

Honourable Kevin O'Brien
Minister of Government Services
Second Floor, West Block
Confederation Building
St. John's, NL A1B 4J6

Dear Minister O'Brien:

Re: 2008 Annual Activity Report
Public Accountants Licensing Board

In compliance with the Accountability Framework for Boards and Agencies, I am pleased to provide you with the 2008 Annual Activity Report for the Public Accountants Licensing Board.

Yours truly,

A handwritten signature in black ink, appearing to read "Alex Faseruk". The signature is written in a cursive, flowing style.

Alex Faseruk
Chairperson
Public Accountants Licensing Board



Government Services

Public Accountants Licensing Board

Annual Activity Report
2008

FOR MORE INFORMATION:

ONLINE

Website: www.gs.gov.nl.ca

PAPER

Department of Government Services
P. O. Box 8700, Confederation Building
St. John's, NL A1B 4J6
Telephone: 709.729.4834 Fax: 709.729.4754
E-mail: gsinfo@gov.nl.ca

REFERENCE PERIOD

This report covers the period January 1, 2008 through December 31, 2008,
the fiscal year of the Publics Accountants Licensing Board.

Contents

Chairperson’s Message	1
Government Entity Overview	2
Mandate	2
Vision	2
Values	2
Mission	2
Membership	3
Primary Clients	3
Revenues and Expenditures	3
Highlights and Accomplishments.....	4
Outcomes of Objectives.....	4
Opportunities and Challenges Ahead	5
Financial Statements.....	6

Chairperson's Message

As Chair of the Public Accountants Licensing Board of Newfoundland and Labrador, I am pleased to submit this annual report for the activities of the Board for 2008. This plan is prepared in compliance with the *Transparency and Accountability Act*, pursuant to which the Board has been categorized a Category 3 government entity, requiring the Board to submit an annual activity report. The Board is accountable for the preparation of this report and for the results herein. In developing this report, the Board has considered the strategic directions of the Minister of Government Services.

The Board is self-funding through annual fees charged for the issuance and renewal of public accountancy licenses. The Board sets the licensing fee and pays remuneration and expenses in accordance with government guidelines. The Board continually enjoys a surplus which it invests in interest-bearing assets. The Board is audited annually by the Auditor General of the Province of Newfoundland and Labrador. As per the *Public Accountancy Act*, the Board reports annually to the Lieutenant Governor-in-Council on the status of the Board's fund and forwards the report to the Comptroller General for incorporation into government's consolidated statements

The Board comprises members appointed by the Lieutenant Governor-in-Council from the three recognized accounting designations: chartered accountants; certified general accountants; and certified management accountants, as well as members from the general public. The Board enjoys very strong and cordial working relationships with the three designated accounting bodies. Currently, the Board is investigating a complaint against one of the Board's licensees with the full cooperation of the designated accounting body.

In 2009, the Board is hopeful that the Department of Government Services will introduce new legislation into the House of Assembly that will govern public accountants. The new legislation is intended to give self-regulatory status to the Public Accountants Licensing Board in keeping with the White Paper on Self Regulatory Occupations. We look forward to the challenges of the next planning cycle.

Respectfully submitted,



Alex Faseruk
Chair

Government Entity Overview

Mandate

The Board is established under Section 3 of the *Public Accountancy Act*. The powers of the Board include: (a) the granting or refusal of licenses under the Act; (b) the keeping and publishing of the Roll of Public Accountants in Newfoundland and Labrador in the Gazette; (c) the consideration of matters of common interest and concern to public accountants; and (d) the prescribing of standards and other qualification required of individual applicants for a license under the Act, the holding of examinations if found necessary, and the setting and marking of examination papers for the purpose of determining the existence of those qualifications. The Board may also revoke licenses, provide notice of suspension, hear appeals, restore licenses, and prescribe the titles that individuals engaged in public practice may use.

Vision

The Department of Government Services' vision is to have, "Newfoundlanders and Labradorians living and working in a healthy and safe environment with access to an open, fair, and responsive regulatory system."

The Public Accounts Licensing Board supports the Department's vision through its open and responsive regulation of public accountants in the province.

Values

The work environment of the Public Accountants Licensing Board is focused on protection of consumers and the delivery of exceptional customer service for citizens who engage public accountants. The Public Accountants Licensing Board shares the values articulated by the Department of Government Services.

Accountability: Each person accepts responsibility for their actions and follows through on requests and commitments.

Integrity: Each person engages in ethical behavior exercising proper use of authority and responsibility.

Respect: Each person accepts differences and exercises courtesy in their encounters with others.

Mission

By 2011, the Department of Government Services will have improved citizen protection in the areas of public health and safety, worker health and safety and consumer interests. *For more information, see the Department's Strategic Plan for 2008-2011, at <http://www.gs.gov.nl.ca/consultation>.*

The Public Accountants Licensing Board supports this mission of citizen protection and consumer interests through the prescribing of standards and other qualifications required for a license under the *Public Accountancy Act*.

Membership

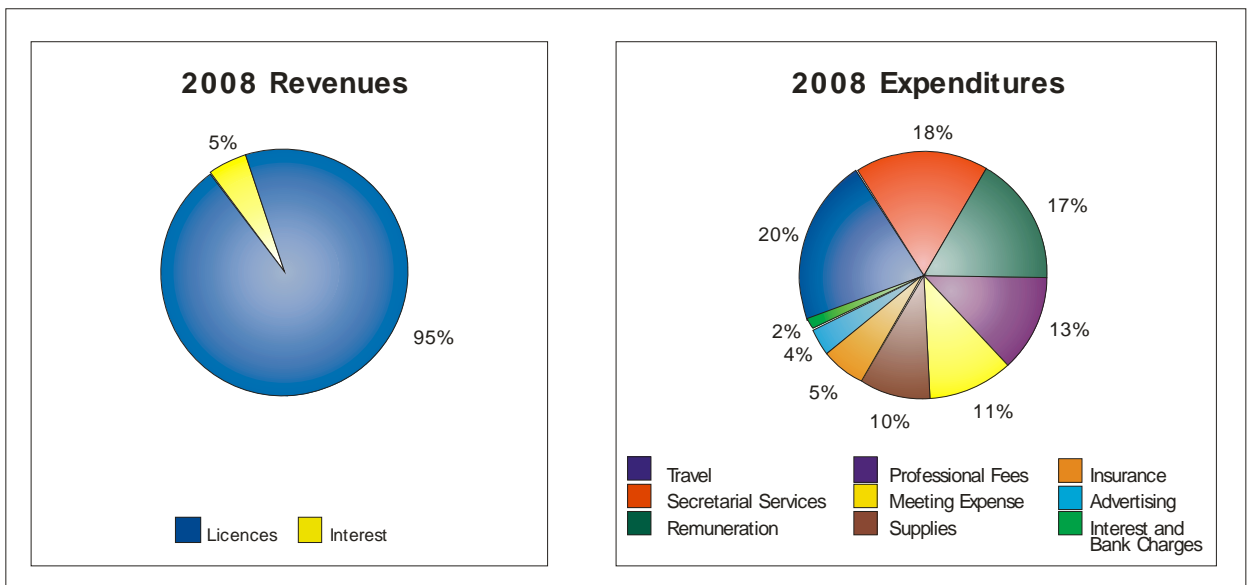
The Board, at full capacity, consists of 12 members, with three members from the Institute of Chartered Accountants of Newfoundland (ICAN), three members from the Certified General Accountants Association of Newfoundland and Labrador (CGAANL), three members from the Society of Management Accountants of Newfoundland and Labrador (SMANL) and three members representing the public. The members of the Board hold office at pleasure. At the current time the Board consists of 11 members: Fred Cole C.A., Eric Coombs F.C.A. and Donna Rideout C.A. from ICAN; Calvin Dawe CGA, Madonna Henderson FCGA and Bruce Smith FCGA from CGAANL; and, John Kattenbusch CMA and John King CMA from SMANL. The three members representing the public are Dr. Alex Faseruk, Chair, Shelley Senior, LLB, Secretary and Jim Furey, Treasurer. Currently, one vacancy exists from the SMANL following a resignation from the Board in 2006. The Board meets twice a year in January and July as required by statute, but may meet more frequently if required.

Primary Clients

The Public Accountants Licensing Board’s primary clients are the general public of the province with its secondary clients being the Institute of Chartered Accountants of Newfoundland, the Certified General Accountants Association of Newfoundland and Labrador and the Society of Management Accountants of Newfoundland and Labrador.

Revenues and Expenditures

In 2008, the Board had revenues of \$23,989, and expenditures of \$16,343.



Highlights and Accomplishments

As was reported in the Board's Activity Report for 2007, a scholarship was established at Memorial University. The goal of the Public Accountants Licensing Board Scholarship is to promote excellence in public accountancy within our province. The Board is pleased to report that it was awarded for the first time on March 14, 2008.

Outcomes of Objectives

The following objective was established in the Board's 2007 Transition Plan. The 2008 results confirm the objectives were met.

Goal

In **2008**, the Public Accountants Licensing Board fulfilled all its requirements under the *Act*.

Measure: Requirements of the *Act* fulfilled.

Indicators:

- Number of applications and licenses issued
- Number of complaints received
- Number of disciplinary actions taken
- Appeals Committee convened in a timely manner
- Monitoring compliance of continuing education criteria
- Roll of public accountants maintained and published

The Board is pleased to report the fulfillment of requirements under the *Public Accountancy Act*. In 2008, there were 228 licenses issued. The Board will continue to ensure that its licensing criteria are met by all the licensees including Section 19 of the *Act* entitled, "Corporation not to practise as public accountant." There was one disciplinary complaint received late in 2008 which may result in a charge being laid under the *Act* (the investigation is ongoing). Compliance of the continuing education criterion was met by all members. The roll of public accountants was published in the *Gazette*. The Appeals Committee was not convened, as its creation is contingent on a matter being resolved by an accounting association; it will be reported on in next year's Activity report.

Opportunities and Challenges Ahead

As mentioned, the Public Accountants Licensing Board is optimistic that new legislation to govern public accountants will be introduced into the House of Assembly. It will give self-regulatory status to the Public Accountants Licensing Board, as per the White Paper on Self Regulatory Occupations. This will provide Public Accountants with a greater level of autonomy and authority.

Financial Statements

PUBLIC ACCOUNTANTS LICENSING BOARD

FINANCIAL STATEMENTS

31 DECEMBER 2008



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

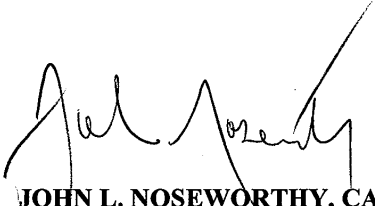
AUDITOR'S REPORT

To the Chair and Members
Public Accountants Licensing Board
St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Public Accountants Licensing Board as at 31 December 2008 and the statement of revenue, expenses and equity for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at 31 December 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
27 March 2009

**PUBLIC ACCOUNTANTS LICENSING BOARD
BALANCE SHEET**

31 December **2008** **2007**

ASSETS

Current

Cash	\$ 6,396	\$ 233
Temporary investments	43,935	42,745
Sales tax receivable	1,061	1,569
Prepaid expense	493	492
	\$ 51,885	\$ 45,039

LIABILITIES AND EQUITY

Current

Accounts payable and accrued liabilities	\$ 920	\$ 920
Deferred revenue	6,700	7,500
	7,620	8,420

Equity	44,265	36,619
	\$ 51,885	\$ 45,039

See accompanying notes

Signed on behalf of the Board:



Chair



Member

PUBLIC ACCOUNTANTS LICENSING BOARD
STATEMENT OF REVENUE, EXPENSES AND EQUITY
For the Year Ended 31 December

	2008	2007
REVENUE		
Licences	\$ 22,800	\$ 23,600
Interest income	1,189	1,514
	23,989	25,114
EXPENSES		
Advertising	610	5,123
Board remuneration	2,760	3,125
Insurance	880	880
Interest and bank charges	246	227
Meeting expense	1,774	1,743
Office supplies and expenses	1,619	290
Professional fees	2,065	1,775
Scholarship (Note 3)	-	25,000
Secretarial services	2,940	3,290
Travel	3,449	4,341
	16,343	45,794
Excess of revenue over expenses (expenses over revenue)	7,646	(20,680)
Equity, beginning of year	36,619	57,299
Equity, end of year	\$ 44,265	\$ 36,619

See accompanying notes

PUBLIC ACCOUNTANTS LICENSING BOARD
NOTES TO FINANCIAL STATEMENTS
31 December 2008

Authority

The Public Accountants Licensing Board (the Board) was established under authority of the *Public Accountancy Act*. The powers of the Board include granting licences to practice as a public accountant under the *Act*, keeping a roll of persons licensed, and prescribing the educational standards and other qualifications of applicants for a licence.

1. Significant accounting policies

These financial statements have been prepared by the Board's management in accordance with Canadian generally accepted accounting principles. The Board does not prepare a statement of cash flows since there are no investing and financing activities and the changes in cash flows are readily apparent from the other statements.

2. Financial instruments

The Board's financial instruments recognized on the balance sheet consist of cash, temporary investments, sales tax receivable, and accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

3. Scholarship

During 2007 the Board entered into a Gift Agreement with Memorial University of Newfoundland to establish the *Public Accountants Licensing Board Scholarship*. The Board provided \$25,000 to the University to establish an endowment fund to be managed by the University.

A scholarship valued at a portion of the income on the endowment is to be awarded from the fund annually, to an undergraduate student entering the final year of an academic program in the Faculty of Business Administration, who is in scholarship standing and demonstrates an interest in pursuing public accountancy as a profession. All scholarships will be awarded and administered in accordance with the University's student awards policies and practices.

4. Income taxes

The Public Accountants Licensing Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.