



Dear Colleague:

We are writing to inform you of important changes that are being proposed to continuing professional development (CPD) and professional liability insurance (PLI) requirements for the Canadian CA profession.

The Public Trust Task Force, which was established by the Council of Senior Executives to identify where the Canadian CA profession must 'raise the bar' to continue to protect the public interest, has recommended that the profession adopt uniform minimum CPD and PLI requirements across the country.

Our Council recently approved, in principle, the proposed changes to the CPD and PLI requirements and these changes will be brought forward for approval at this year's Annual General Meeting. The proposed changes have been approved in principle by the Councils/Bureau of all Provincial Institutes/Ordre across Canada and in Bermuda.

Proposed New Minimum CPD Requirements

Under the proposed changes, all members would be required to:

- complete a minimum of 120 hours of CPD over a three-year cycle, including at least 60 hours of verifiable learning;
- complete at least 20 hours of learning annually;
- choose learning opportunities that provide for the development of new or existing competencies that are relevant to the individual member's overall professional responsibilities and growth.

We believe that the majority of members already meet these new standards and therefore do not expect the new requirements to result in significant changes for most members.

If approved by the membership, the effective date of the proposed new CPD requirements for Manitoba members would be January 1, 2007.

Proposed New Minimum PLI Requirements

The proposed minimum PLI limits, which would apply to all members in public practice, are:

- \$1 million where one member practises public accounting;
- \$1.5 million where two or three members practise public accounting;
- \$2 million where four or more members practise public accounting.

Many members in small, medium and large firms, who already carry coverage at or above the proposed new levels, will be unaffected by the changes. For those who need to increase their coverage, it is anticipated that base premium costs for minimum coverage would increase by no more than \$36 per month.

If approved by the membership, the effective date of the proposed new PLI limits for Manitoba members would be for all new policies and renewals after October 1, 2006.

Why These Changes Are Necessary

The rapid pace of change and the complexity of doing business in today's world require even the smallest organizations to enter into intricate, multi-dimensional transactions. As a result, accounting and assurance services are also becoming increasingly complex, in order to meet client and public expectations. The profession must therefore constantly enhance its standards and regulatory processes.

These changes are being proposed so that our profession can clearly demonstrate that the CA designation continues to stand for excellence and high standards that are second to none. Proactively developing uniform national standards that meet or exceed existing international ones will signal our profession's ongoing commitment to protect the public interest and will confirm the quality and consistency of the CA brand.

For More Information

For more specific details of the proposed new uniform minimum CPD and PLI requirements, as well as answers to frequently asked questions and information on the reasons behind the recommended changes, please visit www.icam.mb.ca/mediacentre_news.html.

We welcome your feedback. For more information, please contact me, Institute CEO Gary Hannaford or any member of Council. A directory of Council members is included on the Institute's website at www.icam.mb.ca/about_icamcouncil.html.

Yours truly,

J.K.A. Gus Campbell, FCA
President & Chair of Council