

President's Report - November



There's no surer sign of the approaching holiday season for me than our upcoming FEI Wine Pairing event on the 13th. Once again being held at the RVYC in Point Grey, the evening promises to be one of great enjoyment for all – a wonderful meal paired with lovely wines. Last year was a sell out and from the early reservations, this year looks to be the same.

Between now and Christmas, we have a full schedule of FEI events, apart from the social event on the 13th. Please see the calendar later in this newsletter. You will quickly ascertain the common theme on all three of these events – the economy and what we can expect in the coming months. We strive to keep our event calendar relevant and these three topical events should provide three different looks at our current economic situation.

On October 31st, coincident with the National Breakfast Seminars event in Vancouver, where Grant Thornton presented on COSO's approach to monitoring controls, we had the pleasure of the company of FEI Canada's national president, **Michael Conway**. After the session, Michael joined your Chapter board to discuss FEI Canada's strategic priorities, how they match with our Chapter's goals and how we can all progress together. A full and open discussion was had. On behalf of the Board, I wish to publicly thank Michael for making the trip to Vancouver to participate in this session.

Here, in short, are the strategic priorities of FEI Canada:

- Profile: communications, branding and the advocacy/technical committees;
- Membership and Chapter Relations: building towards the goal of 2,500 members by 2010, supported by new systems and programs available nationally;
- Governance: greater unity and clarity on the roles of National and the Chapters in delivery of services and programs;
- Knowledge Exchange; providing information and guidance on issues that impact our members' roles as financial executives; and
- CFO Profession Development/Designation: FEI is conducting a feasibility study on a formal education program to provide training on the expanded responsibilities of today's CFO.

If you wish to become more involved in any of these strategies, please let any member of the Board know of your interest and we'll put you in touch with the right people to make that happen.

October 21st Dinner Event

Michael Bain, IBM Territory Executive , BC, John Fursey, IBM Global Business Services, Canada and Brad Cruickshank (VP of Vancouver Chapter FEI), - photo courtesy of Brad Cruickshank

The Vancouver Chapter had the pleasure of welcoming **John Fursey** partner in charge of Strategy and Change Consulting with IBM, to present the results of their Global CFO study on the issues facing CFOs today. In front of an over-booked house, Mr. Fursey presented key factors facing both small and large businesses today, from a global perspective. We thank both Mr Fursey, and **Michael Bain**, Territory Executive for IBM, for taking time from their busy schedules to present the results of such an important study to our Chapter.



Brad Cruickshank

October 31st National Breakfast Event



*Peter Ballachey, President, Vancouver Chapter, **Doug Steele**, Grant Thornton, **David Florio**, Grant Thornton **Michael Conway**, President, FEI Canada -photo courtesy of Peter Ballachey*

A full house, close to 100, packed the room at the Waterfront on October 31st to hear **David Florio** and **Doug Steele** of Grant Thornton address COSO's guidance on monitoring internal controls. The two reviewed the practices of public companies in the early compliance with SOX 404 and 52-109 here in Canada, noting the often extensive testing carried out by auditors and companies themselves, particularly in the first year of reporting on internal controls.

Less detailed work is now recommended to meet the requirements of SOX 404 and 52-109, which involves focus on the monitoring controls, rather than testing all of the individual controls in detail. How does one monitor a control? It's generally through the supervision of that control. Testing a monitoring control is more efficient than testing all of the individual controls. An added benefit is that within companies, knowledge that the monitoring controls will be tested increases vigilance of those carrying out the monitoring controls. For those carrying out individual controls, knowledge of the increased vigilance of the monitoring controls imposes a motivation to do a better job of carrying out the active controls.

In short, focus on the monitoring controls is a good way to leverage all controls leading to a much more efficient means of establishing the effectiveness of the entire internal control system for those companies required to report under either or both of SOX 404 and 52-109.



Bubbles are nothing new

For centuries, people have been enticed by the prospects of riches through investments. In 1841, Charles Mackay, in a book with the wonderful title “Extraordinary Popular Delusions and the Madness of Crowds”, described:

- the lure of alchemy and the Philosopher’s Stone that changed base metal into gold;
- the Tulipomania of 18th century Holland in which investors bid up the price of tulip bulbs to insane levels; and
- the British joint stock companies of the South Sea Bubble and other 18th century ventures.

Most of the “investments” inevitably collapsed and governments introduced measures to curb the worst of the excesses – as they did in the USA with the founding of the SEC after the stock market crash of 1929 and, more recently, Sarbanes-Oxley.

Mackay’s book is available on the Project Gutenberg website.

Just click on <http://www.gutenberg.org/etext/24518>.

Skim it and impress your friends at parties.



Hugh Lindsay

Membership Renewal - Vancouver Chapter

Thanks to all of you who have already renewed your annual membership to FEI.

For those of you who haven't yet, it is a fairly straightforward process, triggered by an email from FEI, and using a link to the FEI Canada website.

If you have any questions regarding your membership renewal, please direct them to either Christopher Sheedy (csheedy@feicanada.org) or Sydney Freeston (sfreeston@feicanada.org) of FEI National - Membership Services.



Doug Morison

2008/2009 Events Listing

<i>Date</i>	<i>Event Type</i>	<i>Detail</i>	<i>Location</i>
November 13th, 2008 <i>Festivities Begin at 6:00 Dinner at 7:00</i>	Wine Pairing Event	John Schreiner will be our speaker. Cost: \$20 for members (including FEIsters) \$60 for guests Dress: Business Attire	Royal Vancouver Yacht Club 3811 Point Grey Road
November 19th, 2008	Breakfast Event Registration @ 7:30 a.m.	Tony Hume and Nick Glen , BMO Financial Markets and your retirement. What happened? Where are we? Where do we go from here:	Metropolitan Hotel 645 Howe Street Vancouver
November 28th, 2008	National Breakfast Event Registration @ 7:30 a.m.	Sponsored by: Ernst & Young When the taps run dry: Getting things done during a credit crunch	Hyatt Regency Hotel
December 9th, 2008	Luncheon Event Registration @ 11:30	Patricia Croft , PHN Life in the Aftermath of the Great Global Credit Crisis	Hyatt Regency Hotel
January 15th, 2009	Luncheon Event Registration @ 11:30	Bob McFarlane , Telus Corporate Social Responsibility	Four Seasons Hotel
May 27th—29th, 2009	Annual FEIC Conference	Join us for our National Conference	Montreal, PQ

Membership Report

In the midst of market swings and financial uncertainty the US has a new President with a challenging job ahead. The challenge for FEI and the Vancouver Chapter is to grow membership of the Vancouver chapter by providing a positive and meaningful membership experience. The upcoming events such as the wine pairing and variety of speaker events provide great choices for people make the most of their membership. The Wine Pairing on November 13th is an excellent social event, then on November 19th we have a breakfast on Financial Markets and Your Retirement with the **Nick Glen** group from BMO Nesbitt Burns, on December 9th there is a luncheon with Chief Economist **Patricia Croft** discussing Life in the Aftermath of the Great Global Credit Crisis. January 15th has **Bob McFarlane** of Telus speaking on Corporate Social Responsibility. All in all a great line up of events.

Members hear about FEI from other members or search out the organization looking for opportunities to network and keep current on the latest developments in their profession. Word of mouth is how many members have come to join FEI. Please help in our challenge by referring people that may be interested in FEI and what membership has to offer.



Jeff Champion

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Should you be interested in sponsorship or have a recommendation for us to follow up on, please contact Alan Wong by e-mail at: alanlwong@telus.net or by telephone: (778) 772-6511

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