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What's On?

Table with 4 columns listing CMA programs: 6th CMA Program on Strategic Cost Management and Strategic Business Analysis (Dubai, UAE), GMA Conversion Program Commencement (Colombo, Sri Lanka), 2nd Parahyangan International Accounting & Business Conference (Bandung, Indonesia), 20th CMA Program on Strategic Cost Management and Strategic Business Analysis (Manila, Philippines), 3rd CMA Program on Strategic Business Analysis (Bandung, Indonesia), UNPAR University (Colombo, Sri Lanka), and 19th CMA Program on Strategic Cost Management and Strategic Business Analysis (Manila, Philippines).

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ON TARGET

Newsletter of the Institute of Certified Management Accountants

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Designatory Wars - Is Canada on the Dark Side?

We have already alerted the On Target readers of the contentious Bill 158 now before the legislature is being seen as a test of Ontario's commitment to welcoming foreign-trained professionals.

Concerns about the bill have been raised by accounting firms and opposition critics, pointing to a clause that would prohibit those who are not members of Ontario's chartered, general and management accountants' associations from displaying their similar foreign-earned credentials.

Bill 158 is supposedly intended to stop unqualified people from hanging out a shingle with a fancy title and duping Ontarians. But the critics argue that it goes too far. An unqualified individual can still call themselves 'accountant', but foreign qualified professionals cannot describe their qualifications in any format.

The bill would not affect the work foreign-trained accountants are allowed to do, but it would subject them to fines of up to \$10,000 for putting the designations they have earned on their resumés or business cards.

British Consul General Jonathan Dart suggested the bill, while ostensibly protecting the public, is actually an attempt to "protect a little piece of Ontario for the professional organizations here."

The Star Newspaper of Ontario states that "these are not allegations that Ontario can take lightly. As Premier Dalton McGuinty often says, our economic future rests on attracting the best and brightest skilled immigrants to Ontario".

KPMG urged the legislative committee reviewing the bill to amend it so "it does not inadvertently create barriers for the people we

are actively trying to bring to our province." The British-based Chartered Institute of Management Accountants (CIMA) suggested a compromise "to allow foreign-designated accountants to use their designation with the country of origin as a suffix in parentheses". On Target has taken excerpts of the KPMG and CIMA positions on the Senate hearings and has published them below. However, we urge members to read the entire Senate transcript accessed via the link given at the end of this story. It makes fascinating reading!

Mr. Charles Tilley the chief executive of the CIMA, had this to say:

At CIMA we believe that we would like to ask for the bill to be amended in one of two ways. One would be to allow foreign-designated accountants to use their designation with the country of origin as a suffix in parentheses. The alternative would be to limit the scope of the restrictions to those accountants who provide accounting services to the public. Our ultimate preference would be, obviously, to strike the clause out altogether.

All our members are subject to a code of ethics. The royal charter insists that we work in the public interest and that we're very much about driving forward and promoting management accounting around the world. Very importantly, a CIMA member can go anywhere in the world to work using their designatory letters except, if this bill is passed, here in Ontario. The bill is quite rightly focused on the administration of Canadian accounting bodies; that's clearly appropriate. The bill is protecting against individuals holding out that they have qualifications that they don't have; that's obviously the right thing to do. But the clauses on designatory letters seem to us to be unfair and not in the best interests of Ontario. We do not believe there is any confusion in the marketplace. Instead, we would say it's a block



not just the numbers

on immigration and actually, if anything, risks isolating Ontario.

Just to go into a bit more detail, we believe that Bill 158 is protectionist. We're working in a global world and it seems to disadvantage one group of externally qualified persons against a favoured local body. We've certainly not come across similar legislation anywhere else in the world, and it seems to me to go against the grain of a global marketplace. A question that obviously has to be asked is: Will it drive retaliatory action elsewhere in the world? It also appears in contravention of the spirit of the free trade and services as agreed on by CETA.

Now moving on to the protection of consumers, I'm not sure where Bill 158 does anything to further the public interest. The most important thing, surely, is making sure that those people who are unqualified and offering services are properly regulated, not to restrict those who have appropriate letters and qualifications from around the world. Surely the issue is the unqualified accountant.

I suppose, really, in today's global world, another question is: Is it really right to suggest that only those qualified in Canada are to be trusted as professional persons? Our members are subject to rigid enforcement of our ethics code, and they have to keep up to date with their qualifications through a CPD program.

Moving on to the fairness issue: Many people-for example, those of our members who would be in Sri Lanka-qualify with CIMA because it gives them a portable qualification. It's one that enables them to use their skills elsewhere. It seems that Bill 158 is seeking to lock such people out of Canada. It's denying them the right to signify their professionalism and to use their designatory letters.

We understand that TRIEC has concluded that this is detrimental to the integration of immigrants into suitable employment, and I'm sure that's a very important issue, and also that the South Asian Legal Clinic of Ontario believes that the restrictions are inconsistent with the Immigration and Refugee Protection Act. It's interesting to note that in that act, CIMA is recognized as a professional designation for immigration into Canada. So we will have the situation that CIMA is accepted by immigration authorities to get into Canada, but if this bill goes through, it will then be illegal for them to use their designatory letters once they arrive in Ontario. Those are, I think, issues which really need to be thought long and hard about. Ultimately, we believe that this is unfair to individuals immigrating to Canada. It's a block on immigration, in other words, putting international accountants at a disadvantage.

The message that we see that this potential bill, if enacted, is putting forward is that we're only interested in Canadian-grown professionals. But what about Open Canada? As your Premier has said, Ontario actively seeks skilled immigrants. If Canada, and Ontario specifically, wants to grow on a global stage-and it seems in the present world and the troubles that every country faces, growth is critical for all developed countries, and in that respect, I think,

Mr. Michael Bach the national director of diversity, equity and inclusion for the accounting firm **KPMG** had this to say:

My participation in these proceedings involves somewhat of a balancing act, and may be a surprise to some. On one hand, as one of Canada's largest public accounting firms, KPMG enjoys a close relationship, particularly with the Institute of Chartered Accountants of Ontario, but certainly also with the Certified

General Accountants and the Society of Management Accountants of Ontario. Clearly, my organization is highly affected by this act.

As the committee is well aware, the previous Chartered Accountants Act was introduced in 1956 and, I think we can all agree, was in need of changes to better reflect the realities of our profession today. This new act will clearly provide better protection to consumers by enhancing the authority of our regulatory bodies in a number of areas.

KPMG strongly supports this new act, at least in principle, as it will provide a great deal more rigour to the accounting profession in the province of Ontario and will provide increased protection for our consumers. There is no question that this new act will provide much-needed clarity.

That said, we feel that some of the language used in this new legislation may be cause for concern. As it stands, and even with the proposed amendments, the language may inadvertently risk creating barriers for individuals who have received an accounting designation outside of Canada, at a time when governments and organizations are working hard to remove potential barriers. Having recently been named one of Canada's best employers for new Canadians for the third year in a row, we feel we have an obligation to draw attention to this potential risk in the act.

We recognize and believe the validity of reports from Statistics Canada and the Conference Board of Canada that clearly show that at some point in the next 20 years, we as a nation will be completely dependent on immigration for any net growth. We also recognize that our firm and our profession will not be immune to that reality. Reports such as these are not harbingers that we should fear, but draw attention to the need for a more inclusive province and country, particularly as it relates to the integration of skilled immigrants.

The key concern about which I wish to speak to you relates to the use of foreign designations in key documents, such as resumés and proposals, particularly those that have similar designatory letters to the chartered accountant designation, or CA, which is used by a number of governing bodies globally. Australia, New Zealand, South Africa, India and Pakistan are but a few that use the same designation as we do here in Canada.

Extracted from: http://ontla.on.ca/web/committee-proceedings/committee_transcripts_details.do?locale=en&Date=2010-04-22&ParlCommID=8855&BillID=2162&Business=&DocumentID=24844#P348_85300

From the Desk of the CEO

As your new CEO, I hope to email all members on a regular basis. If you did not receive my first email, then your email records with the ICMA are out of date. I have asked On Target to publish my first communication with members, so that all members are brought up-to-date with the exciting developments in their Institute.

All indicators at this stage are pointing to a better year for the global economy, albeit one that still poses high risk and many

challenges. It is the perfect environment for our profession to provide its management clientele with the strategic information and risk assessment that will allow them not only to find safe harbours, but also to open up exciting passages into the brave new worlds which inevitably appear after a severe recession.

As far as our institute is concerned, 2010 is going to be a fantastic year.

On the wall next to me I have a planning matrix that currently identifies twenty eight projects that we plan to implement over the next twelve months. Ten of these are already tagged as "initiated" and three have been given deadline dates. I will provide you with more information as the year progresses. In the interim here are the macro headings for ten strategic priorities.

1. To attain the status of a migration assessment authority for Australia
- 2 To get the CMA qualification recognised by the Australian migration authorities
- 3 To open up strategic alliances and mutual recognition arrangements with other professional bodies
- 4 To foster the work of our current branch network and to increase the number of branches
5. To facilitate greater communication with members
6. To build a global network of CMA



champions

7. To launch a global professional development program
8. To build greater awareness of the institute both in Australia and in all countries where it is represented.
9. To encourage membership growth and membership retention
10. To increase the opportunity for non accounting graduates to attain CMA membership after undergoing the required education and training

This ten point program is a direct result of the recommendations that flowed out of the strategy review group which met in August 2009.

As you all know, talk is easy and execution is everything. I fully understand the huge risk when a program like this is aired in the public arena. My view is simply that CEO's are ultimately accountable to their stakeholders and the stakeholders have been given the benchmarks required to judge my progress!!

Watch this space for more information as the year unfolds.

Kind Regards

Leon Duval

Chief Executive Officer

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