and banks and major companies in Canada, and you never have to set foot in the door of an accounting firm to get your CPA,” says Ivey’s Stein. “People always thought, *I must go to one of the Big Four and work there*, not realizing that some of our best and most successful students have gone a very different route, and that seems to work out better for them as well.”

In order to reinforce the message that people can join the profession from a wider range of backgrounds and then practice in more diverse sectors or specializations, such as sustainability reporting and data governance, the Canadian profession’s new competency map aims to provide for much more flexibility, with the goal of attracting career changers, who may be in their mid-30s, and international candidates, including those with accounting experience. “We have trouble recognizing that experience, and recognizing truly what they bring to the table,” says Thomas.

Rotman, for one, is revising its core Introduction to Financial Accounting course for first-year commerce students, so it provides not only the basics, but also a wider perspective of the profession. “By changing the first-year class and trying to make it more representative of what could be a career—bringing the student a little bit out of the weeds, more into that bigger-picture decision-making, being part of the discussion,

being at the table—we are hoping that may actually open the eyes of some students to having an interest in accounting.”

The orientation of accounting careers is also changing in ways that provide an opening for the profession to shift the traditional narrative, says Thomas. “I think, in general, younger people are very much interested in sustainability and how it factors into the world at large. We actually have an opportunity here as an accounting profession to start embedding some of those values within what we do every day.”

One potentially appealing feature of this kind of career trajectory is that it is necessarily multidisciplinary, as accountants will need to work with data scientists and engineers to properly assess the wide range of metrics associated with corporate sustainability and carbon performance. “You need somebody like an accountant, who can decide what the metrics are, decide on the goals, measure things, decide if we’re moving forward,” comments Wiecek. “You need that kind of accounting mindset for that. I think the opportunity is there for us to say, ‘Yes, accounting isn’t just about money. It is about having an impact on our lives, our society, our organizations globally and the environment.’”

Rosemary McGuire, vice-president, member experience at CPA Canada, adds that technology governance has emerged as another critical field for accountants. “There’s a really important role for accountants in overseeing the responsible use of technology and in putting in place appropriate control systems and processes,” she says. “We often look at technology [such as artificial intelligence] as a displacement of accounting functions, and sometimes we forget that it also is opening up a lot of opportunities, as well as taking out some of the more mundane tasks that colour our vision of what CPAs do.”

At Ivey, Mitchell Stein likes to stress one other point with his students, which is that the accounting degree, not unlike a law degree, cultivates the kind of analytical problem-solving skills that are in high demand in organizations dealing with highly fluid markets, rapidly evolving regulatory systems and the advent of disruptive technologies, such as generative AI. Indeed, with the federal government’s recent decision to invest \$2 billion in Canada’s AI sector as well as the advent of a new code of conduct for firms developing generative AI systems, it seems clear that fast-growing tech firms will need to hire a range of financial and governance professionals, including CPAs, to manage the coming growth cycle.

“I see it as having an understanding of how to frame problems and assess problems in a concise manner, and also with a strong aptitude around financial expertise,” he says. “A lot of students still have that impression that if you join a firm, you’re somehow going to be an auditor for life. Some people enjoy that. But there’s also so many other areas you can apply it to.” ♦

47

The average age of accountants in Canada—about five years older than the workforce overall



Get the new cost-effective, time-saving solution

Meet your clients' needs faster, using the tools you know. QuickBooks Ledger is ideal for year-end, or multi-company clients with non-operating entities.





Amanda Ram, CFO of the National
Ballet of Canada in Toronto

Curtain Call

Their work may be backstage, but these CPAs play an essential role to make sure the show goes on

Every day, Amanda Ram, a CPA and CFO of the National Ballet, makes her way to her downtown Toronto office. But instead of suits and briefcases, she's greeted by lace, tulle and sequins. "Ballet costumes look beautiful on stage, but trust me, they're even better up close. They line the halls of the building, and the designers' sketches are on the walls," she says. There are jewel-encrusted bodices, gold-embroidered fabrics, dramatic headpieces and feathered tutus from ballets like *Jewels* and *Swan Lake*. "Of course, the dancers are in the building, so if I get stressed out, I can always pop downstairs and watch a rehearsal. There's nothing quite like being surrounded by this level of creativity."

Ram cut her chops at Ernst and Young and other more traditional accounting roles before a colleague recommended her to the National Ballet in 2019. As an amateur dancer and lifelong arts aficionado, she leaped at the opportunity. "I was quite emotional about the transition because it felt like I could finally blend my career with my passion," she says.

Now, Ram is one of a handful of CPAs working in Canada's arts and entertainment sector—a niche industry that comes with unique challenges alongside its significant perks. After all—romantic notions of artistry notwithstanding—when it comes down to brass tacks, taxes must be filed, budgets balanced and long-term financial health meticulously planned to make sure artists can keep doing what they do best.

Throw in the complexities of cross-border tax regulations, royalties and the often unpredictable nature of artistic endeavours, and you have a recipe

for pandemonium without a strategy-minded financial professional in the picture. But whether they help individual artists navigate their finances or drive a full-fledged arts organization like the National Ballet, accountants in creative industries can expect a regular dose of uncertainty as they weather the ups and downs.

"Creative people, in my experience, tend to have a bit of chaos floating around them," says CPA Donna Branston, a partner at DMCL, an accounting firm based in British Columbia. Branston specializes in accounting and broader financial management services for musicians and others in the entertainment industry, including Bryan Adams and the iconic Canadian pop duo Tegan and Sara. "Clients need us when they need us, so we don't necessarily work regular hours. I was recently in Hawaii, and all my clients knew I was available for emergencies, but otherwise, I was on vacation. A VIP client FaceTimed me while I was at the beach. I answered, and it was important, but I think that solidified at least one boundary for me—I don't want to see clients while wearing a bathing suit."

Having to be on call, Branston says, means that CPAs who want to work with entertainers have to be flexible. Very flexible, in fact. Whether you're on a beach in Hawaii or tucking into a good book, there's no rest for the weary—if a panicked tour manager calls late at night with questions about the pay structure for an ongoing show, waiting till Monday (or even morning) is usually not an option. "You have to be adaptable and genuinely a great multitasker because your day can and often will change on a dime. To do well as an accountant in this industry, you have to have a passion for it," says Branston.

Fortunately, that passion can be rewarded with insider access to a creative world. Branston has been backstage at more shows than she can count. And perks aside, if you're passionate about the arts, knowing that

by
Liza
Agrba

“Creative people, in my experience, tend to have a bit of chaos floating around them... They need us when they need us, so we don’t work regular hours.”



Ballet costumes which can be seen in performances like *Jewel* and *Swan Lake*

your work helps keep the show on the proverbial road is rewarding in itself. “It feels good to know that we can offer artists support and the peace of mind that the financial side of their business is taken care of,” says Philip Goldband, a managing partner of G&G Partnership, whose Gold Entertainment Accountants division serves the cultural sector.

For Goldband and his team, working with creative people has proven to be an exercise in rapid response. And although CPAs in traditional sectors see their fair share of exigencies, crisis management is routine for those who work in entertainment and the arts. “How is the entertainment client different from the regular client? A lot of the time, the first time they call a CPA is during an emergency,” says Goldband. “New clients often sign on after receiving letters from the CRA because they haven’t filed taxes for years, even when they’re otherwise very successful,” says Goldband. “You have to know how to handle that.”

In one case, a voice actor who had departed Canada as a tax resident and spent several years working in the

United States had moved back to Canada permanently—and, due to a serious health condition, found himself well behind in both Canadian and U.S. tax filings. Facing the potential for heavy penalties for non-compliance, as both the CRA and IRS were requesting filings, a solution was urgently needed.

The Gold team assessed all the necessary filings and reviewed corporate structures in both countries, which a previous U.S. accountant had mishandled. For the U.S. personal returns, the team used streamlined protocols to avoid large penalties. And since it was not efficient to operate a U.S. corporation while being a tax resident of Canada, the former was dissolved.

It took a lot of proverbial elbow grease, but the firm’s U.S. and Canadian teams collaborated to prepare all the necessary documents and, with the help of the Voluntary Disclosures Program (VDP), aimed to avoid as many penalties as possible. A response from the CRA is forthcoming, but at the very least, the actor has a bit of breathing room to focus on his career.

“I’ve had clients literally cry from panic in my office, which you don’t see nearly as often on the traditional accounting side,” says Oksana Bernatonis, managing partner at Gold Entertainment Accountants. “We’ve seen too many amazing artists, who otherwise do really well for themselves, unfortunately not be able to sustain their craft because they are not in compliance. The earlier an artist engages a good accountant, the more likely it is they can focus on art instead of stressful tax regulations.”

With many Canadian artists touring or otherwise making an income south of the border, understanding tax regulations in multiple jurisdictions is an unavoidable part of the job. At the beginning of Branston’s career, she confidently decided that, as U.S. taxes are not her favourite subject, understanding them in depth would not be her specialty. But the best-laid plans of mice and men often go awry—it quickly became clear that expertise in U.S. tax regulations is a prerequisite for working in this field. For instance, the IRS requires



Donna Branston, partner at DMCL, an accounting firm in B.C. specializing in financial services for various entertainment groups



Philip Goldband (left) and Oksana Bernatonis, managing partners at Gold Entertainment Accountants

“It feels good to know that we can offer artists support and the peace of mind that the financial side of their business is taken care of”

a 30 per cent withholding tax on payments to non-U.S. artists performing there, which has become more strictly enforced over time, even affecting small performances. Without proper planning, artists can be exposed to overtaxation.

No matter the issue, soft skills, while always important for CPAs, are perhaps even more crucial in the entertainment industry. “We find that more so than with traditional accounting clients, clients in this world don’t often have a strong understanding of tax regulations. This sort of thing tends not to be an area of interest for creative people,” says Goldband. “And so, you have to be able to explain things in very simple terms.”

Soft skills also come in handy when dealing with a client who is non-compliant in more ways than one. Recently, an actor contacted Gold Entertainment Accountants for assistance filing personal and corporate returns spanning more than 10 years. “We spent two years unsuccessfully trying to get the required

information from him, and we are normally very good at that part,” says Bernatoni.

The actor finally hired a manager, who sent the information over, and it turned out that his total taxes owing, not including penalties and interest, was something to the tune of half a million dollars. His corporation had never even registered for HST despite far surpassing the threshold. “We filed all his outstanding returns, including a VDP for HST. His filings are now up-to-date, he was able to secure his highest-paid contract ever in the U.S., and now he can focus on his career,” says Bernatoni. It turns out that a devil-may-care attitude worked only for James Dean—actors in the real world get distressing letters from tax authorities like everybody else.

An individual who hasn’t filed their taxes for an almost impressive period is one form of crisis that demands exceptional soft skills—but what happens when a crisis hits an entire organization? Ram joined the National Ballet in 2019 and experienced about a year of normal operations before the pandemic—and then faced the reality of steering a mission-driven arts organization through an emergency. Ram’s strategic skills as a CPA helped buoy the organization at the best of times, but this was a new level of pas de deux with financial uncertainty. She focused on protecting staff and artists, negotiating pay cuts with unions and staff, securing government aid and strategically managing cash flow to ensure the show could go on (when restrictions abated). Even then, limited audience capacity made for a constant balancing act to cover full costs without full revenue.

“Soft skills are super important for CPAs coming into this type of an environment because the mission is at the forefront of everything that we do,” Ram says. “It’s crucial to establish a positive working relationship and bring non-financial people to the table to discuss potential solutions. In my role, the ability to negotiate, communicate and collaborate is just as important as technical skill.”



Banksy has managed to keep his true identity hidden for years even while filing taxes



Ikram Zouari, CFO of the National Arts Centre in Ottawa

For Ram, bringing everyone to the table is also about strategizing to enhance diversity and inclusivity—not only as an inherent good, but as an important way to engage potential new audience members. Diversifying the board, dancers and choreographers, and making sure the ballet is a fun and welcoming place, is a priority for Ram and her team. Ballet isn't a stuffy, exclusive affair anymore, and Ram is working to help it finally shed this outdated reputation.

It's safe to say that nearly every arts organization in the country suffered some sort of fallout from the pandemic. The National Arts Centre in Ottawa, whose finance department is headed by CFO Ikram Zouari, CPA, was no exception—and, she says, the effects have lingered. There's been a global decline in sales, with what looks like a permanent 20 per cent drop in attendance. That's likely down to a combination of the public's shifting priorities amid inflation and economic instability, a dicey international political climate and a shift to a digital or hybrid art world. For Zouari, managing this polycrisis environment comes down to the high-level strategy CPAs are routinely trained in.

On a typical day, Zouari may build financial models, carefully monitor expenditures to assess long-term

viability, pull data to enhance impact reporting for donors and other fundraising sources, or collaborate between departments and other institutions to help close the gap between rising costs and declining attendance. “To build a vision for the future, you need a combination of soft skills and big-picture thinking in addition to financial expertise.”

Like many CPAs in the arts, personal interest inspired Zouari to enter the sector. Her father was a painter and calligrapher, and she's always had a deep love and appreciation for the artistic world. For all its benefits, passion is essential in this challenging field. Art doesn't exist in a vacuum, so it's no surprise that the sector needs dedicated CPAs to keep the curtain up as much as it needs talented artists.

And even though art and accounting are not necessarily obvious counterparts, Zouari thinks there is more symbiosis between them than one might think. “I personally think that accounting is a type of art,” she says. “There's the art of analyzing and interpreting financial information. The art of data storytelling and explaining what drives the ratios and financial key indicators. CPAs in this field have to read behind the numbers. Ultimately, there is a very close connection between art and finance.” ♦

SECURE CLOUD & CYBERSECURITY SOLUTIONS TRUSTED BY CPA'S ACROSS CANADA

Server Cloud Canada Offers Exclusive Cyber Insurance & Protection for CPAs

In partnership with



Our program makes acquiring cyber insurance HASSLE-FREE AND AFFORDABLE while providing the coverage CPAs need.

✓ Trusted Expertise

Benefit from our industry leading cybersecurity solutions, ensuring the protection of your organization's sensitive data.

✓ Reduce Overhead Expenses

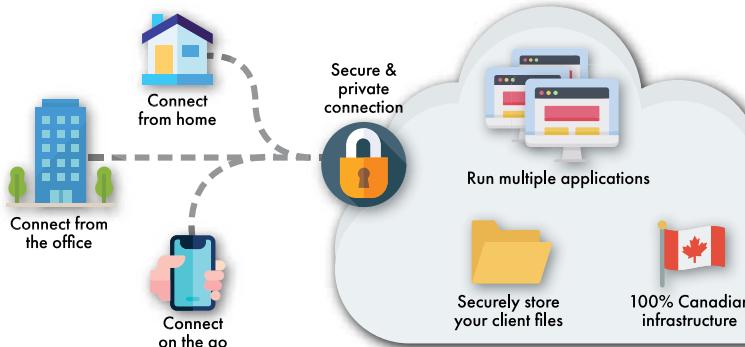
Focus on your clients and not your IT! Cut the capital and operational costs.

✓ Regulatory Compliance

Run your accounting applications from a secure SOC II compliant and 100% Canadian PIPEDA compliant cloud platform.

✓ Dedicated Support

Our team provides 24*7 assistance and dedicated customer support.



YOUR FLEXIBLE BUSINESS ENVIRONMENT

1-888-425-1967

www.servercloudcanada.com/CPA

OUR IT GROUP



Simplify your tax season with Xero

- ✓ Experience the time-saving power of the Xero Ledger
- ✓ Streamline document collection and accelerate data entry with Hubdoc*
- ✓ Fast-track tax prep with our seamless TaxCycle integration
- ✓ Count on our dedicated support

Become a
Xero Partner



Learn how accounting
is better with Xero!



* Hubdoc is included in Xero Starter, Standard and Premium plans as long as it's connected to your Xero subscription.

LAST OUT



SPOTLIGHT

CHANGE MANAGER

A fateful encounter led Betty Ferreira into the non-profit world. Earning her CPA designation helped her bring business acumen to the sector. **BY ALI AMAD**

Canada continues its gradual post-pandemic recovery, and the non-profit sector is facing profound challenges adapting to new global realities. Rising income inequality and sky-high inflation, coupled with growing housing unaffordability, are driving unprecedented demand for services provided by Canada's approximately 170,000 non-profits and registered charities.

According to CanadaHelps, one in five Canadians is turning to charitable organizations for essential support,

and nearly 60 per cent of charities are struggling to cope with the demand. This dire need comes at a time when donations have been dwindling: The number of Canadians making charitable donations had decreased for 11 years in a row by the start of the pandemic, falling to 17.7 per cent in 2021 from 23.4 per cent in 2010. In the face of these challenges, the non-profit sector is going through a major upheaval, aiming to adopt innovative strategies and harness

technologies like AI in its efforts to optimize limited resources and maximize its reach for people in need. That is where Betty Ferreira comes in.

As the founder of ReStructure Consulting, a Toronto-based management consulting firm that provides strategic and financial guidance to organizations dedicated to serving communities, Ferreira leans on decades of experience in supporting the non-profit sector, fuelled by a passion that began at the age of 10. "I was coming out onto the street after my father's annual work Christmas brunch in downtown Toronto, and I saw a homeless person for the first time," she recalls. "He was lying down in the fetal position on the cold, wet sidewalk, and I was shocked, frozen into place. All I wanted to know was, who was going to

help this man? Had someone called an ambulance yet? Once my parents explained the realities of homelessness for many Canadians, I was shocked that the government couldn't figure out a strategy to ensure no human ended up in that situation—completely alone and without any assistance."

That life-changing encounter inspired Ferreira to pursue a career in non-profits that started with volunteering as a young adult at Eva's Place, an initiative aiming to open a shelter for homeless youth in the GTA. After graduating from the University

future. (In recognition of her efforts in propelling non-profit finance, Ferreira received an FCPA in 2018.)

Ferreira's biggest impact tends to be in transforming and broadening the attitudes of leaders and staff within non-profit organizations. The key to this process is enabling the acceptance of the need for change through inclusivity and engagement. "You can't lock a consultant in a room and ask them to develop a strategy that will be accepted by stakeholders in an organization without their input and their acceptance," she says.

"[NON-PROFITS] MUST THINK IN NEW WAYS, LEVERAGE NEW TOOLS AND METHODS, AND MANAGE NEW RISKS."

of Toronto with a degree in sociology, she joined Eva's Place full time, overseeing fundraising and organization for the opening of the shelter in 1994.

"Through that experience, I realized the vital importance of finance to the resiliency of non-profits," she says. "I also saw many other youth shelters were financially struggling and that had to do with limited financial acumen across the sector."

Ferreira encountered many of those challenges herself, particularly when she took on the role of interim executive director at Eva's Place. "I sat in fear that the treasurer would ask me a question that I didn't know how to answer," she says. "I vowed to do something about that, and that's where my focus on finance began. It started with strengthening my own knowledge, and then it became my passion to help other non-profits."

After almost 10 years, Ferreira left Eva's Place to seek other opportunities before launching ReStructure Consulting in 2005. To further boost her skill set, she earned her CPA designation in 2013. With ReStructure, Ferreira has aided numerous charities, foundations, social enterprises and local government departments with her consulting, which relies on foresight methodologies that help clients create new leadership and financial strategies to prepare for the

On several occasions, she has also pushed non-profit clients to break out of the stereotypical thinking that can often be found in the non-profit sector. "Some clients have the scarcity mindset when it comes to lack of funding, the belief that 'this is the way it is in the non-profit sector,'" she says. "Now, while this is true, it is also not true! A scarcity mindset will always lead to an organization that has a perpetually weak business model—even when better outcomes are achievable."

In this unpredictable and rapidly evolving post-pandemic world, her work on these fronts is needed now more than ever. This is especially true in Canada, where non-profits generate approximately 8 per cent of Canada's GDP and employ 10.8 per cent of its full-time workforce. "Organizations must think in new ways, leverage new tools and methods, and manage new and unknown risks," says Ferreira, who encourages clients to pursue innovative approaches like mergers or program co-delivery with similar organizations, fee-for-service models, or even enlisting the talents of AI and marketing specialists to boost fundraising efforts and service delivery.

To help spread her message, Ferreira launched a second venture called Goodcasting in 2018, through which she provides speaking, training and

consulting services for social purpose initiatives. Focused on running virtual finance boot camps for non-profits and delivering keynote speeches to business and community leaders across the country, Ferreira knows her work is far from over. Thirty years after her Eva's Place (now called Eva's Initiatives for Homeless Youth) shelter opened, demand for its services has unfortunately never been higher. The same holds true for many non-profits covering various human needs, like food, health and shelter, and more. And yet, Ferreira remains positive about the non-profit sector's ability to adapt and thrive. "The pandemic has inspired non-profits to look to new ways to diversify revenue, to explore new business models," she says. "The current energy around social finance and re-imagining the traditional non-profit business model is inspiring and I'm proud to be part of the energy that has propelled this conversation forward." ♦

FOOD

WASTE NOT

Canadian companies are repurposing food waste to feed more families on a budget
BY SARAH MACDONALD

It happens to the best of us; we buy a container of berries with the best intentions, only to completely forget about it and find it covered in mould weeks later. Food waste is uncomfortably common across the food sector when it comes to farms, grocery stores, catering and restaurants. In fact, 50 million tonnes of food are wasted nearly every year in Canada. Even more alarming: A whopping 60 per cent of that food could be rescued. Meanwhile, prices are rising due to inflation, which means food insecurity is a reality for many. That's why some Canadian companies are setting out to put an end to food waste while helping to make sure more families are fed.

REMINDER - NOTICE OF ANNUAL MEETING OF MEMBERS

VIRTUAL MEETING VIA LIVE WEBCAST AT
[HTTPS://MEETINGS.LUMICONNECT.COM/400-454-807-888](https://meetings.lumiconnect.com/400-454-807-888)

Notice is hereby given that the 2024 Annual Meeting of the Members ("Members") of Chartered Professional Accountants of Canada ("CPA Canada") will be held entirely virtually via live webcast at <https://meetings.lumiconnect.com/400-454-807-888> on September 20, 2024, at 11:00 a.m. (EDT) for the following purposes:

1. to receive the financial statements of CPA Canada for the fiscal year ended March 31, 2024, together with the public accountant's report thereon;
2. the reappointment of MNP LLP as the public accountant of the Corporation, to hold office until the close of the next annual meeting of the members or until the firm sooner ceases to hold office; and
3. to transact any other business as may properly come before the meeting or any adjournment thereof.

The CPA Canada Board of Directors have recommended that the Members reappoint MNP LLP as the public accountant for the fiscal year ended March 31, 2025.

The annual financial statements of CPA Canada included in the 2023 – 2024 Annual Report are available at cpacanada.ca/2024AGM. Copies of the annual financial statements are also available at the registered office of CPA Canada. Any Member may, on request, obtain a copy of the annual financial statements free of charge at the registered office or by prepaid mail or by electronic mail by contacting customerservice@cpacanada.ca or 1-800-268-3793.

Members of CPA Canada as at August 15, 2024 and duly appointed proxyholders will be able to participate in the meeting, submit questions, and vote, all in real time, by connecting to the meeting via the internet at <https://meetings.lumiconnect.com/400-454-807-888> using the latest version of Chrome, Safari, Edge or Firefox on their computer, tablet, or smartphone.

Your vote is important. In order to attend and vote at the meeting, you will need to register at <https://reg.lumiengage.com/cpa-canada-agm-2024>.

Further instructions regarding Member participation in the meeting, including your ability to access the meeting using a control number, will be provided by email prior to September 20, 2024.

In order to receive the email, it will be necessary to register using this link:

<https://reg.lumiengage.com/cpa-canada-agm-2024>.

Members who are unable to attend the meeting and who wish to be represented may visit the CPA Canada website at cpacanada.ca/2024AGM to obtain a proxy form.

Dated this 25th day of June 2024.

On behalf of the Board of Directors,



Pamela Steer
President and CEO

Perfectly good food is wasted for a number of reasons. A fresh carrot might look slightly misshapen, a loaf of bread may be nearing its best-before date or there may just be too much of a particular product available and not enough consumer demand. Throwing out food doesn't just contribute to waste and climate change—it impacts our wallets too.

"Consumers started taking food waste seriously first during the COVID-19 lockdown, when there were supply chain issues, and they had the time and attention to see what they were wasting at home," says Jo-Ann McArthur, president and founding partner of Nourish Food Marketing. "Now, with inflation, that focus has intensified." As a result of this recognition, many companies have emerged in the market with a new approach that food can and should have a second life.



SINCE ITS LAUNCH IN 2016, FLASHFOOD HAS DIVERTED MORE THAN 45,000 TONNES OF FOOD FROM LANDFILLS

"I never want to see a child go hungry," says chef Jagger Sean Gordon, founder of Feed It Forward. While working in kitchens at restaurants, he saw the amount of food waste created that could be redirected elsewhere to lessen the burden on families who were struggling. That's what led to the launch of Feed It Forward, a non-profit organization that works to lessen food waste in a number of different ways. As part of the organization, Gordon

opened a pay-what-you-can soup bar for Humber College in Toronto six years ago to help students get quick, nutrient-rich meals (think: soups, stews and chilis) with seasonal ingredients. The successful endeavour got him thinking about what else was possible with the combination of community and food mindfulness.

Feed It Forward now has a pay-what-you-can grocery store in Toronto's west end, where chain grocery stores (including Loblaws and Whole Foods) donate usable food that would otherwise be tossed out. The organization also runs 33 vehicles, including food trucks, that distribute food around Toronto and operates a farm where volunteers grow fresh food that makes its way to its grocery store. Beyond saving food waste, Gordon's intention is to make Canadians' diets less boring and more fulfilling.

Tech is getting in on the sustainability action too, with apps like Too Good To Go allowing people to purchase leftover food from stores and restaurants (such as day-old baked goods) before they're thrown away. The app Flashfood partners with grocery retailers in Canada and the United States to take fresh produce and meat, as well as other goods, that might be tossed, and sell it on their app at a reduced cost—sometimes up to half off. Each retailer is in control of what they post to the app each day. Esther Cohn,

director of communications at Flashfood, says consumers' main goal is to spend less. Since the company's founding in 2016, Flashfood has saved consumers over \$250 million and diverted more than 45,000 tonnes of food from landfills.

The main challenge with upcycled foods is the perception that food products made from "waste" or surplus ingredients are of lower quality or less fresh, McArthur says. But "using

upcycled ingredients is not about making a cheaper version of something."

Cohn echoes this sentiment by comparing food waste reduction apps to thrift shopping. Going to a vintage store today is about quality and accessibility versus buying brand new. To combat food waste, it's important to get consumers to understand that they're still getting something worthwhile and saving money. "The food available on Flashfood is not of lower quality. It's fresh produce, meat, fish and dairy," she says, "That's the stuff that goes to waste most frequently, and it's also the most expensive."

As more Canadians continue to feel sticker shock at the grocery store, these companies are working to give food a second life while providing families with much-needed meals and offering hope for a more sustainable future. ♦

ART

ART FOR ALL

How Canadian company Peggy is making artwork accessible to everyone **BY ISHANI NATH**

Craig Follett always had a deep love of art. He notes that if his mom was listening in on our interview, she would say, "Craig won the Grade 8 visual art award!" So when Follett moved into his first home, he was excited to adorn the walls. "A house without art felt incomplete," he says.

The Toronto-based entrepreneur explored local and international art fairs and galleries in search of the perfect pieces. What he found was an opportunity to rethink how art is bought, sold and resold.

Follett partnered with long-time colleague Adam Meghji to launch Peggy, an online marketplace that aims to make art (initially paintings and original works on paper) more accessible while also supporting contemporary artists around the world. The artwork is sold in an auction format, so prices range from

\$1 to tens of thousands of dollars. Since soft-launching as an app in 2023, Peggy has cultivated a community of artists and users on six continents; last year, the company raised \$10.8 million in funding.

We spoke with Follett to learn more about how Peggy makes investing in art accessible to all (not just the wealthy) and what's next for the platform.

When you started looking for artwork, what barriers did you encounter?

The art world, kind of shockingly, is very exclusionary. It's an intimidating place for many people, regardless of income or class. And that just struck us as wrong—that of all things, art is exclusionary?

We're meant to believe that art is a way of expressing ourselves and reflecting on the world. So, the fact that the art world is exclusionary seems antithetical or opposing to people's ability to express themselves, reflect on the world, share and receive important messages.

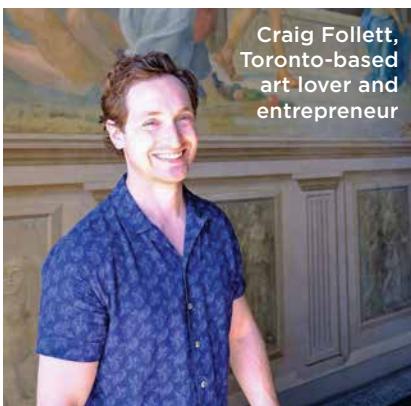
How is Peggy working to make art more accessible?

We've built a system where artists can create a unique "digital fingerprint" for every artwork. This fingerprint is created using Peggy's authentication AI, built in-house. The AI registers the unique canvas bumps and brush strokes. That means that the collector can purchase an artwork knowing that if they wish to in the future, they can sell it to another collector, who can trace the artwork back to the artist and verify it using that digital fingerprint.

How does that digital fingerprint make art more accessible?

Billionaires can purchase a Basquiat or a Picasso, and if they need to, they can sell it through an auction house. A human will look at the artwork with a magnifying glass, interpret the artwork and reference what they know in the canon, and give it a thumbs-up of approval.

That doesn't scale down, [partly] due to costs. But more fundamentally, the authenticator isn't aware of the



**Craig Follett,
Toronto-based
art lover and
entrepreneur**

cool, hip new artist from Brooklyn [who] is not in the so-called canon yet. That makes it very hard for an artist to break into the art world. It also means that someone who is collecting in a more emerging bracket doesn't get that stamp of approval to be able to sell.

We did a study with students at the Ivey Business School in London, Ontario and discovered that would-be collectors are four times more likely to buy artwork on the primary market if they have the flexibility to resell it.

What other steps is Peggy taking to shift the art resale experience?

If artwork is resold, Peggy pays a royalty back to the artist in the amount of 5 per cent, which is powerful because, right now in North America, the artist is cut out of the resale. In a world without Peggy, they sell an artwork on the primary market for some initial amount, and then the art may sell on the secondary market for [up to] millions of dollars, but the artist doesn't see any of that money.

"Resale royalties" are inspired by countries in Europe and the United Kingdom where there's the artist resale right, which means that artists get 1 to 4 per cent when their work is resold. But that doesn't exist in other countries. So we thought, *Let's make it available to artists everywhere, regardless of where they're from, and let's also make it bigger.*

What's next for Peggy?

We're expanding into prints, photography and sculpture.

We've also launched Your Vault, which allows you to go around your home and add artworks from your existing collection to your Peggy profile. The artist needs to review anything that you add and attest that this is something they created and sold to you on a particular date. So the artworks are all still verified, and you can still sell them from peer-to-peer with that attestation by the artist, and then the artist can receive a royalty on resales. That's really special and allows Peggy to expand and include the artworks that were created before it existed.

How has Peggy changed your relationship with art?

I've learned that art is one of the few appreciating asset classes that you get to enjoy as it increases in value. Art and real estate are unique in that respect. I've learned not to overthink buying art and to just dive in and collect—you don't have to call yourself a "collector" to live with great art. ♦



DESIGN

NATURAL HABITAT

The Vancouver-based design firm that is blurring the line between living spaces and the great outdoors **BY CORRINA ALLEN**

“Everything you need and nothing you don’t” is the ethos behind Arhome, a stylish and tech-forward dwelling project from Arcana designed by Leckie Studio Architecture and Design. Arhome produces tiny homes that arrive on-site fully assembled and ready to be occupied in as little as six hours. Requiring only waste, water and electricity hookups, the cabins can—and, according to the Arhome philosophy, should—be installed in remote areas, surrounded by nature and far from the noise and distractions of urban life.

Each 275-square-foot cabin offers a well-appointed bathroom and a kitchennette with modern essentials, including a stovetop cooker, an oven and a refrigerator. Smart-home elements are used throughout; a central control manages the heated floors, a built-in sound system, and automated roller shades and lighting, while a Lunos air purifier works to constantly filter in fresh air, even when the windows are closed. The presence of embedded tech

is offset by natural materials like the signature red oak plank flooring and red oak millwork that covers the cabin’s interior from floor to ceiling. An oversized picture window takes up the entirety of one wall, bringing the outside world in and creating the illusion of a continuous space that straddles indoors and out. It’s a tiny space that feels much larger than its footprint.

“WE BELIEVE THAT WHEN WE’RE CONNECTED TO NATURE, WE’RE CONNECTED TO OURSELVES”

The project stemmed from a hospitality initiative launched in 2021 by sister company Arcana. Arcana co-founders, including architect Michael Leckie, opened a pilot project in Collingwood, Ontario, to showcase

the dwelling’s unique mirror-clad design—one that creates the effect of a structure that disappears into the surrounding landscape.

The two-cabin property in Collingwood offers a self-guided getaway for those looking to immerse themselves in nature—minus tent and sleeping bags. Guests can shape their experience in whatever way they want in a space that delivers comfort and convenience. “There’s a hydrotherapy circuit and more than 10 kilometres of hiking trails. It’s designed for a two-day experience where you can completely immerse yourself in nature,” says Lacey Norton, chief commercial officer for Arcana and Arhome. “[It] was constantly booked upon launch with an ongoing wait list... That cabin property essentially demonstrated proof of concept for us.”

Making the dwellings available to a wider market was a natural next step. “Arhome is essentially the consumer version of our full Arcana cabin,” says Leckie, explaining that Arhome clients are typically boutique to mid-size hospitality providers looking to extend their offerings by adding accommodations. Think: vintners or farm-to-table restaurant owners who want to create a more meaningful experience for guests.

Like Arcana’s hospitality projects, Arhome features design elements intended to bring guests closer to nature. “We believe that when we’re connected to nature, we’re connected to ourselves,” says Norton.

Leckie cites German industrial designer Dieter Rams’s functionalist philosophy of “less but better” as a source of inspiration. “I think people are realizing that an essentialist approach to life is much more meaningful,” he says. “People are trying to distill down what’s really important to them and that extends into their homes and the things that they surround themselves with. It feels to me like there is so much noise in the world with social media that people are really trying to establish calm in their personal lives.”

The units start at \$225,000 and have yet to be completely optimized for full-time living (they lack, for example,

laundry facilities or a second bedroom), but the potential demand for a primary residence version of the current cabin is certainly on Arhome's radar.

"We launched this first model designed for short-term stays but, given the interest that we're seeing, we're continuing to explore what other models may look like for longer stays or even for permanent residence," says Norton.

Recent years have seen tiny homes offered as a solution to housing shortages, skyrocketing property prices and substantial post-pandemic increases in rent. At the same time, these little structures with a markedly smaller environmental footprint are also embraced as a response to the climate crisis. Arhome's vision for less-but-better living has the potential to alter the urban landscape too. Imagine cities in which the imperative for population densification doesn't come at the cost of precious green spaces. "That's an area of research that we're really excited about," says Leckie. ♦

BOOK VALUE

INNOVATIVE SPIRIT

Roseann O'Reilly Runte's *Canadians Who Innovate* explores Canada's creative minds, as well as the most fascinating (and helpful) inventions of our time **BY BRIAN BETHUNE**

Most Canadians are aware of their country's rich history of innovation, from Indigenous technology such as snowshoes and toboggans to insulin, pablum and the Canadarm. But public fame accrues more to innovation's tangible, physical results—that is, to *inventions*—than it does to innovative changes in thinking and approach. In short, we're more likely to consider Jacques Plante's goalie mask as an iconic piece of fibreglass than as one step in a long process of saving the faces of the NHL's battle-scarred netkeepers. We should cast our gaze more widely, argues Roseann O'Reilly Runte, in the manner of the thinkers in her *Canadians Who Innovate: The Trailblazers and*

Ideas That Are Changing the World, who find their inspiration in collaboration, especially between different spheres of expertise. "Innovation," writes Runte, "is about taking consistent, persistent problems and looking at them through an entirely different lens."

In her book, Runte uses a straightforward eligibility criterion for the innovators she celebrates: Whether you come from Canada and craft your masterpieces elsewhere or come to Canada and craft them here, you're as much a part of the discussion as the native-born and native-based. From that larger pool and the insider information provided by her own position as president and CEO of the Canada



EVANS
LAW FIRM

We represent Accountants and Financial Executives who need Employment Related Advice and Assistance

Financial professionals have rights, and lots of them, when it comes to employment law.

We offer expert legal advice and assistance for all aspects of your employment, including: wrongful and constructive dismissal/severance review/professional misconduct and defending complaints/human rights/sexual harassment/non-competition/pro-active advice to best position your interests.

- We offer flexible retainer arrangements based on an hourly basis, contingency arrangement and we never charge potential clients to review and provide our preliminary assessment/plan of action.
- Over thirty years of litigation experience representing executives and financial professionals.
- Certified Specialist in Labour and Employment law by the Law Society of Ontario since 2006.
- All communications are confidential. We never represent employers and are 100% committed to protecting your interests.
- We offer pragmatic, smart, sophisticated and practical advice.

For more information, visit www.evanslawfirm.ca or contact jevans@evanslawfirm.ca



Foundation for Innovation, Runte highlights more than 50 individuals. Some are well-known figures like Nobel Laureate Donna Strickland and two-time Giller Prize-winning author M.G. Vassanji, but most are not. They include businesspeople, medical experts, climate-disaster fighters, quantum theory and AI explorers, artistic rebels, engineers, physicists and those engaged in “social innovation for a better world.”

A SPOTLIGHT ON OVER 50 OF CANADA'S MOST INNOVATIVE MINDS, FROM NOBEL LAUREATES TO “ARTISTIC REBELS”

For all of Runte’s range, it’s clear what areas and kinds of innovation fascinate her the most. She deeply admires those whose work helps marginalized populations achieve justice and equity, like Anna Kazantseva, a researcher with the National Research Council Canada. Kazantseva is a computational linguist who entered her field when it was focused on multilingual text processing for the world’s larger language groups. The commercial impetus of language processing is often to sell products or increase the speed at which emails can be answered, but Kazantseva saw its potential for preserving cultural heritage.

She began consulting with Indigenous language speakers—people who had already been at the forefront of language revitalization for years—to learn what could work within their communities. With their indispensable input and the help of other NRC researchers, Kazantseva has made major strides in establishing text-to-speech software for Kanien’kéha (Mohawk language) and SENĆOTEN (Saanich language) education.

It’s not just Kazantseva’s goal but her cross-disciplinary approach that Runte emphasizes. In a similar fashion, the federal government’s chief science adviser, Mona Nemer, tells Runte how she was educated as a chemist but believes that discoveries are to be found “at the intersection of different disciplines, such as chemistry and biology.” That was the frontier where Nemer—a professor of biochemistry at

the University of Ottawa—gained the insights that proved crucial to developing diagnostic tests for heart failure and furthering our understanding of the genetics involved in cardiac birth defects.

Runte, an award-winning poet and the past-president of four Canadian and American universities, sees the same pattern in artistic innovation. Consider Jeremy Dutcher, composer, musicologist and Wolastoqiyik (Maliseet) member

of the Tobique First Nation in New Brunswick. A Dalhousie graduate, trained as a classical operatic tenor, Dutcher transcribed Wolastoqiyik songs recorded on wax cylinders in 1907. While doing so, Dutcher “magically heard the sounds of his ancestral voices.” Eventually, he recorded a unique incorporation of opera’s drama and high notes into his people’s traditional songs for his album *Wolastoqiyik Lintuwakonawa*, winner of the 2018 Polaris Music Prize.

Like the social innovators Runte discusses in her final chapter, artists like Dutcher and the painter S. Gordon Harwood—who creates art during classical musical performances in Ontario and Quebec prisons—may not seem to be innovators in the usual sense. But they are, Runte declares. “We celebrate the latest app on our cell phones” while new ways to preserve language and culture, to improve the delivery of health care or to seek to be a more inclusive and caring society do not strike us as being the same sort of achievement. Yet, writes the author, they are “extremely innovative, and the changes they effect are profound and meaningful.”

Not that Runte fails to discuss examples of app-style innovations like the rapidly expanding world of AI, where two of the “godfathers” (Yoshua Bengio and Geoffrey Hinton) live and work in Canada. It’s just that *Canadians Who Innovate*—innovative itself—is as dedicated to barrier-breaking as its subjects. ♦

PIVOT RECOMMENDS

Off the clock

BY CHRIS POWELL

Watch

While no formal release date had been announced at press time, *The Savant* is expected to appear on Apple TV+ sometime late this year. Plot details are scarce, but the eight-part limited series is based on a 2019 *Cosmopolitan* article entitled “Is It Possible to Stop a Mass Shooting Before It Happens?” It stars Jessica Chastain as the show’s titular character, who infiltrates online hate groups to prevent large-scale acts of violence.

Read

Alok Sama spent five years as the chief dealmaker at SoftBank, the world’s largest technology investor, which counts TikTok, Uber and the ill-fated WeWork among its investments. In his first book, *The Money Trap*, he lets readers ride shotgun as he and SoftBank founder and CEO Masayoshi Son enter into negotiations with billionaire CEOs and heads of state, completing mega-deals destined to shape the technological landscape.



Listen

Canadian journalist Suzanne Wilton recounts the story of Canadian mining company Bre-X in *The Six Billion Dollar Gold Scam*. In 1995, Bre-X announced that it was sitting on an enormous gold deposit, triggering a wave of investment that boosted the company’s share price from 30 cents to over \$250. It all unravelled in 1997, following the mysterious death of Bre-X’s chief geologist, Michael de Guzman, who reportedly fell from a helicopter high above the jungle. The company then spectacularly imploded following revelations that the Bre-X gold samples had been tampered with. It’s a tale of intrigue, greed and power.

CPA CANADA SAVINGS AND OFFERS IS YOUR ONE-STOP SHOP FOR PERSONAL AND PROFESSIONAL BENEFITS, SAVING YOU TIME AND MONEY.



Over \$3,000 in savings from our best-in-class partners

We have benefits for business...and benefits for lifestyle... and for technology, and wellness and travel. As a matter of fact, CPA Canada offers you over 40 benefits to choose from.

SAVE 20%



CPA members save 20% on select Payworks workforce management solutions.

SAVE UP TO 35%



Save up to 35% off base rates with Pay Now or up to 25% off base rates and pay later. Terms and conditions apply.

NEW BENEFIT!



Benefit from significant savings on new, in-stock vehicles at Dilawri franchised dealerships in British Columbia, Alberta, Saskatchewan, Quebec and Ontario.

NEW BENEFIT!



Find your next great hire with a \$300 Sponsored Job credit at Indeed. Terms and conditions apply.

NEW BENEFIT!



CPA Members get up to \$500 off at Sleep Country. Visit any Sleep Country location today and let our Sleep Experts guide you.

SAVE 80%



Stay on top of your business finances with QuickBooks Online. Get 80% off for six months.

SAVE UP TO 50%



Save up to 50% on award-winning tech such as ThinkPad, Yoga convertibles, Legion / Gaming PCs, desktops, tablets, accessories and more.

SAVE 55%



Save 55% on Purolator shipments within Canada. Secure, time-definite delivery and Canada's most extensive network means you can ship with confidence.

SAVE UP TO 30%



Take advantage of Bell's Exclusive Partner Program - Save up to 30% on incredible smartphone plans with unlimited sharable data.

For more savings and offers, visit: www.cpacanada.ca/en/members-area/savings-and-offers.

CLASSIFIEDS

External Monitoring

CYCLICAL FILE INSPECTIONS, ENGAGEMENT QUALITY CONTROL REVIEWS, FINANCIAL STATEMENT PRESENTATION REVIEWS, COMPLEX TRANSACTIONS.

Over 25 years of experience, practice inspection committee member, IFRS, ASPE, ASNPO specialist, public company experience. Visit www.jonesoconnell.ca, call **905-688-4842**, or email email@jonesoconnell.ca

Professional Opportunities

Athabasca University is looking for volunteers to take part in a study of self-presentation challenges meeting idealized images of CPA's, and experiences of mental health and stigmatization in the Canadian Accounting Profession (CAP). Estimated time required for the study is 90 mins and compensation is provided. Contact dnewman1@learn.athabasca.ca or http://davidalbertnewman.com/invitation-to-participate-in-research_1 for more details.

CSQM & External Monitoring t-

We specialize in providing CSQM & External Monitoring and EQR services to accounting

firms. **Audit/Review**

Engagements - We can assist with the execution of your audit/review engagements. We offer competitive rates and flexible timing. Call 416-671-7292 or visit www.srco.ca.

IT Support: More Than Just Technology

IT Support with empathy and personalized care - just like the service you provide to your clients. Our services: IT Helpdesk, Backups, Security, Web hosting, Cloud Services. Visit us at [www.prasna.ca](http://prasna.ca) or email cpa@prasna.ca.

Thinking of retirement?

Ottawa-based practice looking to purchase and service an ideal client list between \$400,000 to \$700,000. Fully licensed to service compilation, review and audit clients. Contact armstrongpc@protonmail.com if you are interested in having a conversation about your transition.

Calgary, Alberta CPA Practice for sale:

Well-established practice located in North Calgary with \$350,000 annual gross revenue comprised of Review Engagements, Compilations, Bookkeeping, Payroll, T1, T2 and T3. Please contact cpacalgarynorth@gmail.com

DO YOU WANT THE BEST RATES ON TERM LIFE INSURANCE?

\$2 Million from \$770 / \$590 Annual (MNS/FNS)

\$5 Million from \$1740 / \$1210 Annual (MNS/FNS)

*Conditions apply - Rates vary by company, age, and underwriting status

Contact Stephen Epstein Direct: 647-404-1580 | stephen@epsteininsurance.com

CPA office, Markham, ON

(14th Ave. & Woodbine Ave.) has office space to share, ideal for other CPA's. 3+ cubicles, 2 offices, shared boardroom, kitchen, underground parking, and elevator. Office furniture, LAN and internet ready. If interested, please contact: 647-716-9711.

Advertising Disclaimer: Paid advertisements appear in Pivot Magazine, including print and digital formats. CPA Canada does not endorse or evaluate the advertised product, service, or company, nor any of the claims made by the advertisement. The authority to decide what learning program constitutes acceptable CPD to meet regulatory requirements remains solely with each provincial CPA body in respect of each of its members.



Quality Assurance Specialists

A division of David M. Orbst, Chartered Professional Accountant

Is your Practice Inspection coming up this year? Then call us now, the CPA Practice Inspection and External Monitoring Specialists!



With over 40 years of experience and thousands of files and financial statements successfully reviewed, we will exceed all of the CPA Practice Inspection requirements and CPAB Standards for firms across Canada!

When excellence counts, call us now at:
416-835-3283
Or visit: www.orbstqualityassurance.com

**Selling your practice?
CALL TODAY
SELL BY
YEAR END!**



TIMING MATTERS!

Scan NOW for a free and confidential valuation of your practice.



DELIVERING RESULTS - ONE PRACTICE AT A TIME

Sonia Albert sonia@aps.net 1 877 606-8622 / Alan M. Liverman alan@aps.net 1 514 819-8088





Quality Assurance Specialists
A division of David M. Orbst, Chartered Professional Accountant

ARE YOU READY FOR THE NEW QUALITY MANAGEMENT STANDARDS?

Effective December 15, 2022: The New Quality Management Standards are here!

**WE CAN HELP YOU TO IMPLEMENT
THE NEW STANDARD!**

When excellence counts, call us now at:

416-835-3283

Or visit: www.orbstqualityassurance.com



Accused of Professional Misconduct? We can help.

James Lane has represented numerous CPAO members involved with professional conduct investigations, discipline hearings and appeals. Don't take chances with your professional reputation. Get proper legal advice.

**TBLL
ADVOCATES**

416-982-3807 | www.tbll.ca | jlane@tbll.ca



**PRACTICE
FOR SALE**

MMCA & Associates Group of Companies



Selling your practice?

Available Now:

Vancouver, BC - Asking \$420K
Vancouver Island, BC - Asking \$550K
NE Alberta - Asking \$1.2M

403-402-2679 • info@practiceforsale.ca

practiceforsale.ca

IS YOUR CPA FIRM FIT FOR SALE?

Build upon your firm's success and make it more enjoyable for you, your staff and future buyers with the practice management lessons in our new book.

Get your copy at
poegroupadvisors.com/prepare

PREPARE YOUR CPA FIRM FOR A SALE

How to reduce paper hours, increase profitability and transform your practice

Brannon Poe, CPA

Helping accountants write their next chapter.

888-246-0974 [Facebook](https://www.facebook.com/poegroupadvisors) [Twitter](https://www.twitter.com/poegroupadvisors) [Instagram](https://www.instagram.com/poegroupadvisors) [LinkedIn](https://www.linkedin.com/company/poegroup-advisors/)

**POE GROUP
ADVISORS**



Quality Assurance Specialists

A division of David M. Orbst, Chartered Professional Accountant

DO YOU HAVE SMALL HIGH RISK OR PUBLIC COMPANY AUDITS???

ARE YOU CONCERNED ABOUT CPAB OR PCAOB AUDITS, WHERE 40% TO OVER 80% OF PUBLIC COMPANY AUDITS HAVE NUMEROUS SIGNIFICANT REPORTABLE DEFICIENCIES?

Are you worried about possible enforcement actions, that can include public censure or termination of a firm's CPAB OR PCAOB status as a participating audit firm?

Worry no more!

Call us, the Monitoring and External Quality Review Specialists.

We will ensure that your firm meets or exceeds all of the audit, accounting and reporting standards and fulfills the requirements under the new Quality Management Standards.

When excellence counts, call us now at: 416-835-3283

Or visit: www.orbstqualityassurance.com

**SELL YOUR
ACCOUNTING
FIRM ON YOUR
TERMS.**

As the industry's leading team of accounting firm intermediaries, Poe Group Advisors has the resources to help you at every stage of your career.



Helping accountants write their next chapter.

POEGROUPADVISORS.COM
888-246-0974 [Facebook](https://www.facebook.com/poegroupadvisors) [Twitter](https://www.twitter.com/poegroupadvisors) [Instagram](https://www.instagram.com/poegroupadvisors) [LinkedIn](https://www.linkedin.com/company/poegroup-advisors/)

**POE GROUP
ADVISORS**

**Accounting Practice
ACADEMY™**

ON THE RAILS

Matthew Sieben earned his CPA designation in 2019 and celebrated by booking a trip to Minneapolis to learn how to roast coffee. He then started his own roasting company, Railway Roasters, in 2020, paying homage to his family ties to the Winnipeg railroad industry. **BY ALEX CORREA**

I studied accounting at the Asper School of Business at the University of Manitoba and then began working at Ernst and Young, which was my start in accounting. **There I spent three and a half years as a travelling auditor, building relationships and learning the skills that would serve me for the rest of my career.**

One of the CPA skills that I cherish the most is the ability to problem-solve—to ask better questions and find solutions. **Part of being a CPA is being able to assess what's going on, document assumptions, conclude and help move the business forward confidently.**



I've been an auditor, a project accountant, and even a controller for a friend's company. **I was still doing bookkeeping and advising people on the side in the evenings and on weekends, but in December 2023, I decided to make that full time with my bookkeeping firm, the Railway Financial Group.**

Every bag that's roasted and ordered within the city limits of Winnipeg, Manitoba, gets hand-delivered by me. Each Wednesday is delivery day, so regular subscribers (who have evolved into friends) get to see me, and their kids see me and call out, "The coffee guy is here!"

The initial goal of Railway Roasters was to replace office coffee, which always seemed like an afterthought at most places (that I visited as an auditor). **For a fraction of the price increase, the quality significantly improves, and then you're also supporting a local business rather than a multinational one.**

Railway Roasters obtained Canadian Food Inspection Agency approval, as well as interprovincial and international licences, enabling us to ship our coffee globally. We've shipped to the United States, Europe, Australia, New Zealand and India.

We've expanded beyond roasting to connect with customers on a different level. **We collaborated with Winnipeg-based Torque Brewing to come up with a coffee-flavoured porter called Back on Track, released just after the pandemic—so it has a double meaning.** We launched a second beer this year called Mild Canadian Winter.



by
 accountancy
insurance



See why so
many CPAs offer
Audit Shield.

CPAs in Canada...

Turn your least recoverable work into your most recoverable.

With Audit Shield.

The premise of Audit Shield is very simple.

It is a solution offered by a CPA accounting firm that provides for the payment (**often this is written off**) of professional fees incurred when their clients are selected for a review, audit, enquiry, investigation, or examination of filed returns instigated by the Canada Revenue Agency (CRA) and other provincial revenue authorities.

With Audit Shield the accountant and the client can take on a CRA review or audit, side by side, responding in the most thorough way, without the cost being a concern.

Let us show you why hundreds of CPAs in Canada and thousands of CPAs worldwide have chosen Audit Shield as a trusted value added service for them and their clients.

Find out more.

E: info@accountancyinsurance.ca
T: 1 800 353 3750



Why CPAs in Canada like Audit Shield:

- ✓ No COST solution, in fact you retain an admin fee each year.
- ✓ No claim DEDUCTIBLE, no minimum claim.
- ✓ Previously filed returns are also covered, even those you did not file or prepare.
- ✓ Claims are paid directly to you within 5 working days.
- ✓ If your client is subject to a review or audit – you claim 100% of your time responding (up to the sum insured).



TRANSFORM YOUR CPA INTO AN IVEY MBA

No GMAT required.

At Ivey, we recognize the effort you have put into your CPA designation and that's why we're waiving the GMAT for CPAs.

Whether you're looking to level up or switch industries, **an Ivey MBA can help you achieve your career goals.** With three unique MBA programs to choose from, you're bound to find one that fits your lifestyle.

With the GMAT out of the way, now's the time to join **Canada's #1 MBA Program.*** Hands-on, experiential learning gives you the advantage, and our 33,000-strong global alumni network provides lifelong connections that support you and your career.

*Bloomberg Businessweek Best B-Schools global ranking 2023-24



Scan the QR code to learn about your MBA options at Ivey.
ivey.ca/cpa

Three MBAs to choose from

One-year MBA

- Full-time
- Start in March
- London, Ontario

Accelerated MBA

- 14 months, 3 class days
- Start in November
- While you work
- Downtown Toronto

Executive MBA

- 15 months, 4 class days
- Start in February or September
- While you work
- Summer break
- Downtown Toronto