



SUMMARY OF SANCTION AGREEMENT

The Complaints Inquiry Committee entered into a sanction agreement which restricts the practice of **Member “A”**.

A complaint was received alleging unprofessional conduct by Member “A” with respect to continued deficiencies in practice reviews and an apparent lack of effort and success in adherence to professional standards.

This complaint was investigated by the Institute and a sanction agreement was accepted by the Complaints Inquiry Committee when Member “A” admitted that he was guilty of unprofessional conduct in that he:

1. failed to keep himself properly informed of and in compliance with developments in professional standards in accounting and auditing;
2. issued auditor’s reports on the financial statements of two non-public companies in 2003, although he failed to document or retain documentation to show that he complied with generally accepted auditing standards;
3. issued a review engagement report without qualification on the financial statements of a non-public company in 2003 although the financial statements did not comply with generally accepted accounting principles in that the investment in 33.34% of a related company was recorded using the cost method and he failed to document or retain documentation to show he complied with generally accepted standards for review engagements to assess the plausibility of the financial statements or, in the alternative, failed to perform sufficient enquiries and analytical procedures to support the opinion given; and
4. issued a review engagement report on the financial statements of a company in 2003 although he failed to perform sufficient enquiries and analytical procedures to support the opinion given.

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

1. a written reprimand,
2. that the practice of Member “A” and Company “A” be under supervision of a chartered accountant approved by the CIC Chair until Member “A” has satisfied the Complaints Inquiry Committee that supervision is no longer required. The supervisor will, prior to issuance, review all working paper files and financial statements.
3. costs of the investigation, hearing and compliance with the orders, 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” and on the Institute’s public website;



- 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.

Jude Corrin
Discipline Tribunal Secretary November 16, 2004