



CPA
SASKATCHEWAN

ANNUAL REPORT

2021/2022

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About Us

The Institute of Chartered Professional Accountants of Saskatchewan (CPA Saskatchewan) is a self-regulatory body established under *The Accounting Profession Act* (the Act). The objectives of CPA Saskatchewan are to regulate the practice of the profession, govern the registrants in accordance with the Act and the Bylaws, and to assure the public of the knowledge, skill, proficiency and competency of registrants in the practice of professional accounting and other services provided by registrants.

CPA Saskatchewan's legislated mandate is protection of the public. Professional accountants represent all areas of expertise of the accounting profession, including assurance, financial accounting, management and management accounting, finance and taxation.

The CPA designation is Canada's pre-eminent accounting and business designation. With more than 5,000 members and 700 candidates in Saskatchewan, and over 220,000 members across Canada, CPAs provide crucial financial expertise to businesses in every sector of the economy.

Land Acknowledgement

We live and work on lands covered by Treaties 2, 4, 5, 6, 8, and 10. These are the territories of the Anihšināpēk/Saulteaux, Dakota, Dene, Lakota, Nakoda, nêhiyaw/Plains Cree, néhinaw/Swampy Cree, nehithaw/Woodland Cree, and Stoney Nations. They are also the homeland of the Métis//Michif Nation.

We pay our respects to the First Nations and Métis ancestors of this place and reaffirm our relationship with one another.

We respect and honour the Treaties that were made on all territories, we acknowledge the harms and mistakes of the past, and we are committed to moving forward in partnership with Indigenous Nations in the spirit of reconciliation and collaboration.

Message from the CEO



CPA Saskatchewan is proud to celebrate another successful year. We continued to be challenged by the ongoing impact of COVID-19 similar to other organizations but learned to adapt. There was no disruption in our ability to enforce all regulatory and compliance matters as required by our legislative mandate and to progress towards the achievement of the strategic direction.

Initially, all staff continued to work remotely and then during the year there was a transition to a hybrid working model. The majority of our activities were carried out in a virtual manner including professional development, convocation, discipline hearings, member events, and meetings. Some activities, including practice inspections and recruitment, transitioned to a hybrid model including both in person and virtual options. We are looking forward to more in person activities and an opportunity to see our members and candidates in 2022/23.

CPA Saskatchewan observed the National Day for Truth and Reconciliation on September 30 with all staff focused on Truth and Reconciliation for the entire day. The morning featured an Indigenous speaker who shared her story and provided all staff with an amazing morning of learning. All staff were provided with a variety of resources and the afternoon was dedicated to individual learning and reflection.

CPA Saskatchewan continues to work closely with CPA Canada, the CPA Western School of Business, and the other provincial bodies to successfully deliver a strong pre-certification education program and ensure the competence of our new members.

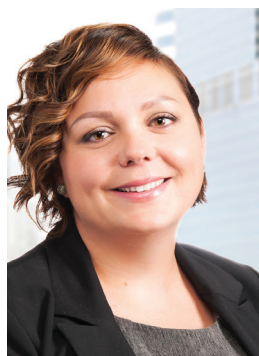
One of the most significant initiatives undertaken by the profession during the year was development and approval of the Competency Map 2.0. The new Competency Map lays the foundation for the CPA certification program. The profession is now working on how to implement and operationalize the competency map. This next step, Certification 2.0, will determine where, when, and how the skills and competencies laid out in the new Competency Map will be learned and assessed.

The CPA Saskatchewan Board provides excellent leadership and guidance in establishing our Strategic Plan and supporting the initiatives and objectives identified through the operational planning process. Our regulatory committee volunteers continue to provide leadership to the profession by ensuring that the high standards of our profession are maintained. They are the key decision makers in our regulatory framework.

As we continue to advance our profession and the value our members add to the business community and the greater communities where we live, I would like to thank the CPA Saskatchewan Board, our members who volunteer for the profession and in the community, the CPA Saskatchewan staff, and all members for their leadership and engagement.

A handwritten signature in black ink that reads "Shelley Thiel". The signature is written in a cursive, flowing style.

Shelley Thiel, FCPA, FCA



Message from the Chair

On behalf of the Board, I am pleased to present the 2021/22 Annual Report for CPA Saskatchewan. As you know, the Board of Directors gave direction to management of CPA Saskatchewan through the approval of the business plan, including our mission statement, which is as follows:

We enhance the influence, relevance and the value of the Canadian CPA profession by enabling economic and community development through: 1. Protecting the public; 2. Supporting members and candidates; and, 3. Engaging and educating its stakeholders.

This strategic plan was reviewed and approved by the Board, and the Board previously worked with an external consultant to develop this plan. This year the Board worked toward the implementation of this plan, always with the vision and mission in mind.

This year was another unique year with the continuation of the global pandemic, which had a significant impact on operations at CPA Saskatchewan. Management continued to do an excellent job carrying out the regulatory and other duties as required all while doing a hybrid working model. In 2021 and 2022, all in-person meetings and celebrations were cancelled and replaced with virtual professional development courses and virtual celebrations. Also, the September 2021 CFE and May 2022 continued to be successfully offered in a COVID-safe format.

CPA Saskatchewan continues to work closely with CPA Canada, the CPA Western School of Business, and the other provincial and territorial bodies to prepare our profession for the future, where change is inevitable. This national collaboration allows CPA Saskatchewan to be leaders of the profession across the country and to bring a broader perspective back to Saskatchewan. Both myself and Rodney Sieffert, CPA, CA (Vice-Chair) participate on the national stage through our roles on the Council of Chairs and at the regional level through the Western Regional Forum.

Naturally, as CPAs we continue to adapt our practices as the global pandemic continues. I have full confidence in the Board and the goals we have set for the profession. I would like to thank my fellow Board members and the regulatory committee volunteers who work very hard to provide quality services to our members through their commitment of protecting the public, growing the profession, and engaging all of our members.

A handwritten signature in black ink that reads "Carson".

Carrie Carson, CPA, CA

Governance Structure



CPA Saskatchewan is governed by a Board of 13 members, including 11 CPAs and two public appointees, in accordance with *The Accounting Profession Act* (the "Act"). There are three Committees of the Board including Audit & Risk, Governance, and HR & Awards.

Self-regulation is a power delegated by a government to regulate a profession in the public interest. Self-regulation recognizes the maturity and skill of a profession to govern registrants. Committee-based decisions are the mechanism by which the profession governs itself. There are five regulatory committees. The Discipline Committee and Professional Conduct Committee are established under the Act. The Rules Committee, Registration Committee and Professional Practice Committee are established under the CPA Saskatchewan Bylaws. These committees of volunteer members and public representatives are the key decision makers in CPA Saskatchewan's regulatory framework.



Bev Betteridge, CPA, CMA



Boni Dorish, CPA, CMA



Nisha Doshi, CPA

Committees of the Board

Audit & Risk

Paul Lepage, Chair

Nisha Doshi

Laurette Lefol

Rod Sieffert

Morris Smysnuik



Ryan Kitchen, CPA, CA



Laurette Lefol, CPA, CMA



Paul Lepage, CPA, CA

Governance

Tom McClocklin, Chair

Kirk Cherry

Ryan Kitchen

Travis Massier

Davey McLellan

HR & Awards

Rod Sieffert, Chair

Bev Betteridge

Boni Dorish

Travis Massier

Morris Smysnuik



Travis Massier, CPA, CMA



Tom McClocklin, CPA, CA



Davey McLellan, CPA, CA

PUBLIC APPOINTEES



Kirk Cherry



Morris Smysnuik



Regulatory Committees

Registration

The Registration Committee is required to review and make determinations on matters pertaining to the validity of a registrant's registration. Determinations are related to applications to register, publication of registrant information, ongoing practice and development, and recommendations for restriction or suspension. These determinations are made in the context of protecting the public.

The committee roster is below:

James Barr, FCPA, FCA, Chair

June Schultz, CPA, CMA, Vice-Chair

Olufemi Bamidele, CPA, CGA

Chelsey Berrecloth, CPA, CMA

Rhonda Burfitt, CPA, CMA

Rochelle Burkowski, CPA, CMA

Tiffany Eide, CPA, CA

Lana Gray, BHRD, CPHR, CEC, Public Representative

Disha Joshi, CPA, CA, Board Liaison

Laurette Lefol, CPA, CMA, Board Liaison

Kama Leier, CPA, CA

Martin McInnis, FCPA, FCMA

Jeff Persic, CPA, CA, CGA

Rebecca Preciado, CPA, CA

Don Walker, CPA, CGA

Rules

The Rules Committee makes recommendations to the Board for amendments or adoption of Rules. Rules means any right or obligation of a registrant or duty or power of the Institute that is set out in the Act; a Bylaw; a Board Rule; and the Rules of Professional Conduct, as amended from time to time.

The committee roster is below:

Victor Schwab, CPA, CA, Chair

Glen Bailey, FCPA, FCA

Bev Betteridge, CPA, CMA, Board Liaison

Kevin Blelloch, CPA, CA

Sheila Filion, CPA, CA

Ross Harwood, FCPA, FCA

Gayle Holman, FCPA, FCMA

Travis Massier, CPA, CMA, Board Liaison

Davey McLellan, CPA, CA, Board Liaison

James Salamon, FCPA, FCA

Laurie Thomas, CPA, CMA

Discipline

The Discipline Committee is comprised of a non-member appointed by government; volunteer CPAs (members of the Institute); and one or more public representatives appointed by the Board.

The Discipline Committee conducts discipline hearings and makes determinations relating to matters of professional misconduct and professional incompetence, and, where guilt is determined, issues Orders which specify the sanctions imposed on the registrant.

The committee roster is below:

Cary Hewitt, FCPA, FCA, Chair

Craig Hinz, FCPA, FCA, Vice-Chair

Lavern Affleck, Public Representative

John Amundson, FCPA, FCA

David Barnard, CPA, CA

Merlis Belsher, FCPA, FCA

Jana Blais, CPA, CMA

Wayne Blazieko, CPA, CMA

Mark Borgares, FCPA, FCMA

Erin Campbell, CPA

Kirk Cherry, Board Liaison, Public Appointee

Dwayne Dahl, CPA, CA

Regan Exner, FCPA, FCGA

Judy Ferguson, FCPA, FCA

Asma Gehlen, CPA, CGA

Tyler Gillies, CPA, CMA

Doug Kalesnikoff, FCPA, FCA

Annette Klassen, CPA, CGA

Dan Li, CPA, CA

Kelly Lutz, CPA, CA

Ken McDougall, Public Representative

Jan McLellan Folk, FCPA, FCMA

Derek Maher, CPA, CA

Pam Peters, CPA, CMA

Shawn Peters, CPA, CA

Barry Remai, FCPA, FCA

Morina Rennie, FCPA, FCA, FCMA

James Salamon, FCPA, FCA

Al Scholz, PAg, CMC, ICD.D, Public Representative

Gerry Smysnuik, CPA, CA

Adam R. Touet, Public Representative

Professional Practice

The Professional Practice Committee is required to review and make determinations on matters related to practice monitoring. This is accomplished by the following:

- Providing general oversight of the practice monitoring and licensing functions;
- Ensuring the licensing of a member or firm is carried out in compliance with the Rules;
- Ensuring that the inspection or review of records of a member or firm is carried out in compliance with the Rules;
- Determining consequences on the practice of a member or firm; and
- Making decisions as requested by the Registrar.

The committee roster is below:

Adynea Russell, FCPA, FCA, Chair

Matt Hladun, CPA, CA, Vice-Chair

Bev Betteridge, CPA, CMA, Board Liaison

Tyler Campbell, CPA, CA

Paul Lepage, CPA, CA, Board Liaison

Ted Lewis, CPA, CMA

Annette Magus, CPA, CMA

Lorelei Raiche, CPA, CA

Darcy Spilchen, CPA, CA, CMA

Trevor St. John, CPA, CA

Helen Sukovieff, Public Representative

Marla Yeadon, CPA, CGA

Professional Conduct

The Professional Conduct Committee is required to review written complaints alleging that a registrant is guilty of professional misconduct or professional incompetence. The Professional Conduct Committee may also be requested by the Board or Registrar to review complaints. In conducting its review of investigations into written complaints, the Professional Conduct Committee must apply a consistent decision model. This is accomplished by the following:

- Providing general oversight of the intake, enquiry, investigation and prosecution functions of CPA Saskatchewan, including the facilitation of complaint resolutions;
- Reviewing complaints alleging professional misconduct or professional incompetence;
- Ensuring that enquiry and investigation into complaints are carried out in compliance with *The Accounting Profession Act* and Bylaws and in a consistent and fair manner; and
- Determine whether a matter requires a formal complaint referred to the Discipline Committee for a hearing.

The committee roster is below:

Carolyn O'Quinn, CPA, CA, Chair

Marc Franklin, CPA, CMA, Vice-Chair

Shaun Augustin, CPA, CMA

Kathryn Bankowski, CPA, CA

Cheryl Bauer Hyde, FCUIC, CFP, Public Representative

Doug Finnie, MBA, Pro Dir, Public Representative

Jeff Hansen, CPA, CA

Kami Lahti, CPA, CA

Kristen McGowan, CPA, CA

Juanita Pandya, CPA, CMA

Stuart Pollon, CPA, CA

Ian Rea, FCPA, FCMA

Victoria Siwic, CPA, CA





National Collaboration

CPA Saskatchewan Board and staff actively participate at both the regional and national level, leading the profession beyond our provincial borders.

CEO Shelley Thiel, FCPA, FCA is a member of the Council of Chief Executives (CCE) which is the senior national committee responsible for the management of the profession. She represents Saskatchewan, Manitoba, and Alberta on the Professional Education Management Committee (PEMC), one of the standing committees of the CCE. Shelley is also a member of the Board of the CPA Western School of Business (CPAWSB) and assumed the role of Chair of the Board at the CPAWSB AGM on September 23, 2021.

Leigha Hubick, CPA, CA, Registrar is a member of the Registration Task Force and International Qualifications Appraisal Committee. Senior staff are also involved in many regional and national committees.

The CPA Saskatchewan Board Chair and Vice Chair participate at the national level through the Council of Chairs and at the regional level through the Western Region Forum. CPA Saskatchewan is represented by Carrie Carson, CPA, CA and Rodney Sieffert, CPA, CA.

This involvement provides opportunities for CPA Saskatchewan to be leaders of the profession across the country and to bring broader perspectives back to Saskatchewan. We also have many members who volunteer at the national and regional levels. It is through the commitment of all our volunteers that we can fulfill our responsibilities and build a stronger CPA profession.

Stronger Together

Saskatchewan CPAs are also members of the Chartered Professional Accountants of Canada (CPA Canada). CPA Canada supports our members by conducting research into current and emerging business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations, and government. They also issue guidance and publish professional literature on business and financial topics important to our members.

CPA Canada is one of the largest national accounting organizations in the world. It represents and supports more than 220,000 members as the Canadian profession united under a single designation.



Strategic Plan

Vision

The Canadian CPA is the pre-eminent, globally respected business and accounting designation.

Mission

We enhance the influence, relevance and the value of the Canadian CPA profession by enabling economic and community development through:

- Protecting the public;
- Supporting its members and candidates; and
- Engaging and educating stakeholders.

We will achieve this by focusing on Four Strategic Imperatives

To achieve increased excellence in self-regulation

To embrace digital transformation in services to registrants

To improve member engagement

To increase public awareness of the CPA Saskatchewan brand

Values

•Ethical behaviour •Innovation •Leadership •Excellence •Accountability



Strategic Imperative:

To achieve increased excellence in regulation

The CPA profession in Saskatchewan is privileged to be self-regulated. Self-regulation is a power delegated by a government to regulate a profession in the public interest. Self-regulation recognizes the maturity, competence, and skill of a profession to govern its own registrants (members, firms, and candidates).

CPA Saskatchewan uses peer and committee-based decision-making processes as its key mechanism by which our profession governs itself, meaning that all decisions impacting registrants are made by a group of their peers.

The following strategic objectives guide our regulation:

- To ensure the career cycle competence and good character of registrants.
- To adopt effective regulatory processes to assure the key stakeholders of the competence and good character of registrants.

All regulatory processes adopted are aligned with CPA Saskatchewan's legislated mandate. CPA Saskatchewan strives to ensure our regulation is compatible with serving the public interest. Registrant education, proportionate regulation and regulation that is outcomes-focused are core principles in each of the following four regulatory functions:

1. Rules
2. Registration
3. Monitoring
4. Enforcement



1. Rules

The Rules function establishes the foundation for regulation. Rules are developed to ensure that a registrant can access, use, understand, and comply. CPA Saskatchewan seeks to design regulation that results in an appropriate regulatory outcome for its registrants. With each development of, and change in, a Rule, registrant and stakeholder education is developed and made accessible.

In the last fiscal year, new Regulatory Bylaws were brought into force on December 17, 2021 and amendments to the Regulatory Board Rules were effective January 1, 2022. The substantive amendments were to Bylaws related to Enforcement (Conduct, Discipline, and Appeals to the Board) and the implementation of the Canadian Standard on Related Services 4200 – Compilation Engagements (herein “CSRS 4200”). More information is available on our website at <https://cpask.ca/protecting-the-public/governing-documents>.

Looking ahead...

The complexity of conduct matters continues to evolve and the ability of registrants to understand the core elements of professional or ethical conduct is critical to guide registrant behavior. CPA Saskatchewan is undertaking a project to align of Rules of Professional Conduct with the nationally developed Code. There is additional language used in the preamble of the national Code and details provided in the interpretations/guidance will be helpful to registrants.

The core elements will continue to be emphasized through education. The Rules of Professional Conduct establish the basis for formal complaints related to allegations of professional misconduct and the elements must be enforceable should a breach or violation occur.

2. Registration

CPA Saskatchewan captures various data from registrants and the public. The Registration function ensures data captured from registrants or on registrants is relevant and reliable. It is through the Registration function that key data is shared with the public. Data captured is integrated amongst each regulatory function for the purpose of risk identification.

Renewals

Two renewal cycles occur in a fiscal year at CPA Saskatchewan – Spring and Winter. Spring Renewals include member Continuing Professional Development reporting and declarations, registration renewal and fees payment. Winter Renewals include member and firm licensing, firm renewals, professional corporation renewal and fees payment. In 2021/22, the compliance rate through all renewals was over 96.9%.



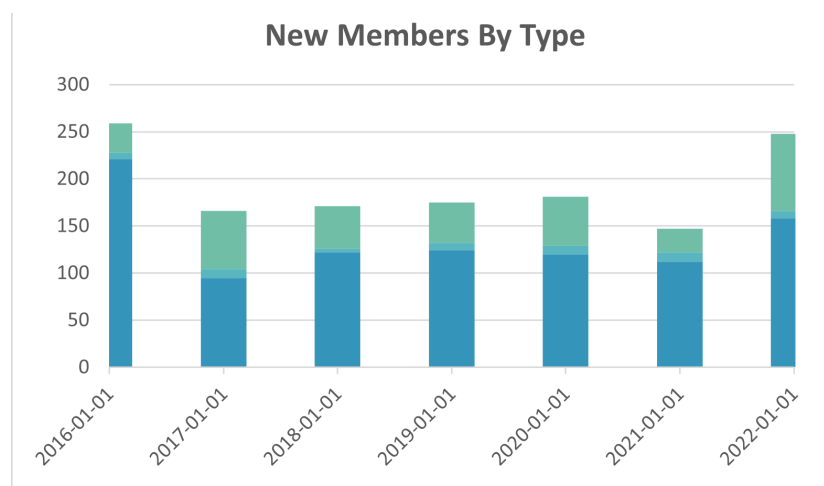
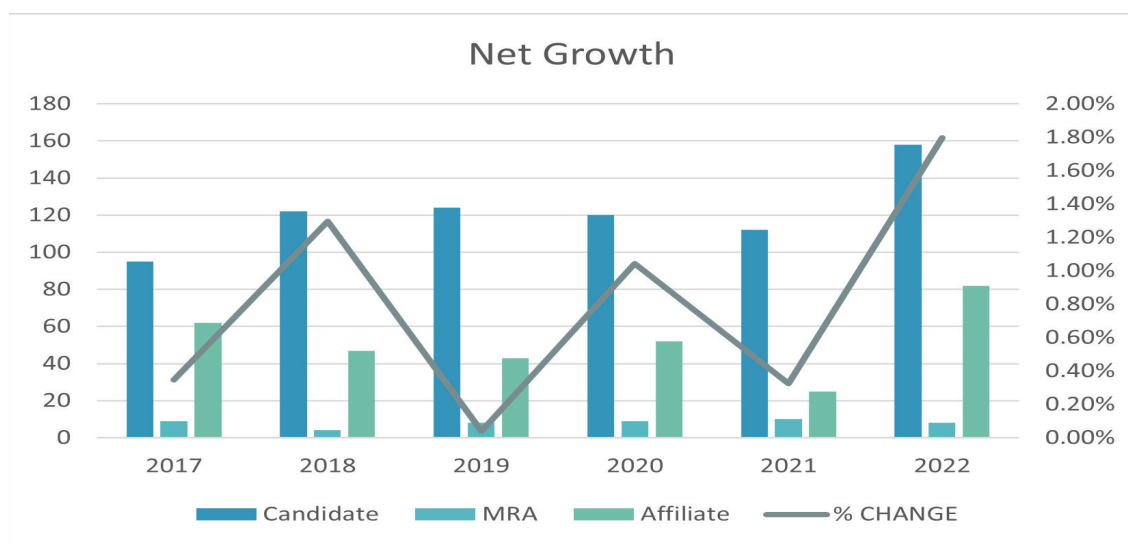
Applications

Applications come to CPA Saskatchewan for registration as a member, firm or professional corporation and for licensing of a member and firm. During the year ended March 31, 2022, CPA Saskatchewan processed the following applications:



Growth Trend

One key trend that CPA Saskatchewan monitors is the overall growth of our profession. The following graph displays the growth in new members compared to the overall (net) growth in active members. The growth in new members is based on new members admitted to CPA Saskatchewan. The net growth in active members is based on new members less the number of members who have left the profession as a result of resignation, death, or being cancelled/expelled and the number of members who are no longer actively practicing for the period of April 1 to March 31. The net growth in membership has remained consistent throughout the past four years whereas the number of new members admitted to the profession is up from last year.



Looking ahead...

During 2022/23 CPA Saskatchewan will be moving towards automated application forms. The objectives are to streamline and automate our processes where possible such that member time to comply is kept as minimal as possible and ensuring staff capacity is used effectively.



3. Monitoring

The Monitoring function assesses and analyzes data to produce information that identifies risk to the public and then to mitigate that risk with scalable and appropriate regulatory oversight. The objective of each regulatory process is to be proactive in the identification and assessment of risk and the resulting application of a regulatory outcome. All registrants are subject to monitoring activities (CPD reporting and verification, practice inspection, licensing, practice administration reviews). Some key updates on monitoring activities carried out in 2021/22 are included below.

Licensing for compilation engagements

The new compilation engagement standard (Canadian Standard on Related Services 4200-Compilation Engagements or CSRS 4200) became effective for fiscal years ending on or after December 14, 2021. CSRS 4200 replaced Section 9200; therefore, CPAs can no longer issue Notice to Readers for applicable engagements after the effective date.

As the new compilation engagement report references the CPA Canada Handbook, compilation engagements were categorized into the Practice of Professional Accounting as defined in Section 18 of The Accounting Profession Act. As a result of this change, a new tier of licensing for compilations became effective with CPA Saskatchewan as of January 1, 2022. Approximately 230 compilation licence applications were made through our online application tool up to March 31.

CPD Verification

In 2021/22, 99 members underwent the fourth annual CPD verification process (for the 2018-2020 CPD reporting cycle). CPD verification requires that the member provide documentation to support their verifiable learning activities, including a linkage of the reported activities to their current or future professional role. This year, staff applied a risk lens to the sample selection, focusing on members who had reported CPD activities from unique sources, or who had reported a majority of their verifiable CPD through self-study, research, or in-house learning activities.

We note the following tips for all members regarding reporting future CPD activities:

- Identification of the learning activity related to a CPD activity: actual hours claimed for CPD are limited to the portion of CPD activity in which a learning activity was achieved. For research or projects, the output of the learning activity must be objectively verified (e.g. review and sign-off of the document, paper, or materials by an individual for whom the member worked or carried out the research or project) or a log of hours kept for the research or project work, with specific dates and hours noted that is signed off on by an objective individual. We suggest members retain this information upon completion of a project or research.
- Linking the activity to the CPA's professional role: verifiable CPD that is reported must relate to the member's current professional practice and/or long-term CPA career interests.
- Ensuring balance and proactively planning: members are encouraged to continually balance their CPD from a wide-variety of sources. While Committee and Board work or research projects remain important sources of CPD, members should assess whether they are obtaining sufficient balance in their CPD such that they are supporting the development or maintenance of the required competencies of their role in the most effective way.

An article on the results of the CPD verification process that includes more details on the above noted items was published in Fall 2021 in CPA SK Connect.

As we continue to note that many of our members are reporting volunteer time, research hours, or in-house courses towards meeting the minimum CPD requirements, we will target verification in these areas and other risk areas in our future CPD verification processes. For members who previously underwent CPD verification and required additional reporting, we will use data analytics to identify whether follow-up on subsequent CPD reporting is needed.

We encourage members to consult our "Guide to CPD Reporting" and "CPD Self-Assessment Tool" (available on our website) for guidance on reporting CPD.

Looking ahead...

CPA Saskatchewan will provide educational materials to members who report their CPD in one of the identified risk areas. CPA Saskatchewan will also continue to monitor that its members who are carrying out compilation engagements in Saskatchewan are properly licensed for this.

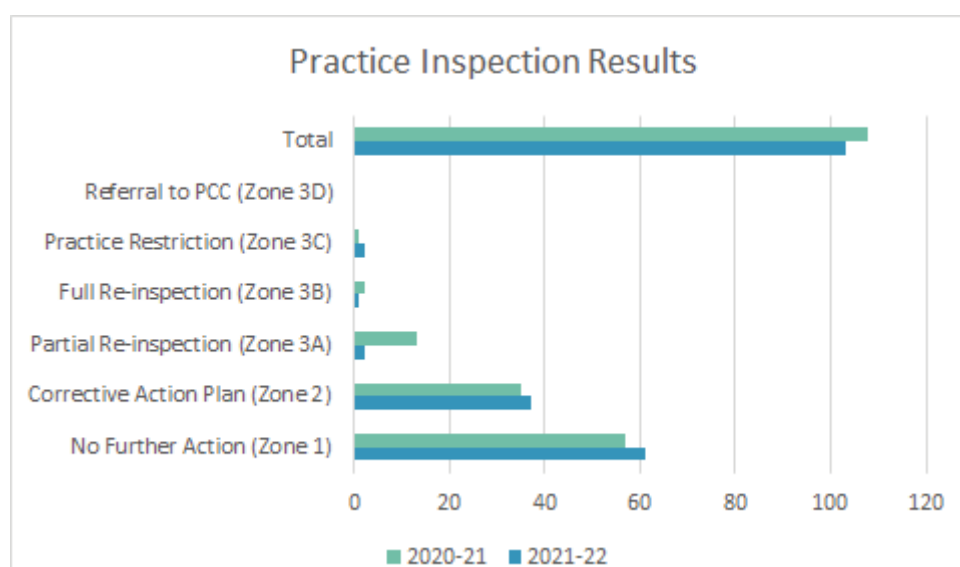
Practice Inspection

Practice inspection of a firm's compliance with the standards of the profession occurs on every registered firm with inspectable services (i.e. firms that carry out audits, reviews, and compilation engagements). Every registered firm is subject to a notice of practice inspection. If a firm does not perform inspectable services (i.e. they carry out other regulated services), the firm provides written confirmation of this to CPA Saskatchewan and is removed from inspection.

Practice inspections occur for every registered firm with inspectable services at least once in a 4-year risk-adjusted cycle. Depending on the risk level of the firm, a firm may be inspected more than once within 4 years.

The 2021/22 inspection year included 103 inspections, slightly down from 108 inspections completed in 2020/21. Of these inspections, in 2021/22, 48 were scheduled as desk inspections (for firms carrying out compilations only) versus 42 in 2020/21. As COVID-19 continued during 2021/22, a combination of 43 remote inspections and onsite inspections were carried out (54 in 2020/21). The remaining 12 (12 in 2020/21) inspections were for affiliate firms.

Inspection results include no further action by the firm, requiring submission of an approved corrective action plan to address all non-compliance with standards in the future (both considered the firm is overall in compliance with professional standards), a partial or full re-inspection, restrictions placed on the firm's practice, and a referral to professional conduct for further assessment (all considered the firm is overall not in compliance with professional standards). Inspection results are consistent with the prior year, with an overall decrease in re-inspections from the prior year.



4. Enforcement

Enforcement is a mechanism to administer a system of justice that is appropriate to that registrant. The Enforcement function's role is to ensure that registrants who breach a Rule or are guilty of professional misconduct are fairly and reasonably sanctioned in a timely manner.

Outcomes are intended to be rehabilitative, while punitive as necessary. All processes and outcomes are transparent to the registrants, the individual who raised the concern, and the public.

Discipline Committee

The Discipline Committee had its most active year since unification with 14 hearings conducted.

Activity	2022-Mar-31	2021-Mar-31	2020-Mar-31
Cases in Progress	8	12	8
Monitoring for compliance	10	10	10
Hearings Held	14	6	5

Appeal to the Board

During 2021/22, a discipline decision was appealed to the CPA Saskatchewan Board. The Board upheld the decision of the Discipline Committee.

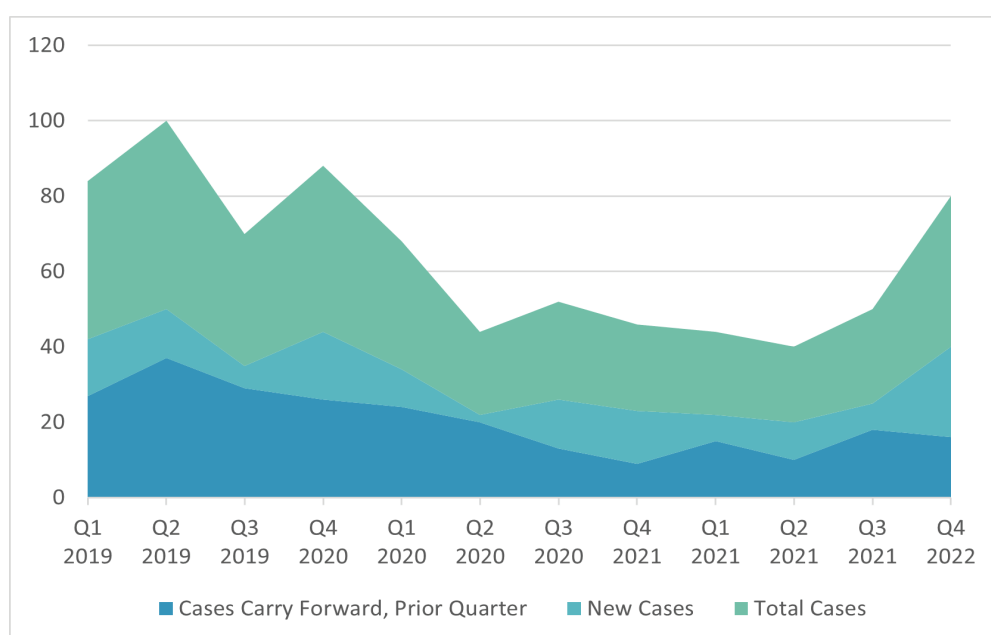
Looking ahead...

Trend analysis is underway on case volume and outcomes.

Professional Conduct Committee

In 2020/21 and continuing through the start of 2021/22, there was a significant decline in the number of concerns and complaints filed with CPA Saskatchewan primarily due to COVID-19. The graph below shows that case volume is returning to pre-COVID-19 volume at the end of 2021/22.

Conduct Case Volume



Stakeholder Relationships

In addition to our functional areas, CPA Saskatchewan's regulatory role is to establish and maintain stakeholder relationships with a variety of stakeholders. Over the last few years, CPA Saskatchewan facilitated a task force to make recommendations to, and have ongoing correspondence with, the Ministry of Justice (Office of the Public Registry Administration) with respect to assurance services provided by CPAs to Not-for-Profit Corporations.

CPA Saskatchewan worked with the Law Society of Saskatchewan to update their lawyer's trust account forms (the TA-5: Accountant's Report) to comply with the new requirements of Canadian Standard on Related Services (CSRS) 4400 – Agreed-Upon Procedures Engagements, effective for engagements beginning on or after January 1, 2022.

CPA Saskatchewan works with other self-regulatory professions through the Saskatchewan Self-Regulatory Working Group as well as the Canadian Network of Agencies for Regulation.

We also have a strong relationship with the Ministry of Finance who oversees our legislated processes.



Strategic Imperative:

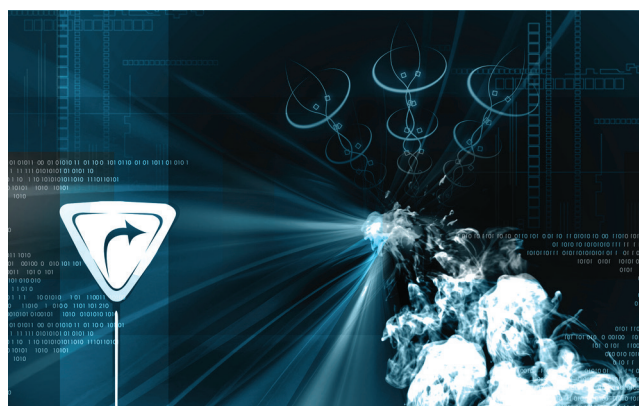
To embrace digital transformation in services to registrants

During the past year, CPA Saskatchewan continued to enhance the delivery of our services through increased automation and ongoing streamlining of our processes.

As a result of the requirement to implement new regulations for compilation licensing due to the change in the standards, CPA Saskatchewan's first online application process was implemented. The process was well-received by members and simplified the steps required to apply. This is the first in our ongoing initiative to make all application forms available online.

CPA Saskatchewan continues to work with the other small provincial bodies who use the same database platform. This will enable increased efficiencies in the future and additional opportunities.

We recognize the significant impact that digital transformation has on our profession and the work of our members. The national Digital Transformation Task Force established by the Council of Chief Executives is critical to shaping the profession for a digital future where CPAs can provide value in a data-rich, data-intense, and data-driven world. The Task Force completed member consultation and discovery workshops and continues its work with the goal of understanding members' needs and providing resources for the members as they transform to a digital model.



Strategic Imperative:

To Improve Member Engagement

In 2021/22, CPA Saskatchewan offered all professional development and events virtually due to the ongoing challenges with COVID-19. During the year, there were 347 learning opportunities for members including free sessions. There were 4,415 registrations in all sessions.

In addition to the extensive professional development program, additional sessions were offered. Some of the highlights of the virtual sessions include the following:

- Mini-conference, with the theme “Unlocking Your Full Potential,” was delivered in June with four sessions for members.
- Webinar on vaccination policies in December that addressed the practical and legal implications of implementing vaccine policies.
- Webinar titled “Insights Into The Culture of Indigenous Peoples – Starting the Discussion” led by Robert Andrews, CPA, CMA, Executive Director of the Aboriginal Financial Officers Association of Alberta.
- Town Hall with the Registrar was held with CPA Saskatchewan Registrar, Leigha Hubick, CPA, CA. Members submitted questions prior to the event and also had the opportunity to ask questions that day. The session was moderated by James Barr, FCPA, FCA, Chair of the CPA Saskatchewan Registration Committee.

Convocation

The CPA Saskatchewan Convocation ceremony was held virtually to celebrate the achievements of 150 successful CFE writers from the May and September CFEs. Five graduates from Saskatchewan were named to the CPA Canada Honour Roll: Sarah Garden, Owen Kot, Rianne Morrow, Alexandra Parsley, and Joshua Stranden.

Sarah
Garden



Owen
Kot



Rianne
Morrow



Alexandra
Parsley



Joshua
Stranden



FCPA

The Fellow Chartered Professional Accountant (FCPA) is awarded to members who have rendered exceptional service to the profession or whose achievements in their careers or in the community have earned them distinction and brought honour to the profession.

CPA Saskatchewan was proud to announce that Diana Leray, FCPA, FCA, was awarded her FCPA designation this year.

Diana is a Partner, Audit and Business Advisory Services at KPMG LLP in Regina with over 20 years of experience. She provides audit and assurance services in several sectors, including telecommunications, financial institutions, Crown corporations, and not-for-profit organizations.

Diana is a member of the KPMG National Executive Inclusion & Diversity Council. Diana is the Chair of KPMG Regina's Community Leader Committee. She has been a mentor with the Martin Aboriginal Initiative, and she has chaired the KPMG Community Leader Awards Committee for Western Canada for the past five years.

Diana served as Chair of the CPA Saskatchewan Board for the 2019/20 year. Diana was the last Board member who joined the Board at unification in 2014. She was also a Board liaison to the Professional Practice Committee and served as Board Vice Chair for 2018/19 year.

Diana is currently a Board member of the Ranch Ehrlo Society. Diana is the past president of the YWCA Regina Board of Directors and served as a Board member from 2010–2016. Diana has also been an active volunteer in activities including the Canada Summer Games, the IIHA World Juniors, the 2003 Grey Cup, the Women's Entrepreneurs of Saskatchewan, and the United Way.

To celebrate Diana's achievement, a video was produced and posted on the CPA Saskatchewan website and an in-person celebration will be held in 2022/23.

Diana Leray, FCPA, FCA



CPA Saskatchewan was pleased to continue our partnership with CPA Alberta to bring our members the CPA Assist program. CPA Assist provides confidential 24/7 counselling and wellness resources to our members, candidates, and their immediate families. Given the challenges of COVID-19 and the Ukraine crisis, the availability of the program for members was extremely important.

In addition to the counselling services that were accessed, the wellness resources available during 2021/22 included the following:

CPA Assist Webinars

CPA Assist offered many webinars during the year on various wellness topics, including “Positive Self-Talk” and “Why Our Brains are Starving.” The webinars were well attended by CPA Saskatchewan members.



Conference

CPA Assist offered a Virtual Wellness Conference on December 8, 2021.

Bell Let's Talk Day

Members received an email on January 26, 2022, regarding Bell Let's Talk Day with a number of wellness resources.

Wellness Before Your Weekend Series

This service is a social media series featuring members and candidates speaking to an aspect of a physical or mental health issue that is important to them. It provides another resource for members and candidates who might be facing challenging times.

Articles

The member newsletter, SK Connect included articles about CPA Assist and featured wellness resources available to our membership. Articles this year included “Managing Burnout,” “Ways the Change of Seasons Might Affect Mental Health,” and “How You Can Influence Your Emotions and Mood with Mind Tricks.”

The health of our members, candidates, and their immediate families is important to CPA Saskatchewan. We encourage you to access the services and resources provided through the CPA Assist program as needed.

Strategic Imperative:

To increase public awareness of CPA Saskatchewan brand

There are more than 220,000 Canadian CPAs and almost 5,400 CPAs registered with CPA Saskatchewan. CPA Saskatchewan continues to support the national branding initiatives. The evolution of the brand campaign continues to strengthen awareness and recognition of the value of the designation, and showcases the benefits CPAs bring to the business world.

These past two years have been challenging for Canadian business leaders and individuals alike. And CPAs, known for their financial expertise and integrity, are an integral source of support for communities and businesses as they navigate the post-pandemic economic recovery. By showcasing how members are making a difference in business, community, and family settings, the campaign positions CPAs as the backbone of the Canadian economy while also humanizing the role of the accountant. Lean on Us, Lead with Us presents CPAs as the trusted advisers Canadians turn to for help during uncertain times.

CPA Saskatchewan is also actively involved in the business community, including supporting and being active with the Saskatchewan Chamber of Commerce and the Saskatchewan Business Council. There was also collaboration with the Saskatoon Chamber on their Business Confidence Barometer Survey. During the year, most activities were offered virtually with the gradual return to in person activities during the fourth quarter.

To ensure the continued growth of the profession, CPA Saskatchewan is very active in efforts to recruit new candidates who will ultimately be the members who lead the profession in the future.

With the ongoing challenges of COVID-19, many of the recruiting activities were held virtually during the year. This presented an opportunity for outreach in a different way including virtual career fairs and virtual office hours for newcomers to Saskatchewan; virtual career fairs for high school and post-secondary students; targeted information sessions for post-secondary students; virtual panel sessions; and member profiles. There were also opportunities to collaborate with CPA Manitoba and increase our access to resources and information for potential candidates. CPA Saskatchewan continued our efforts with and our support for the Paul J Hill School of Business at the University of Regina, the Edwards School of Business at the University of Saskatchewan, and Saskatchewan Polytechnic.

In partnership with CPA Saskatchewan, the Edwards School of Business established the CPA Saskatchewan Indigenous Academic Achievement Advisor. During the year, we were proud to announce that the first dedicated Indigenous Academic Achievement Advisor had been hired and was available to support Indigenous students in their educational journey.

CPA Saskatchewan was recognized by the Association of Fundraising Professionals - South Saskatchewan Chapter at their National Philanthropy Day Awards Celebration in the Outstanding Corporate Philanthropist category, particularly in recognition of the work with the University of Regina and the University of Saskatchewan. An excerpt of their comments is below:

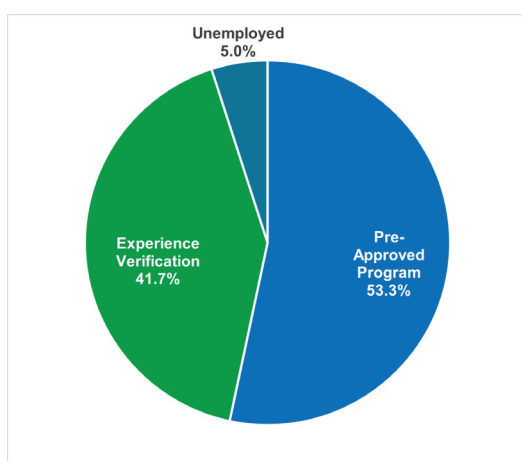
“CPA Saskatchewan’s broad-reaching philanthropy is driven by dedication to its values – namely leadership and excellence. A proud partner of the University of Regina, CPA Saskatchewan has invested in multi-year funding, which includes scholarships and awards to benefit business students, research funding, and sponsorship of marquee events, such as the Inspiring Leadership Forum.

CPA Saskatchewan empowers University of Saskatchewan students through funding of the newly-created CPA Saskatchewan Indigenous Achievement Advisor position, and sponsorship of many student-driven initiatives. CPA Saskatchewan is also a long-term, passionate supporter of leadership-development initiatives, for instance the JDC West business case competition, further exemplifying its dedication to developing tomorrow's leaders.”

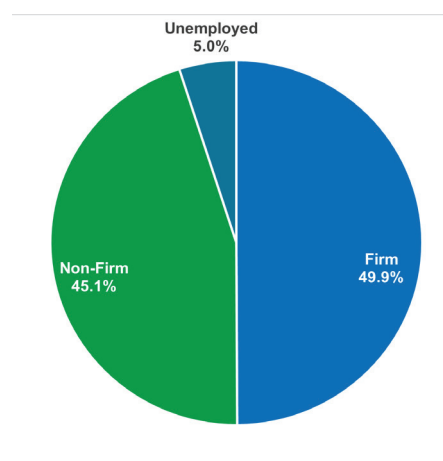
At March 31, 2022, there are 722 candidates registered with CPA Saskatchewan. During the 2021/22 year, there were 158 candidates who successfully completed the education program and were registered as members of CPA Saskatchewan.

Candidates complete their practical experience in one of two paths: the experience verification path or the approved program path. Within each of the paths, candidates complete their practical experience at the employer of their choice, resulting in a diverse set of employment opportunities for the candidates.

Experience Path



Employer Type



Financial Performance

CPA Saskatchewan is financially sound with unrestricted net assets of \$3.0M. It has sufficient cash and investments to meet both short-term and long-term needs and to move forward with the strategic direction set by the Board.

The CPA Saskatchewan Board has established internal restrictions of net assets for two purposes. Assets have been restricted in the amount of \$400,000 for future investment in education and in the amount of \$250,000 for potential future discipline costs.

The results of operations for CPA Saskatchewan for the year ended March 31, 2022 are included in the financial statements. These statements show a deficit for the year of \$168,400.

The two most significant sources of revenue included in the financial statements are from member and candidate/student fees. Firm fees include firm, practice inspection, and professional corporation fees. Revenue from professional development and conference is included in member services and events. The two largest components of regulatory functions revenue are licensing fees and discipline fines.

The most significant expenses are categorized in education delivery, regulatory functions, member services and events, and administration. The member services and events include the costs of the professional development courses, convocation, and conference. The regulatory costs include the costs to meet our primary objective of the protection of the public. The administration expenses include salaries which is the largest expense in this category. The second most significant administration expense is occupancy costs.

The CPA Western School of Business (CPAWSB) delivers and administers pre-certification education as an agent on behalf of each of the western provincial bodies. The candidate/student dues and module fees collected by the CPAWSB on behalf of the provincial bodies is allocated based on the number of learners in each province. CPA Saskatchewan has recorded the CPA Saskatchewan share of the revenue under the category of candidate/student fees. The CPAWSB charges a fee to the western provincial bodies for the costs of providing education and administrative services. These are allocated to each provincial body based on the number of learners. CPA Saskatchewan has recorded the CPA Saskatchewan share of the cost of delivering the education program under the category of Education Delivery.

The financial results show a deficit for the year which is less than the budgeted deficit. The most significant variances relate to pre-certification education. Although it was anticipated that pre-certification education might be able to be transitioned to more in-person offerings, COVID-19 restrictions prohibited that transition. The only in-person offerings were the two CFEs.

COVID-19 continued to have an impact on the operations of CPA Saskatchewan, most significantly on the need to offer our events virtually; these events included professional development, conference, and convocation. COVID-19 did not have any impact on our ability to fulfill our mandate of the protection of the public and carry out all regulatory functions.

Looking Forward

The future looks very exciting for our profession including CPA Saskatchewan and all our members and candidates.

In the year ahead, CPA Saskatchewan is looking forward to a gradual return to in-person events. We are committed to enhanced member outreach and look forward to connecting with members and candidates. As we move forward, there will be opportunities to connect in person. As well, as we have all learned over the past two years, there are also virtual opportunities. It will be important to consider exciting new ways to connect in 2022/23.

As we look forward, there are two profession wide projects highlighted below that recognize that the future state of a CPA is changing. We have the opportunity to build a stronger, relevant profession.

Certification 2.0

One of the most significant initiatives undertaken by the profession during the year was development of the Competency Map 2.0. The new Competency Map lays the foundation for the CPA certification program. It harnesses transformative forces and considers how they can be integrated with the core competencies that CPAs have always brought to the table such as critical knowledge and analysis and a commitment to ethics.

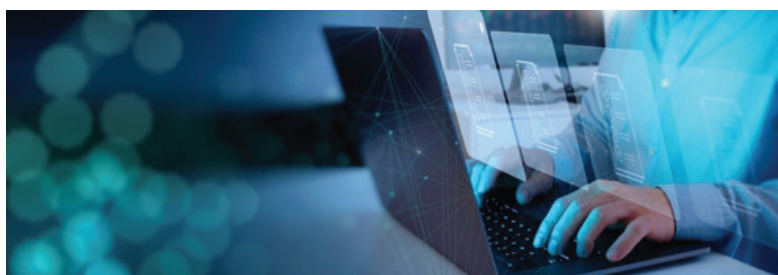
The new map is informed by the best available evidence and extensive consultations that the Competency Map Task Force has undertaken over two years with employers, educators, students/candidates, and CPA members across the country.

As we think about the future, data governance, artificial intelligence, machine learning, and other innovative sectors are creating new areas of opportunity where professional accountants can excel, provided they have the right skills. We are seeing automation present an ever-increasing challenge to the accounting profession—future CPAs need to be agile, adaptable, and highly-skilled while at the same time provide the assurance and ethical lens that are critical to ensuring organizations are equipped to manage this transition.

In addition, we have seen—and will continue to see—changes that require CPAs to use new skills and add value in new ways to analyze environmental and social performance measures, such as diversity, equity, and inclusion.

Protection of the public is at the core of the profession. Licensed CPAs play an important role in protecting the public, ensuring the integrity of the country's capital markets, and fostering public and investor confidence.

Markets are increasingly using intangible data to value companies and professional accountants have an important role to play in providing assurance in new ways as value creation changes.



With all of this in mind, there is both a need and opportunity to ensure that CPAs continue to be perceived as leaders in Canada's future economy and society.

Competency Map 2.0 provides a powerful vision for the CPA profession and articulates a high-level view of the skills and competencies future-ready CPAs will require at the point of certification.

The profession is now working on how to implement and operationalize the competency map. This next step, Certification 2.0, will determine where, when, and how the skills and competencies laid out in the new Competency Map will be learned and assessed.

Foresight

Data, machine learning, and artificial intelligence are opening new doors to innovation. Technological advancements are happening at warp speed and the intangible nature of future potential has overtaken more tangible historical performance as a determinant and indicator of business value.

It all presents a compelling case for professional accountants to rethink how we provide leadership, drive innovative thinking, serve as trusted advisors, and fulfill our professional commitments as stewards of public trust by protecting ethical decision-making.

Understandably, CPAs are at various stages of understanding the changing landscape and where they fit into it.

Foresight: Reimagining the Profession explores the rapidly changing business and economic environment through the lens of professional accountants. A broad range of online resources have been produced that cover fundamental shifts in traditional roles and expand upon emerging opportunities.

Research continues to ensure the profession remains on the forefront of emerging issues and trends. It is critical that the profession continues to ask provocative questions about the relevance of CPAs in the digital age; explore our role in creating and measuring value; and look at the future of trust, integrity, and ethical business practices.

The Canadian CPA profession is recognized globally for the work it is doing to shape the future of the profession.





THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN

FINANCIAL STATEMENTS

MARCH 31, 2022



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **The Institute of Chartered Professional Accountants of Saskatchewan** (the "Institute") have been prepared by the Institute's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Institute's Board has delegated certain responsibilities to the Audit Committee, including the responsibility for reviewing the annual financial statements and meeting with management and external auditors on matters relating to the financial reporting process and the Institute's system of controls.

The Board has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.

A handwritten signature in black ink, reading "Shelley Thiel", is positioned above a horizontal line.

Shelley Thiel, FCPA, FCA
Chief Executive Officer



INDEPENDENT AUDITORS' REPORT

**To the Members,
The Institute of Chartered Professional Accountants of Saskatchewan**

Opinion

We have audited the accompanying financial statements of **The Institute of Chartered Professional Accountants of Saskatchewan** which comprise the statement of financial position as at March 31, 2022, and the statement of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Institute of Chartered Professional Accountants of Saskatchewan as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

May 25, 2022
Regina, Saskatchewan

VIRTUS GROUP LP
Chartered Professional Accountants

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

ASSETS

	2022	2021
Current assets		
Cash and short term investments (Note 3)	\$ 2,123,400	\$ 1,948,700
Accounts receivable (Note 9)	1,344,400	1,784,800
Prepaid expenses	194,200	77,800
	<u>3,662,000</u>	<u>3,811,300</u>
Long term investments (Note 3)	1,695,600	1,395,200
Tangible capital assets (Note 4)	398,300	607,600
	<u>\$ 5,755,900</u>	<u>\$ 5,814,100</u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	\$ 417,100	\$ 317,400
Fees received in advance	1,287,000	1,276,500
	<u>1,704,100</u>	<u>1,593,900</u>

NET ASSETS

Net assets invested in tangible capital assets	398,300	607,600
Internally restricted net assets (Note 5)	650,000	-
Unrestricted surplus	3,003,500	3,612,600
	<u>4,051,800</u>	<u>4,220,200</u>
	<u>\$ 5,775,900</u>	<u>\$ 5,814,100</u>
Commitments (Note 6)		

APPROVED BY:



Board Member



Board Member

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	Investment in tangible capital assets	Internally restricted net assets	Unrestricted surplus	Mar 31, 2022 Total	Mar 31, 2021 Total
Opening balance	\$ 607,600	\$ -	\$ 3,612,600	\$ 4,220,200	\$ 3,787,700
Excess (deficiency) of revenues over expenses	-	-	(168,400)	(168,400)	432,500
Amortization	(241,700)	-	241,700	-	-
Purchase of tangible capital assets	32,400	-	(32,400)	-	-
Transfer of net assets (Note 5)	-	650,000	(650,000)	-	-
Ending balance	\$ 398,300	\$ 650,000	\$ 3,003,500	\$ 4,051,800	\$ 4,220,200

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
Revenues		
Member fees	\$ 2,495,700	\$ 2,453,900
Firm fees	425,700	501,400
Candidate/student fees	2,776,400	2,890,100
Member services and events	551,600	595,000
Regulatory functions	214,300	129,400
Other revenue	34,400	118,400
	<u>6,498,100</u>	<u>6,688,200</u>
Expenses		
Member services and events	381,400	339,600
Education delivery	2,434,700	2,280,300
Regulatory functions	470,000	568,100
Governance	72,400	47,700
Administration	3,308,000	3,020,000
	<u>6,666,500</u>	<u>6,255,700</u>
Excess (deficiency) of revenues over expenses	<u>\$ (168,400)</u>	<u>\$ 432,500</u>

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (168,400)	\$ 432,500
Amortization	241,700	191,800
Net change in non-cash current assets and liabilities related to operations (Note 7)	434,200	(317,000)
Cash provided by operating activities	<u>507,500</u>	<u>307,300</u>
Investing activities		
Decrease in long term investments	(300,400)	(18,200)
Purchase of tangible capital assets	(32,400)	(333,700)
Cash used in investing activities	<u>(332,800)</u>	<u>(351,900)</u>
Net increase (decrease) in cash	174,700	(44,600)
Cash and short term investments beginning of year	1,948,700	1,993,300
Cash and short term investments end of year	<u>\$ 2,123,400</u>	<u>\$ 1,948,700</u>



THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Nature of operations

The Institute of Chartered Professional Accountants of Saskatchewan (the "Institute") was established as a corporation by *The Accounting Profession Act* proclaimed in the Saskatchewan Legislature on November 10, 2014. It is a not-for-profit organization under the *Income Tax Act* and therefore is not subject to either federal or provincial income taxes. The objects of the Institute are to regulate the practice of the profession, govern the registrants in accordance with the Act and Bylaws and to assure the public of the knowledge, skill, proficiency, and competency of registrants in the practice of professional accounting and other services provided.

2. Summary of significant accounting policies

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses. Actual amounts could differ from these estimates.

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the Institute becomes party to the contractual provisions of the financial instruments. All financial instruments are initially measured at their fair value. CPA Saskatchewan subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair market value.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be reversed if the value subsequently improves.

Cash and cash equivalents

Cash is comprised of short term investments and demand deposits. The short term investments are highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS
OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**



2. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Office equipment and leasehold improvements are amortized on the straight-line basis over ten years. Computer hardware and software are amortized on the straight-line basis over three years.

Revenue recognition

Member fees, firm fees, and candidate/student fees are recorded as revenue in the accounting period to which they apply. Revenues from member services and events are recognized in the period when the events are held.

3. Cash and investments

	2022	2021
Long term investments	\$ 1,695,600	\$ 1,395,200
Short term investments	1,192,500	1,084,400
Cash	930,900	864,300
Total cash and investments	<u>\$ 3,819,000</u>	<u>\$ 3,343,900</u>

Long term investments consist of long term guaranteed investment certificates and federal, provincial, and A rated bonds with maturity dates ranging from May 2023 to April 2078 and an average interest rate of 2.24% (2021 – 1.51%).

Short term investments consist of guaranteed investments certificates with an average interest rate of 1.05% (2021 – 2.30%).

4. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
Office equipment	\$ 239,800	\$ 173,800	\$ 66,000	\$ 82,200
Computer hardware	95,000	66,500	28,500	31,800
Computer software	476,400	278,100	198,300	338,500
Leasehold improvements	496,200	390,700	105,500	155,100
	<u>\$ 1,307,400</u>	<u>\$ 909,100</u>	<u>\$ 398,300</u>	<u>\$ 607,600</u>

During the period, tangible capital assets were amortized in the amount of \$241,700 (2021 - \$191,800).

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022



5. Internally restricted net assets

The CPA Saskatchewan Board of Directors may choose to establish internal restrictions which govern the use of assets held by the Institute. Any surplus in excess of the Institute's operating requirements may be designated as restricted by the Board. Effective April 1, 2021, the CPA Saskatchewan Board of Directors approved the internal restriction of assets for future discipline costs of \$250,000 and future investment in education of \$400,000.

	2022	2021
Restricted net assets for future discipline costs	\$ 250,000	\$ -
Restricted net assets for future investment in education	400,000	-
Total restricted net assets	<u>\$ 650,000</u>	<u>\$ -</u>

6. Commitments

The Institute is committed to annual lease payments for office space, services, and post-secondary support as follows:

2023	\$483,600
2024	\$400,100
2025	\$262,800
2026	\$4,200

7. Net change in non-cash current assets and liabilities related to operations

The net change in non-cash current assets and liabilities related to operations consists of:

	2022	2021
Decrease (increase) in accounts receivable	\$ 440,400	\$ (331,400)
Decrease (increase) in prepaid expenses	(116,400)	8,700
Increase (decrease) in accounts payable & accrued liabilities	99,700	(61,600)
Increase in dues and fees received in advance	10,500	67,300
	<u>\$ 434,200</u>	<u>\$ (317,000)</u>

8. Chartered Professional Accountants of Canada (CPA Canada)

The Institute has an agreement with Chartered Professional Accountants of Canada (CPA Canada) to work together to achieve a common mission and vision, to administer affairs in accordance with agreed principles, and to act in the spirit of trust to best serve the interests of the CPA profession and the public. The provincial bodies such as the Institute share in the cost of the operations of the national committees. The Institute also collects member fees on behalf of CPA Canada and remits those to CPA Canada.

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022



9. Chartered Professional Accountants Western School of Business (CPAWSB)

The Bylaws of the Institute allow the CPA Saskatchewan Board of Directors to approve an educational institution to administer the registration of candidates and the delivery of the CPA Canada professional education program. The CPA Western School of Business (CPAWSB) delivers and administers pre-certification education to candidates and students in the four western provinces and the territories, in accordance with an agreement signed by the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB, effective September 29, 2015. Effective June 1, 2018, the western CPA provincial bodies approved changes relating to the governance structure of CPAWSB. The Board of Directors of CPAWSB is comprised of the CEOs from the four western provinces.

CPAWSB is a registered charity incorporated under the Canada Not for Profit Corporations Act and is not subject to income taxes. In the event of dissolution or winding up of the corporation, all of its remaining assets after payment of liabilities shall be distributed to qualified donees as defined in Section 149.1(1) as amended, of the Income Tax Act (Canada), and therefore are not available to the Institute. Accordingly, no ownership interest of CPAWSB is reflected in the financial statements. If a member body withdraws from the agreement prior to operations ceasing, that body would have no right to any of the assets or other property of CPAWSB.

Effective April 1, 2019, the Institute entered into two agreements between the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB. As per the operating agreement, CPAWSB will deliver and administer pre-certification education as an agent on behalf of each of the provincial bodies. The revenue earned and expenses incurred by CPAWSB will be allocated to each provincial body based on the number of learners in each province.

During the year, the CPAWSB collected annual candidate and student dues and course module fees of \$2,728,700 (2021 - \$2,797,300) on behalf of the Institute. The CPAWSB charged the Institute \$2,434,700 (2021 - \$2,280,200) for delivery of the education program. Prior to year end, CPAWSB collected annual candidate and student dues and course module fees of \$940,600 (2021 - \$996,800) on behalf of the Institute pertaining to the programs to be delivered on or after April 1, 2022, which are recorded as accounts receivable and fees received in advance.

Amounts due from CPAWSB at March 31, 2022 totaled \$1,234,600 (2021 - \$1,513,900) and are included in accounts receivable.

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. CPA Insurance Plans West (CPAIPW)

CPA Insurance Plans West (CPAIPW) administers benefits plans for members of the CPA bodies in Alberta, British Columbia, Manitoba, Saskatchewan, and the Territories.

CPAIPW is a not for profit organization under the *Income Tax Act* and therefore is not subject to income taxes. The Board members are appointed by the western provincial bodies.

During the year ended March 31, 2022, the Institute paid benefit plan premiums for its employees to CPAIPW totaling \$70,000 (2021 - \$60,000). CPAIPW provided sponsorships to the Institute of \$4,500 (2021 - \$6,000). The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS
OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022



11. Financial risk management

The Institute has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Institute is exposed are:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk on the accounts receivable from its members, however, does not have a significant exposure to any individual customer or counterpart. In order to reduce its credit risk, the Institute regularly reviews outstanding accounts receivable and follows internal collection policies.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute's exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings, and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements and are considered adequate to meet the Institute's financial obligations.



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