

Crise à Hockey Canada: Information financière et gouvernance / Hockey Canada in Crisis: Financial information and governance

Sprett
School of Business
Carleton University

Laurentian University
Université Laurentienne

PARG
Professional Accounting
Research Group

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François Brouard, DBA, FCPA, FCA
Marc Pilon, PhD, CPA, CA
Andrew Webb, PhD

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PARG **Sprett** **PARG studies on Hockey Canada and Hockey in Canada** 6 RN - 148p.

- #12 Hockey Canada Finances (Oct 2022, 37p.)
- #16 Registered Canadian Amateur Athletic Association (RCAAA) (Nov 2022, 19p.)
- #18 Hockey in Canada - Membership statistics (Jan 2023, 29p.)
- #19 Hockey Canada Governance (Jan 2023, 13p)
- #20 Hockey in Canadian provinces – Governance and finances (Jan 2023, 28p.)
- #21 Hockey in Canada - Existing and proposed organizational structure (Jan 2023, 22p.)

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PARG **Sprett** **Context** 

- 2018, IIHF World Junior Championship (London, ON)
- 2018 Sexual misconduct incident (gala)
- 2018 Allegations of sexual misconduct
- 2018 Police investigation
- 2022 Lawsuit Ontario \$3.55M (HC / CHL)
- 2022 Settlement of a complaint with funds from National Equity Fund

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PARG **Sprett** **Hockey Canada in recent news**

- News reporting on the settlement
- Public outrage
- Political outrage
- House of Commons (HofC) (June 2 & 22) unanimous consent - appearance SCCH
- Standing Committee on Canadian Heritage (SCCH) (June 20, July 26 & 27, Oct 4)
- Lack of responses in HofC – SCCH
- Class action in junior hockey (Carcillo et al.)

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PARG **Sprett** **Hockey Canada in crisis**

2022

- Issues of transparency in use of \$

Jun

- Retirement of CEO Renney

Jun-Oct

- Loss of sponsors

Aug

- Resignation Board Chair Brind'Amour

Aug-Oct

- Independent review by Judge Cromwell

Oct

- Suspension of payments by members

Oct

- Resignation Interim Board Chair Skinner

Dec

- Election of a complete new Board

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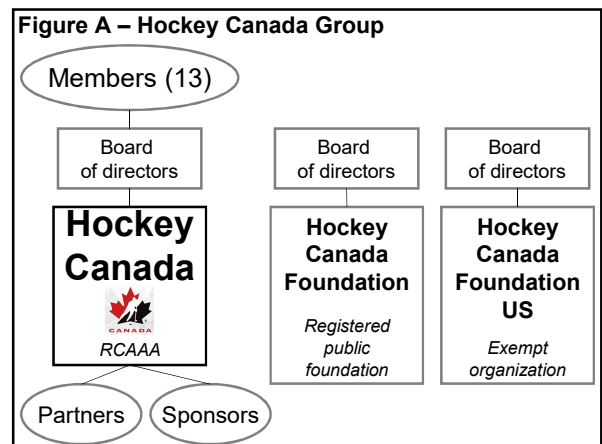


Figure B – Hockey Canada Members

Members (13)

BC Hockey (inc. YU)		Hockey Québec	
Hockey Alberta		Hockey New Brunswick	
Hockey Saskatchewan		Hockey PEI	
Hockey Manitoba		Hockey Nova Scotia	
Hockey Northwestern Ontario		Hockey NL	
Ontario Hockey Federation		Hockey North (NT & NU)	
Hockey Eastern Ontario			

Hockey Canada Membership Players 2022

Name	U7-U21	Junior	Adult and Senior	Schools	Para & Other	Total
Canadian Hockey League	-	1,455	-	-	-	1,455
BC Hockey	37,959	1,652	15,778	141	940	56,470
Hockey Alberta	54,943	2,504	14,391	186	675	72,699
Hockey Saskatchewan	23,822	731	9,077	54	61	33,745
Hockey Manitoba	19,377	979	5,648	237	355	26,596
Hockey Eastern Ontario	19,520	942	2,420	26	425	23,333
Hockey Northwestern Ontario	4,005	276	-	29	85	4,395
Ontario Hockey Federation	146,027	2,944	26,331	294	2,370	177,966
Hockey Québec	71,986	5,441	846	1,021	644	79,938
Hockey New Brunswick	13,628	184	901	7	268	14,988
Hockey Nova Scotia	14,972	544	957	25	405	16,903
Hockey PEI	5,282	194	68	16	150	5,710
Hockey Newfoundland and Labrador	10,065	221	587	-	170	11,043
Hockey North	392	-	1,422	-	43	1,857
Total	421,978	18,067	78,426	2,036	6,591	527,098

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Hockey Canada Membership Coaches & Officials 2022

Name	Coach	Official	Total
Canadian Hockey League	179	-	179
BC Hockey	6,589	3,555	10,144
Hockey Alberta	15,368	4,323	19,691
Hockey Saskatchewan	4,935	2,533	7,468
Hockey Manitoba	4,604	1,349	5,953
Hockey Eastern Ontario	4,047	923	4,970
Hockey Northwestern Ontario	752	182	934
Ontario Hockey Federation	21,579	4,745	26,324
Hockey Québec	14,846	3,767	18,613
Hockey New Brunswick	2,853	1,135	3,988
Hockey Nova Scotia	3,313	892	4,205
Hockey PEI	904	345	1,249
Hockey Newfoundland and Labrador	1,608	687	2,295
Hockey North	65	37	102
Total	81,642	24,473	106,115

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Lack of financial transparency

- Access to Information Act (ATIA)
- Collective effort to get information (many years – 2015-2022)
- Hockey Canada
 - Resistance on disclosure
 - Only June 30, 2021 financial statements (F/S) and 2021 annual report (AR)
 - Official disclosure only in December 2022 (5 years of information (F/S & AR))

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Hockey Canada Assets, liabilities and fund balances

	2021	2022
Cash	24,175,086	5,074,570
Long-term investment	118,512,953	101,236,949
Sub-total	142,688,039	106,311,519
Total assets	153,330,483	119,047,023
	93%	89%
Liabilities	34,209,552	33,253,971
Fund balance	119,120,931	85,793,052
	153,330,483	119,047,023

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Hockey Canada Revenue, expenditures and excess

	2021	2022
Revenue	61,902,779	57,965,967
Expenditures	62,870,605	79,137,487
Excess (deficiency) before other items	(967,826)	(21,171,520)
Unrealized gain on investments	11,545,483	(12,590,348)
Government assistance	2,648,389	433,989
Excess (deficiency)	13,226,046	(33,327,879)

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Hockey Canada Foundation Assets, liabilities and net assets

	2021	2022
Cash and short-term investment	23,379,066	Not available
Total assets	28,341,884	Not available
Liabilities	958,858	
Net assets	27,383,026	

82%

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Hockey Canada Foundation Revenue, expenditures and excess

	2021	2022
Revenue	3,917,377	Not available
Expenditures	1,933,368	Not available
Excess (deficiency)	1,984,009	

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- ## Issues in transparency
- Lack of transparency / oversight
 - Lack of public access to information
 - Organizations, Regulators (CRA, Corporations Canada), Funders
 - If public \$ = public disclosure
 - Access to investigation reports
 - Internal investigation on allegations
 - Cromwell (2022 Sept 30, 2022 Oct 31)
 - Samson (Government audit)
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- ## Independent Review Report Judge Cromwell (2022)
- Aug 9 ■ Announcement by Hockey Canada of an independent review
 - Organization's governance structures and systems
 - Sep 30 ■ Interim report (103p.)
 - Oct 31 ■ Final report (213p.)
 - Nomination / Composition of the Board
 - Chair, Independence, Arm's length, Terms
 - Diversity, Gender, Athletes
 - Audit + Finance = 2 committees
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- ## Members (provinces / territories) Governance
- Availability of information EN & ~FR
 - Number of Board members (9-23)
 - Different names & number of committees (4-28 committees)
 - Few strategic plan (only 7/14) (1p.-27p.)
 - Existence of governance policies
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- ## Major Junior
- Major Junior as professional players
 - Multi-stakeholders = \$
 - Lawsuits / Class action
 - Employment standards
 - Compensation
 - Abuses
- 
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Figure C – Existing Structure of Hockey in Canada

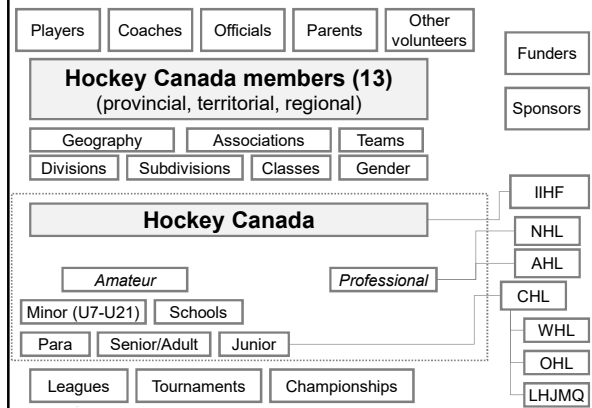


Figure D – Proposed Structure of Hockey Canada

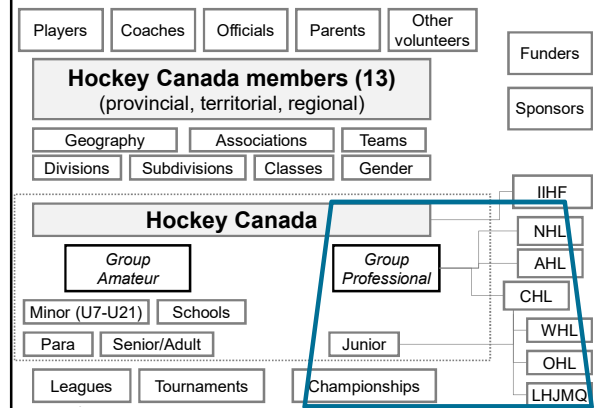
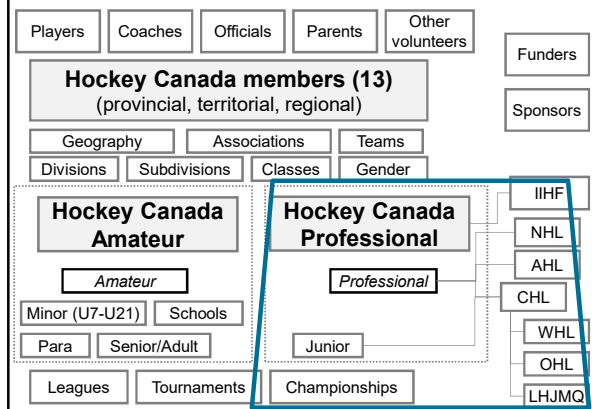


Figure E – Proposed Structure of Hockey in Canada



PARG **Spnett** **Conclusion**
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Reality check in hockey

- Hockey Canada in turmoil and crisis
- Lack of financial disclosure
- Need for better financial information
- Numerous governance issues
- Similar issues in provinces / territories
- Action already taken
- New Board of directors elected in 2022 for 1 year only (for transition)

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PARG **Spnett** **Conclusion**
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Looking forward for the sector

- Not only Hockey Canada, but all RCAA
- Issues in other sports (Canada Soccer)
- Need for better financial disclosure
- Governance to be reviewed
- A lot to do, to be continued ...

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François Brouard, DBA, FCPA, FCA
 Professeur titulaire / Full Professor
 Spnett School of Business, Carleton University, Ottawa CANADA
 francois.brouard@carleton.ca

Marc Pilon, PhD, CPA, CA
 Professeur adjoint / Assistant Professor
 Laurentian University, Sudbury CANADA

Andrew Webb, PhD
 Professeur agrégé / Associate Professor
 Spnett School of Business, Carleton University, Ottawa CANADA

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