MINUTES OF THE SEVENTH ANNUAL GENERAL MEETING OF THE

ordre des comptables PROFESSIONNELS AGRÉÉS du québec,

HELD ON FRIDAY, SEPTEMBER 7, 2018 AT 10:00 A.M.

IN THE “Pierre de Coubertin” BALLROOM AT THE OMNI MONT-ROYAL HOTEL LOCATED AT

1050 Sherbrooke STREET WEST, MontrEal, QUEBEC H3A 2R6

AT THE ROSTRUM:

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| André Dugal, FCPA auditor, FCA | Chair of the Order |
| Geneviève Mottard, CPA auditor, CA | President and Chief Executive Officer |
| Me Christiane Brizard  | Secretary of the Order |
| Chantal Laberge | Meeting Secretary  |

**1. CALL TO ORDER**

The Chair of the Order welcomed the members in the room and those livestreaming the meeting, introduced the rostrum and obtained confirmation from the Secretary that the quorum set out in the *Règlement sur les élections et l’organisation de l’Ordre des comptables professionnels agréés du Québec* was met.

**2. NOTICE OF MEETING AND AGENDA**

(a) Reading of the notice of meeting

The notice of meeting was emailed to all members in June, and additional copies were distributed at the entrance to the room.

 On a motion duly seconded, IT WAS UNANIMOUSLY CARRIED:

* TO WAIVE the reading of the notice of meeting.

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(b) Adoption of the agenda

 On a motion duly seconded, IT WAS UNANIMOUSLY CARRIED:

* TO ADOPT the agenda as presented.

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**3. Presentation of the meeting rules**

The Secretary of the Order explained the meeting rules. She noted that the members of the Board of directors adopted a policy on the Annual General Meeting rules on June 15, 2018. She asked the members attending remotely to submit their questions in advance. She explained that voting would be by a show of hands among members in the room, unless there is a request for a secret vote. She informed the members attending the meeting via webcast that they unfortunately do not have a right to vote, since it is prohibited under the current regulation.

**4. Approval of the minutes of the Annual General Meeting of the OrdER held on June 16, 2017**

The minutes were approved by the members in attendance at the meeting.

On a motion duly seconded, IT WAS UNANIMOUSLY CARRIED:

* TO WAIVE the reading of the minutes of the Annual General Meeting of the Order held on June 16, 2017.

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On a motion duly seconded, IT WAS UNANIMOUSLY CARRIED:

* TO APPROVE the minutes of the Annual General Meeting of the Order held on June 16, 2017.

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**5. Report of the Chair of the Order**

The Chair of the Order summarized the highlights of 2017-2018. Among other things, he highlighted the Order’s most significant achievements of the last year which best illustrate the principles and directions that guided the Order’s actions, such as:

* The application of a new strategic plan to the organizational structure which places the protection of the public and organizational agility at the heart of the Order’s every action;
* The creation of a single point of contact, one-stop access to all of the Order’s services;
* The release of the *CPA guide on best practices in IT use*;
* The offer to CPA members of shared cloud computing services for messaging and storage;
* The launch of the Advanced Certificate in Accounting and Finance (ACAF) at HEC Montréal and UQAM’s École des sciences de la gestion to provide a gateway for foreign-trained professionals to enter the labour market;
* The Order’s involvement in the national project on oversight of the tax-related services offered by CPAs in relation to tax havens and tax fairness;
* The Order’s representations to the National Assembly regarding various bills, including Bill 155 on municipal financial governance and Bill 141 on the regulation of the financial sector;
* Campaign targeting Quebec’s main political parties to raise awareness of priority issues;
* The Order’s contribution to the online posting of 13 exclusive videos (*Les extras CPA*) hosted by Pierre-Yves McSween, FCPA auditor, FCA, aimed at enhancing financial literacy among the public;
* The Order’s active participation in the implementation of the Governmental Action Plan to Counter Elder Abuse, specifically as it relates to professionals’ obligations to report material and financial mistreatment;
* Launch of a new recruitment platform, Emploi CPA — a tool for hiring accounting, finance and management professionals;
* Creation of the Cercle des jeunes leaders CPA, providing a forum where the next generation, aged 25 to 40, can actively contribute to the accounting profession, express its concerns and identify the issues that most affect future CPAs.

The Chair highlighted the numerous major events that enhanced the profession’s visibility, most notably the prestigious platform of the Chamber of Commerce of Metropolitan Montreal which welcomed former First Lady of the United States Michelle Obama, as well as the Soirée des Fellows. He thanked the members of the Board for their work and the volunteers who serve on the Order’s various committees. He was particularly pleased to note the strong sense of belonging among all Order employees, as well as their pride in the Order for maintaining the “Remarkable Employer” distinction.

**6. Financial statements for the year ended March 31, 2018**

The President and Chief Executive Officer presented, for information purposes, the highlights of the financial statements for the year ended March 31, 2018 to the members in attendance. The financial statements were previously analyzed and approved by the Board. No questions were asked.

**7. Report of the Secretary of the Order ON THE Consultation on the 2019-2020 annual dues of Order members**

The Secretary of the Order presented the first results of the member consultation. She noted that 127 members responded to the survey, 105 of whom disagree with the dues increase. Of these 105 members, 41 are in the public sector, 38 are in industry, 13 are in public practice, 11 are retired and 2 are unemployed. The members decried the lack of economies of scale following unification. Others would like a freeze on dues. Some members questioned the comparables and suggested others. A number of members in industry and the public sector requested a review of the appropriateness of a single annual dues and suggested that the dues be based on the professional activities members perform. Lastly, retired members suggested abolishing their dues or increasing the minimum qualifying income for the retired member category.

Twenty-two members agree with the proposed increase and maintenance of a single annual dues, irrespective of members’ professional occupations.

As for the compensation of the Chair, Vice-chair and other directors proposed by the Board for the 2019-2020 fiscal year, the Order received comments from five members, three of whom agree with the proposed compensation and two disagree.

The Chair noted that the Order will further reflect on the comments received. One member congratulated the Order for the excellent work accomplished throughout the year.

The Chair gave the floor to the President and Chief Executive Officer so she could explain why unification did not fulfill all the expectations regarding economies of scale and presents the initiatives on the Order’s table for the coming months and years.

Following the discussion on the consultation on dues and the comments the Order received, the President and Chief Executive Officer took the opportunity to put the upcoming year into perspective and provided a preview of the important initiatives the Order will be working on over the next few months. The initiatives are as follows:

* Implement the Order’s strategic directions;
* Respond to rising expectations related to the protection of the public;
* Meet the multiple requirements of the Office des professions, including on the supervision of the profession and new Order governance requirements;
* Defend the professional secrecy of CPAs. Maintaining the relationship of trust between CPAs and their clients remains a major challenge with the coming into force of section 17.0.1 of the *Act respecting the regulation of the financial sector*;
* Monitor competition from other international designations on the market, as it is an issue affecting the protection of the public.

She noted that the Order should review its strategy to strengthen its ties with certain ministers and the Office des professions, thereby evolving its collaboration with stakeholders to advance the public interest.

Technological developments and the aging population are two trends that will have a significant impact on the profession moving forward. The Order will have to be ready to provide CPA members with the support they need to succeed in the digital age and train the next generation. Specifically, the Order will have to update the Competency Map as well as the CPA education program to align it with the digital transformation.

The President and Chief Executive Officer indicated that the Order will continue to promote the CPA designation and its members’ competencies through advertising.

**8. Consultation of members in attendance on the 2019-2020 annual dues of Order members**

In accordance with the *Professional Code*, the Chair once again consulted the members in attendance for the purposes of setting the 2019-2020 annual dues and Board member compensation. No questions were asked and no comments were submitted by members attending in person or remotely.

**9. Report of the Secretary of the Order – 2018 election results**

The Secretary of the Order informed the members in attendance of the results of the elections to fill positions on the Board of directors. The counting of the votes took place on May 23, 2018, and the results are as follows:

Members elected to the Board of directors:

* Nathalie Houle, FCPA, FCMA (Electoral region No. 2 – Capitale-Nationale/Chaudière-Appalaches) –
re-elected for a second term;
* Sonia Boisvert, FCPA auditor, FCA (Electoral region No. 4 – Montreal) – re-elected for a second term;
* Andrée Lavigne, CPA auditor, CA (Electoral region No. 4 – Montreal) – re-elected for a second term;
* Sylvie Juneau, CPA, CA (Electoral region No. 6 – Laval/Laurentians) – re-elected by acclamation for a second term.

 The members elected to the Board of directors for a three-year term received a warm round of applause from the members in attendance.

**10. Presentation of the members of the 2018-2019 Board of directors**

The Secretary of the Order introduced the members of the 2018-2019 Board of directors of the Quebec CPA Order to the members in attendance:

* Nazir Badaroudine, director appointed by the Office des professions
* Michel Bergeron, CPA auditor, CA
* Sonia Boisvert, FCPA auditor, FCA
* Danielle Boucher, director appointed by the Office des professions
* Émilio Boulianne, FCPA, FCGA
* Diane Delisle, M.Sc., ASC, director appointed by the Office des professions
* Luc Duciaume, FCPA auditor, FCGA
* André Dugal, FCPA auditor, FCA
* Mario Gariépy, FCPA auditor, FCA
* Yves Hébert, B.B.A., director appointed by the Office des professions
* Nathalie Houle, FCPA, FCMA
* Sylvie Juneau, CPA, CA
* Andrée Lavigne, CPA auditor, CA
* Benoit Lavigne, CPA auditor, CA
* Nicholas Tremblay, CPA, CGA

The members of the new 2018-2019 Board of directors received a warm round of applause from the members in attendance.

**11. Approval of the compensation of elected directors**

The Chair presented the following two items on the compensation of elected directors. He informed the members in attendance that this new power had been granted to members in attendance at the Annual General Meeting following last fall’s amendments to the *Professional Code* through Bill 98. He read the resolutions.

11.1 Approval of the compensation of the Chair and Vice-chair for the 2019-2020 fiscal year

Based on the facts presented, the members in attendance PASSED the following resolution:

WHEREAS the Board Member Compensation Policy approved by the Board;

WHEREAS the report and recommendations of the Governance Committee on the compensation for the positions of Chair and Vice-chair on the Board of directors;

WHEREAS the CPA Order has, as its primary mission, the protection of the public and must also play a significant societal role;

WHEREAS the compensation of the Chair and Vice-chair takes into account the time commitment required of them and is intended to attract talented individuals without such compensation being their full remuneration.

WHEREAS the benchmarking of the 2018 compensation detailed in the Governance Committee’s recommendations report;

WHEREAS the Auditor General of Québec’s compensation for 2019-2020 will remain the same as that set in 2018-2019;

WHEREAS the June 15, 2018 recommendation of the Board of directors.

On a motion duly seconded, IT WAS CARRIED BY A MAJORITY:

TO SET the compensation of the Chair for the 2019-2020 fiscal year at $88,898, i.e. 40% of the Auditor General of Québec’s compensation, established for the current year;

TO SET the compensation of the Vice-chair for the 2019-2020 fiscal year at $22,224, i.e. 10% of the Auditor General of Québec’s compensation, established for the 2019-2020 fiscal year;

TO PAY a $200 fixed allowance for travel time to the Chair and Vice-chair when they travel 100 km or more between their professional domicile and the Order’s head office and back to take part in activities that entitle other Board members to directors’ fees;

TO APPROVE the compensation of the Chair and Vice-chair for the 2019-2020 fiscal year, in accordance with section 104 of the *Professional Code*, as detailed in this resolution.

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1 Abstention requirement

Sylvie Voghel, FCPA, FCGA, and Nathalie Houle, FCPA, FCMA, abstained from voting to avoid any conflict of interest.

11.2 Approval of compensation of elected directors, except for the Chair and Vice-chair for the 2019-2020 fiscal year

A member in attendance via webcast requested clarifications on the various amounts allocated to Board members. The Secretary of the Order read the amounts indicated in the draft resolution.

Based on the facts presented, the members in attendance PASSED the following resolution:

WHEREAS the Board Member Compensation Policy approved by the Board;

WHEREAS the Governance Committee’s report and recommendations on the compensation for directors elected to the Board;

WHEREAS the following factors:

* Directors’ fees must attract Order members who have a variety of competency profiles;
* Directors are asked to spend several hours preparing for and attending meetings of the Board, Executive Committee and other statutory committees they serve on;
* The matters handled by the Board of directors and Executive Committee are complex and diverse;
* Directors’ fees are intended to partially compensate directors for the time invested in performing their duties;
* Since the coming into force of Bill 98, directors must undergo training each year on the role of a professional order’s Board of directors in such matters as ethics, governance, ethno-cultural diversity management, sexual misconduct and professional qualifications assessment;
* Members seek election to the Board for many reasons, including a desire to contribute to their professional order;
* Directors’ fees for a regular meeting are currently $330, and $115 for an extraordinary meeting via conference call and $550 for the strategic planning meeting;
* Preparation time and travel are included in the directors’ fees;
* Travel and accommodation expenses are reimbursed in accordance with the *Politique de remboursement des dépenses encourues par les membres du Conseil d’administration*;
* There are no directors’ fees for meetings via email which require a quick reply and great availability;
* Extraordinary meetings via conference call are unexpected and members must prioritize their role of director over their other professional activities, which requires great availability;

WHEREAS the benchmarking done in 2018 with other professional orders and similar organizations determined that the compensation of elected directors is lower than that paid on the market, a fact which should be taken into account;

WHEREAS the June 15, 2018 recommendation of the Board of directors.

On a motion duly seconded, IT WAS UNANIMOUSLY CARRIED:

TO SET the compensation of members elected to the Board of directors, except for the Chair and Vice-chair, for the 2019-2020 fiscal year as follows:

Directors’ fees for meetings of the Executive Committee and the Board(\*)(\*\*)(\*\*\*)

* In person:
	+ Full day (7 hours): $475
	+ Half-day (3.5 hours): $300
* Telephone meeting: $150
* Strategic planning meeting (1.25 days): $600

\* For representatives of the public, the Order will pay the difference between the amount allocated by the OPQ and the allowance provided for above.

\*\* Includes travel time, preparation time and time to attend training activities.

\*\*\*Allowance paid to Board members for travel time under certain conditions:

* A fixed $200 allowance for travel time is paid to Board members who travel 100 km or more between their professional domicile and the Order’s head office and back to take part in activities that entitle them to directors’ fees.

Directors’ fees for Board committee meetings(\*)(\*\*)(\*\*\*)

* In person:
	+ Full day (7 hours): $475
	+ Half-day (3.5 hours): $300
* Telephone meeting: $150

\* For representatives of the public, the Order will pay the difference between the amount allocated by the OPQ and the allowance provided for above.

\*\* Includes travel time, preparation time and time to attend training activities.

\*\*\*Allowance paid to Board members for travel time under certain conditions:

* A fixed $200 allowance for travel time is paid to Board members who travel 100 km or more between their professional domicile and the Order’s head office and back to take part in activities that entitle them to directors’ fees.

TO APPROVE the compensation of members elected to the Board of directors for the 2019-2020 fiscal year, in accordance with section 104 of the *Professional Code*, as detailed in this resolution.

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**12. appointment of the independent auditor for 2018-2019**

The Chair read the resolution to appoint an independent auditor.

Based on the facts presented, the members in attendance PASSED the following resolution:

WHEREAS the appointment of an independent auditor for 2018-2019 must be approved by the Board of directors before being submitted for approval by the members in attendance at the Order’s September 2018 Annual General Meeting;

WHEREAS following a request for proposals for a new five-year cycle, it was agreed at the November 24, 2016 meeting of the Board of directors to appoint Richter S.E.N.C.R.L./LLP as the independent auditor for the next five-year cycle beginning in 2017-2018;

WHEREAS this is the CPA Order’s seventh fiscal year and the seventh mandate of independent auditor Richter S.E.N.C.R.L./LLP;

WHEREAS the mandate of the independent auditor is for a one-year term, renewable with the approval of the members in attendance at the Annual General Meeting;

WHEREAS management negotiated the audit fees for the 2018-2019 fiscal year and considers the independent auditor’s proposal to be reasonable;

WHEREAS the Audit Committee evaluated the independent auditor in May 2018;

WHEREAS the May 22, 2018 recommendation of the Audit Committee;

WHEREAS the May 29, 2018 recommendation of the Board of directors.

On a motion duly seconded, IT WAS UNANIMOUSLY CARRIED:

TO APPROVE the renewal of the mandate of Richter S.E.N.C.R.L./LLP as the independent auditor of the CPA Order for the fiscal year ending March 31, 2019.

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**13. Board of directors’ REFLECTIONS on directors’ qualifications for future elections to the Board**

The Chair informed the members in attendance that following amendments to the *Professional Code*, the Board of directors must be composed of no more than 15 people. Currently, the Board has 12 elected directors, across seven electoral regions, in addition to four appointed by the Office des professions, for a total of 16.

He also noted that the Board took part in discussions on its needs and governance best practices. Five core attributes were identified as essential to the proper functioning of the Board, including:

* Independence;
* Credibility;
* Diversity and competencies;
* Legitimacy;
* Agility.

These core attributes will enable the Board to have strong, informed, credible and motivational leadership. They will foster a director appointment process that is thought out, adaptable and well framed. In this vein, the Chair announced that the Board, in collaboration with the Governance Committee, is currently developing a director competency profile based on the collective competencies the Board should have in light of the roles conferred by the *Professional Code*, the Order’s strategic issues and the five core attributes that the Board identified. The profile should also take into account gender diversity, industry diversity and ethno-cultural diversity. The ultimate goal is for this profile to be applied during the 2019 elections.

The President and Chief Executive Officer gave the floor to the Vice-chair, Nathalie Houle, FCPA, FCMA. The Vice-chair paid tribute to the Chair. She highlighted the work accomplished during the two years of his chairmanship of the Order. She extended a heartfelt thank you, on behalf of the members of the Board of directors, for his unwavering commitment, as well as his contribution to advancing the Order and maintaining its credibility in Quebec, Canada and abroad. The Chair received a warm round of applause from the members in attendance.

**14. Comments and questions from the floor**

A member asked about the scope of Bill 141 (section 17.0.1 of the *Act respecting the regulation of the financial sector*), specifically about the impact it will have on members working in industry. The President and Chief Executive Officer indicated that all members who use the CPA designation are subject to this Act and will therefore be directly affected by it. The member also wondered about the clarity of the message conveyed to the public, given the Order’s mission to protect the public. The President and Chief Executive Officer indicated that the bill has an impact on the relationship of trust needed between CPAs and their clients. She acknowledged the communication challenges and confirmed that future consultations will clarify more concretely the issues related to the protection of the public.

The Chair, the President and Chief Executive Officer and the Secretary of the Order answered a few additional questions from the members in attendance. The members stated they were satisfied with the answers.

**15. Adjournment**

There being no further business, on a motion duly seconded, IT WAS UNANIMOUSLY CARRIED to adjourn the meeting at noon on September 7, 2018.

The members in attendance applauded the success of this first webcast.

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 Chair of the Order Secretary