



## Member “A”

On the 15<sup>th</sup> day of April, 2004, the Complaints Inquiry Committee approved and accepted a sanction agreement pursuant to the provisions of s. 74 of the *Regulated Accounting Profession Act*, R.S.A. c. R-12.3

Under that agreement, Member “A” admitted that he was guilty of unprofessional conduct in having, with respect to the review of the financial statements of Company “A” for the year ended March 31, 2002 and issuance of a review engagement report thereon dated May 9, 2002 in that:

1. he failed to comply in all material respects with the generally accepted review standards of the profession including those set out in the CICA Handbook as amended from time to time in that he failed
  - (a) to properly plan and execute the work,
  - (b) to properly supervise employees who assisted with the work,
  - (c) to perform appropriate enquiries and analytical procedures to support the content of the review engagement report;
2. he associated himself with financial statements that were false and misleading in that accounts receivable, deferred membership fees were overstated and the excess of expenditures over revenue was understated.

Member “A” and the Complaints Inquiry Committee have agreed that the sanction to be imposed in consequence thereof will be:

1. that the practice of Member “A” be under supervision of a chartered accountant approved by the Chair of the Practice Review Committee until Member “A” has satisfied the Practice Review Committee that supervision is no longer required. The supervisor will, prior to issuance, review all working paper files and financial statements of all engagements including the planning and supervision of employees.
2. Member “A” will comply with the recommendations of the supervisor. completion, within one year of the courses or equivalent as determined by the CIC Secretary,
  - a. Review and Compilation Engagements: A Review of the Options & Requirements,
  - b. Staying Out of Trouble, and
  - c. The Essentials of Review Engagements.
3. costs of the investigation and hearing, and



4. publication as required by the Act and Bylaws and on the Institute website as follows:

- notice of the admissions and sanctions be provided to all provincial institutes, and to those provincial institutes applied to in the future, the Institute of Chartered Accountants of Bermuda and to anyone who directs an enquiry to the Institute about the discipline history of Member "A"
- notice of the restriction shall be published once in the Membership Activity Report, and
- notice of the admissions, the nature of the conduct and orders made in connection therewith be provided to all CAs in the monthly general mailing and on the Institute website.

Jude Corrin  
Discipline Tribunal Secretary  
2004