



CONSULTATION REPORT ON UNIFYING THE PROFESSION

NOVEMBER 2011

From May to September of this year, the CA and CMA organizations consulted with members, candidates and registered students – as well as the business community, government and regulators – about the prospect of uniting the CA and CMA national, provincial and territorial organizations under a new common designation, Chartered Professional Accountant (CPA). Whether or not they were in support of unification, many members said they wanted additional information before they could make a decision about the future of the profession.

This **Consultation Report** summarizes the feedback, questions and concerns collected across the country and sets out the next steps in the process. The report excludes Quebec where a separate process was conducted and the CA, CMA and CGA bodies have agreed to unify. It also excludes subsequent member feedback relating to decisions recently made by a number of CGA bodies to join the unification discussions.

The CA, CMA and participating CGA organizations are now beginning to work together to consider how best to move forward. This will take some time. Regardless of these new developments, the feedback from this consultation process is still relevant and all bodies are now assessing it. As the accounting profession in Canada is provincially regulated, the boards and councils governing the respective bodies in each province will decide whether or not to present a formal proposal to unify the profession to members and, if proceeding, what the process will be for ratification. We anticipate decisions on whether or not to present members with a unification framework later this year or by early 2012.

THE CONSULTATION PROCESS

The types of engagement that took place during the consultation period included:

- **Members, candidates and registered students:**
 - Provincial and regional town halls
 - Face-to-face meetings
 - National and provincial research surveys
 - Online discussion forums
 - Social media channels
 - Calls and emails to the CA and CMA offices
- **Business community, governments and regulators:**
 - One-on-one telephone interviews and discussions with business leaders conducted by an independent research company
 - One-on-one discussions with provincial government officials
 - Surveys and face-to-face discussions with regulators and public policy bodies

KEY LEARNINGS

Feedback from members

Opinions varied significantly by designation, by years of career experience, between students and members, and there were strong views both in support of and against proposed unification. Many members said they could not decide whether or not they could support unification until they had more information. They said they wanted to see a formal proposal before deciding.

Most members supported the eight principles set out in the position paper issued last May. However, through town hall meetings, online forums, surveys and other communications, members expressed a wide range of views. Some were supportive of a potential union of the two professions. A significant number expressed serious concerns. These are summarized below.

RESPONSES TO THE PRINCIPLES BEHIND THE CA-CMA UNIFICATION

The vast majority of CAs and CMAs agreed with the proposed principles as set out in the May 2011 Position Paper, and agreed most strongly with:

- Current CMAs and CAs would retain their existing designation.
- Current CMAs and CAs would not obtain the designation of the other.
- No member of the new organization would automatically acquire or lose public accountancy rights.
- As with professions like medicine and law, members would have the option to pursue a number of post-qualification specialties.
- Drawing on the strengths of both designations, a new, high-quality certification process would be created; it would meet or exceed the standards of both the current CA and CMA qualification processes.
- A new uniform regulatory framework including codes of conduct, disciplinary processes and a nationally consistent public licensing regime would be developed.
- Current members who use the CPA would be required to reflect their existing designation in combination with their new CPA designation for a period of approximately 10 years.

PRIMARY REASONS MEMBERS FAVOURED UNIFICATION

- **Efficiencies and economies of scale.** Canada currently has 40 different professional bodies involved with the CA, CMA and CGA organizations. Members acknowledged that unification would simplify

operations and governance and reduce disparate marketing efforts, which could deliver savings that could be reinvested in member services and promoting the designation. In addition, members agreed that shared resources should result in better member services.

- **A single unified voice.** Members agreed that a single voice representing 125,000 or more members would have greater influence within Canada and internationally in relation to policy, legislative and regulatory issues.
- **Tagging.** Members supported retention of their existing designations. Some, however, expressed confusion about the way tagging would work.
- **In the public interest.** There were strong benefits seen from harmonizing professional standards and the consistent application of professional inspection and discipline.
- **A changing landscape.** Especially given recent developments in Quebec, members saw the accounting profession changing, and believed a consistent national approach would be important.

PRIMARY REASONS MEMBERS OPPOSED UNIFICATION

- **Potential dilution.** Many members were concerned that unification could dilute their respective brands, and that their distinctive, specialized skills and training could be lost.
- **Qualification programs.** Members wanted assurance that the new certification process would be as good as current programs. Specifically, they expressed concern about the level of rigour, the entrance standards and the inclusion of both financial and management accounting.
- **Non-inclusion of the CGAs.** There were questions regarding the absence of CGAs in a union. Since the consultation process began, CGAs have joined in discussions regarding unification nationally and in several provinces.
- **Confusion with the US CPA.** There were concerns expressed that the Chartered Professional Accountant (CPA) designation would be confused or compared with the US CPA.
- **Personal benefits.** Many members questioned the benefit to them directly and raised concerns about the effect on their employment and salary prospects.
- **Alternatives.** Some members wanted to explore alternatives to a union that could achieve the benefits of unification without losing the differentiation between the designations.
- **Risk mitigation.** Some felt that the risks of a union have not as yet been fully explored or presented to the members.

Feedback from other stakeholders

BUSINESS LEADERS AND EMPLOYERS

An independent opinion survey was commissioned to understand the way Canadian businesses would react to a CA-CMA union. Overall, Canadian businesses are receptive to a union. Specifically, once provided with a brief summary of the key points of a proposed unification, a majority of those surveyed agreed that it would be positive for Canadian business and the public.

Most employers agreed with each of the following statements:

- A combined qualification process that takes the best of the CA and CMA programs would result in better quality professionals for Canadian businesses.
- It would be beneficial to have a designation (Chartered Professional Accountant) that is aligned with both CPA and CA – the two most widely recognized accounting designations globally.
- Establishing a consistent code of conduct would be beneficial to Canadian businesses.
- If the CPA designation included post-qualification specialties, it would allow businesses to continue to find the specialized accounting skill sets they need.

GOVERNMENT AND REGULATORY STAKEHOLDERS

During the consultation period, the CA and CMA provincial and national bodies engaged in discussion with provincial government representatives, regulators and public policy leaders. Most supported the concept of unification. The reasons that they supported the unification concept included the following:

- Government and regulatory stakeholders said that they believe uniting the profession and streamlining the current regulatory framework for accounting designations would be beneficial to the public.
- Several senior government officials said that in their opinion the current structure of the profession is not practical and the number of Canadian accounting bodies needs to be rationalized.
- Other regulators stated that the Canadian accounting profession would be stronger at the national and international levels if it spoke with one voice rather than three divergent voices.

RESPONDING TO THE FEEDBACK

Based on the feedback received, we recognize that work needs to be done to address the concerns raised by members. This would include the following critical areas:

- Developing a certification process that would:
 - be as rigorous as the existing programs
 - enable the CPA to retain current and enter into new mutual recognition agreements (MRAs) with the world's leading accounting bodies, and
 - culminate in a comprehensive, multi-day final examination.
- Creating a transition plan that would help mitigate risk and deliver maximum efficiencies.
- Developing designation features, such as specialization and marketing plans that would ensure the value of the legacy brands transfers to the CPA and that it would become an internationally recognized pre-eminent accounting designation and business credential.
- Developing plans for a regulatory framework that would ensure all accountants are subject to the same rules and regulations, which would enhance public confidence while making the profession more efficient.

Throughout the consultation, members questioned the way unification of the profession could deliver tangible public interest benefits and economic efficiencies if it excluded CGA organizations. Since the consultation period ended in September, a number of CGA bodies, including CGA-Canada, have joined the unification talks. The boards and councils of all participating bodies are now considering the way this change affects the potential unification process.

Your feedback and questions

You can provide feedback on this Consultation Report by contacting your provincial organization, by leaving a voicemail message at **1-855-747-2654** or by sending an e-mail to **viewpoint@cica.ca** (CAs) or **viewpoint@cma-canada.org** (CMAs).