



DISCIPLINE NOTICE

On March 7, 2008, a Discipline Tribunal found Company "A" guilty of unprofessional conduct in having failed to maintain the good reputation of the profession between March 7, 2006 and May 26, 2006 in having

1. issued an unqualified auditors' report dated March 13, 2006 on the financial statements of Public Company #1 for the year ended December 31, 2005 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
2. issued an unqualified auditors' report dated March 28, 2006 on the financial statements of Public Company #2 for the year ended December 31, 2005 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
3. issued an unqualified auditors' report dated April 6, 2006 on the financial statements of Public Company #3 for the year ended December 31, 2005 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
4. issued an unqualified auditors' report dated April 23, 2006 on the financial statements of Public Company #4 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
5. issued an unqualified auditors' report dated April 24, 2006 on the financial statements of Public Company #5 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
6. issued an unqualified auditors' report dated April 24, 2006 on the financial statements of Public Company #6 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
7. issued an unqualified auditors' report dated April 24, 2006 on the financial statements of Public Company #7 for the year ended December 31, 2005 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
8. issued an unqualified auditors' report dated April 25, 2006 on the financial statements of Public Company #8 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,



9. issued an unqualified auditors' report dated April 25, 2006 on the financial statements of Public Company #9 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
10. issued an unqualified auditors' report dated April 28, 2006 on the financial statements of Public Company #10 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
11. issued an unqualified auditors' report dated April 28, 2006 on the financial statements of Public Company #11 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional,
12. issued an unqualified auditors' report dated May 12, 2006 on the financial statements of Public Company #12 for the years ended December 31, 2005 and 2004 although they should have known that the firm was not approved to issue audit reports for a public company because its SRA auditor status was conditional.

The Partners of Company "A" interpreted a letter from the Institute of Chartered Accountants of Alberta to mean that the firm had sixty days to meet specific requirements. In that sixty day period, twelve audited financial statements were issued by Company "A" for public companies. Subsequent to the issuance of the audited financial statements, the Partners of DCS Chartered Accountants realized that the Institute of Chartered Accountants of Alberta letter had effectively suspended the firm's authorization to issue audited financial statements for public companies. Company "A" cooperated with the Institute of Chartered Accountants of Alberta by appointing an independent mentor who upheld the quality of the professional work performed on all twelve audits.

The Tribunal determined that a diligent reading of the Institute of Chartered Accountants of Alberta letter would have informed DCS Chartered Accountants of the immediate suspension of its SRA auditor status but the letter provided significant opportunity to be misinterpreted. Further, the Tribunal opined that the Partners of Company "A" had misinterpreted the letter.

The Tribunal ordered that Company "A" be reprimanded in writing by the Chair of the Discipline Tribunal.

In addition to this notice, the Discipline Tribunal ordered:

- notification of the Tribunal's findings and orders be provided to all provincial institutes, the Institute of Chartered Accountants of Bermuda, and any other professional organization Company "A" belong to and the Institute is aware of, as of the date of this order;
- notification of the Tribunal's findings and orders be provided to all provincial institutes to which Company "A" applies for membership at any time following this order;
- a summary of the Tribunal's findings of unprofessional conduct and orders made be provided to any member of the public who makes a written request about the discipline history of Company "A", and



- the impact of the Registrations Committee Policy be clearly communicated, on a no names basis, in a direct mailing to all Alberta members with an emphasis on educating all SRA authorized auditors of the precipitous suspension of SRA auditor status that automatically results from an order of a follow-up practice review.

Subsequent to the Tribunal Hearing, the Regulated Accounting Profession Act regulations have been changed so that Alberta regulation of SRA auditor status is no longer required because the federal Canadian Public Accountability Board has jurisdiction in such matters. Because the Institute of Chartered Accountants of Alberta Registrations Committee no longer has jurisdiction in the regulation of public company auditor authorization, there is no need to communicate with Alberta members as contemplated in the Tribunal's last order.

Jude Corrin
Discipline Tribunal Secretary
May 30, 2008