

Focus, FIRMS

The Institute of Chartered Professional Accountants of Saskatchewan Firm Newsletter | Special Edition









The Institute of Chartered Professional Accountants of Saskatchewan Firm Newsletter | Special Edition

CONTENTS

Auditor Reporting Standards	1	Content and Editing
What to Expect from Predecessor and Successor Accountants	2	Leigha Hubick, CPA, CA Jennifer Zerr, CPA, CA Lorelei Rhodes-Johns, CPA, CA
Key Messages from Licensing Renewal	3	Production
Audits of Less Complex Entities	4	Myrna Buttner MGM Communications
Template Financial Statements - Considerations for Firms	5	
CPA Professional Skepticism	6	Disclaimer The content within this newsletter is
Assurance and the Not-for-Profit Sector	8	provided for informational purposes and is not an official interpretation
International Auditing & Assurance	0	of any applicable rules or standards.
Standards Board - Quality Management	9	
Regulatory Notices Relating from Licensing	10	

DIRECTOR'S MESSAGE



During the 2018-19 year, CPA Saskatchewan finalized its Regulatory Framework. Under this framework, various regulatory functions were re-visited and re-grouped under four key overall functions: Rules, Registration, Monitoring, and Enforcement. Our monitoring activities cover all our registered members and firms and involve a broad range

of activities including licensing applications and renewal, practice inspections and practice administration reviews, continuing professional development reporting and verification, and conduct investigation and intervention/resolution activities. With the re-group of functions, my position evolved into the Director of Monitoring. As your newest Director, I am responsible for oversight for many of the above monitoring activities.

I reflect on the success of the past year of monitoring regulatory activities. We began our next four-year inspection cycle with the inspection of 70 firms. We renewed over 340 member licences and approved over 15 newly licensed members. We completed our first year of continuing

professional development verification with over 100 members, received numerous inquiries from the public and members, and continued our work on several committees and working groups. All this success is possible with the engagement of our regulatory committees, and we thank our committee members for their dedication to our profession.

This newsletter highlights key messages from observations noted throughout our past year of monitoring activities. We have noted key ongoing projects and upcoming changes to standards that will impact your firm. We encourage you to be informed of upcoming changes and provide your thoughts and feedback to the applicable standards body where possible.

We are appreciative that you have taken the time to read our newsletter. As always, we are happy to receive feedback or questions on articles written and we would certainly accept your volunteer time to write articles for us!

Please contact us at monitoring@cpask.ca if you would like to contribute a written article on a topic of interest to our firms.

We hope you have a wonderful summer!

Jennifer Zerr, CPA, CA

ALERT

AUDITOR REPORTING STANDARDS

Effective as of December 15, 2018

This alert is being issued to raise awareness of certain requirements pertaining to the new and revised auditor reporting standards and related conforming amendments effective for audits of financial statements for periods ending on or after December 15, 2018. The new report provides:

- · reporting of ongoing matters of concern
- · entity-specific reporting of other information
- · key audit matters for certain entities

The report also provides enhanced transparency by clarifying the scope of the auditor's work as well as the roles and responsibilities of the auditor, management and those charged with governance.

Topics include:

- · expected benefits of the changes to the auditor's report
- · significant changes to the auditor's report
- new reporting requirements
- an illustration of the new independent auditor's report
- highlights of changes to auditor performance requirements

WHEN TRANSITIONING CLIENTS

WHAT TO EXPECT FROM PREDECESSOR AND SUCCESSOR ACCOUNTANTS

CPA Saskatchewan receives many questions regarding what information to share with the successor accountant and what can be asked for from the predecessor accountant.

The Rules of Professional Conduct 250 series set out the communication and cooperation requirements between the predecessor and successor accountant.

WHAT IS THE SUCCESSOR ACCOUNTANT REQUIRED TO DO?

Per Rule 250.1, the successor accountant shall not accept an engagement without first communicating with the previous person or firm and enquiring whether there are any circumstances that should be considered that may influence the decision whether to accept the engagement.

The predecessor accountant is required to promptly respond (i.e. within 30 days) to the communication and must advise the successor whether suspected fraud or illegal activity was a factor in their resignation from the engagement or, in their view, a factor in the client's decision to appoint a successor.

The successor accountant must do a reasonable job to follow up to receive the correspondence prior to accepting the engagement.

WHAT IS THE PREDECESSOR ACCOUNTANT REQUIRED TO DO?

Per Rule 251.1, the predecessor, upon written request of the client, and on a timely basis (i.e. within 30 days), shall supply reasonable and necessary client information to the successor.

Further, the predecessor is required to cooperate promptly to the client, or on the client's instructions, to the successor. The predecessor shall provide all property of the client's in their possession in the medium that will facilitate a timely and efficient transfer. Electronic documents may be provided electronically rather than in paper format, as this best serves the client's interest.

As the rule indicates that the property of the client shall be transferred, any working papers developed by the firm as part of their procedures to complete the engagement are not required to be transferred. However, the firm may choose to do so. Copies of the trial balance, ledgers, continuity schedules that facilitate the transfer of the information to serve the client's best interest are to be shared.

If the client has not paid their fees, and this resulted in the firm resigning from the engagement, this information can be shared with the successor.

For any questions on communication between the predecessor and successor accountant, please email monitoring@cpask.ca.

FOR YOUR COMPLIANCE

KEY MESSAGES FROM LICENSING RENEWAL

Our members and firms completed their licence renewal starting on November 1, 2018, with completion of renewal due by December 1, 2018.

Below are some key reminders relating to upcoming licence renewal and planning your upcoming continuing professional development.

Professional development courses relating to taxes do not qualify for licensing.

Licensed members continue to report professional development hours relating to taxes under licensing requirements. Please note that tax hours are acceptable to be reported as licensing professional development only in limited circumstances and only a portion of these hours are permitted.

Members who report these hours towards their licensing requirements may experience delays in processing their licence renewal and may have to complete additional requirements, should the minimum professional development threshold not be met when these hours are removed.

For any tax hours reported under licensing, members should expect follow up from staff to provide the details as requested.

Tax professional development however can still be reported as verifiable professional development towards general member requirements.

Practical experience hours reported must be your own hours that you worked, not the full engagement hours.

Hours that qualify as practical experience hours may not just be those chargeable to clients. They can include on the job training hours, hours researching an assurance or financial reporting topic area, hours developing firm training materials relating to assurance or financial reporting topics, hours developing or providing training on the firm's quality management systems, or other unverifiable professional development relating to assurance or financial reporting topics. If you are unsure what qualifies, please contact us at licensing@cpask.ca.

All information submitted as part of your licence application is subject to request for information at time of application or during your firm's next practice inspection.

Most firms use a variation of a time tracking system. If you do not have a system, please consider tracking details of your practical experience hours in a spreadsheet or other similar system, in case this information is requested when your licence application is reviewed or at practice inspection. Practical experience hours are reviewed for consistency to the types of engagements the firm carries out and for overall reasonability. Large swings in the hours reported may require follow up from staff for more information and details to support the increase or decrease.

As always, if you have or expect to experience significant changes in your practice, please notify us as soon as possible so that we can work through the impact, if any, towards continuing to meet all licensing requirements. In circumstances where you expect to no longer meet licensing requirements, exemption or conditions to your licence may be available. For more information on exemptions or conditions, please contact us at licensing@cpask.ca.

What is the difference between a member registration and member licence? Can all CPAs carry out assurance work?

These terms are not inter-changeable.

All CPAs practicing in Saskatchewan must be registered to do so. Members renew their registration annually April 1.

Licensing is a reserved area of practice. Only those CPAs who are practice leaders at firms and are authorizing reports under assurance services (e.g. audits, reviews or other assurance and financial reporting services) require a valid licence. Licensed members renewal occurs annually November 1.

For more information on licensing, including the requirements to become licenced, please see our <u>website</u>.



DISCUSSION PAPER

RESPOND BY AUGUST 14, 2019

AUDITS OF LESS COMPLEX ENTITIES

THE AASB HAS RECENTLY ISSUED A DISCUSSION PAPER ON THE AUDITS OF LESS COMPLEX ENTITIES



Have your say – respond to the Discussion Paper by August 14, 2019. See <u>website</u> for more details on how to provide your response.

Summary

The Auditing and Assurance Standards Board (AASB) is issuing this Discussion Paper to:

- encourage Canadian stakeholders to respond to the International Auditing and Assurance Standards Board's (IAASB) Discussion Paper "Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISAs";
- seek views from Canadian stakeholders on the questions asked in the IAASB Discussion Paper and whether there are any unique Canadian circumstances that the AASB needs to consider; and
- be copied on the Canadian stakeholders' responses to the IAASB to inform the AASB of concerns from a Canadian perspective and to assist the AASB when preparing its own response letter to the IAASB's Discussion Paper.

The IAASB is working to improve its understanding of the challenges practitioners face in applying the International Standards on Auditing (ISAs) to audits of Less Complex Entities (LCEs) so it can determine what actions can be taken in response to the challenges identified. The IAASB's Discussion Paper focuses on:

- challenges that have been identified to date relating to applying the ISAs to the audits of LCEs; and
- possible actions that could be undertaken to address the identified challenges.

The IAASB is looking for input from all stakeholders, particularly practitioners auditing LCEs.

Importance to Canadian Stakeholders

Because the AASB adopts the CASs from the ISAs, the approach the IAASB decides to take in responding to the challenges in applying the ISAs to audits of LCEs is relevant to Canada. Therefore, it is important that the AASB and Canadian stakeholders respond to the IAASB, and for the AASB to be informed of any unique Canadian circumstances.

Importance to CPA Saskatchewan Registrants

The Discussion Paper poses several options to address the challenges in applying the auditing standards. Included is consideration of separate auditing standards for less complex entities.

We encourage you to share your views on these proposed options and provide your response to the AASB by August 14, 2019.

TEMPLATE FINANCIAL STATEMENTS

TEMPLATE FINANCIAL STATEMENTS CONSIDERATIONS FOR FIRMS

Over the course of the last 5 years, practice inspectors have seen an increasing trend in the use of template financial statements. Typically, the template is imposed by the user of the financial information – government, other public sector entities, non-profit organization funders and others.

There is no doubt that the public sector in Saskatchewan has invested in the development and use of template financial statements in carrying out its often legislated objective of receiving financial information.

Templates are often "good enough" for a broad range of users, and help the public sector manage the consistency of consolidation of information into a common form. The common form allows for the best use of tight deadlines and limited money.

That being said, templates can be problematic for auditors as the lack of customization can present risk in providing an opinion that the financial statements present fairly in accordance with a prescribed financial reporting framework.

As licensed practitioners, be aware of the following considerations when your client is required to use a template financial statement:

- 1. Templates are not designed to be flexible. Most templates financial statements are designed by the user to include very specific categorizations of assets, liability, revenue and expenses. However, those groupings may not be sourced from generally accepted accounting principles, including public sector accounting standards ("GAAP"). As an auditor, it is important to consider the type of assurance engagement report required when presented with the challenge of auditing against a template financial statement. A CAS 700 general purpose audit report may not be suitable.
- 2. Users are satisfied, but are they really? A template is often imposed for a financial statement when the user isn't getting the information they need from management's financial statements or financial information. Management may not have the capability of producing GAAP compliant financial statements. If the user requires, typically under law, financial

statements in accordance with the CPA Canada Handbook, but imposes a template that itself is not compliant, is the user really getting what they require or just what they desire?

3. Changes in standards are not always incorporated.

Templates resist change, which create risk that the changes in the financial reporting standards over time are not accurately reflected in the template. The new standards may not be considered until the audit occurs, often too late for templates to be adjusted. This poses a risk to your audit opinion.

Templates do have positive aspects to financial statements, but they should be treated as a starting point – and nothing more. Concerns with adhering to financial reporting standards need to be raised by management and the auditor to those charged with governance and to the end user.

In an effort to better understand the pervasiveness of this trend, CPA Saskatchewan is in the process of creating a databank of financial statement templates. If you have access to a template and would be prepared to share the template with us, please email licensing@cpask.ca!

Auditors should challenge and possibly decline engagements where management is pressuring use of inappropriate reports.

DID YOU KNOW?

Every municipal location that your firm operates in requires registration with CPA Saskatchewan, even if no full-time staff are present or reports are issued from that location. There is no additional cost to the firm for this registration. For more information, please contact registrar@cpask.ca.



THEIR WORD FOR IT!

CPA PROFESSIONAL SKEPTICISM

Written by: Lorelei R. Johns, CPA, CA, CPA (NE)

A Chartered Professional Accountant (CPA) learns and develops many skills over their career.

For an auditor, the most important one is professional skepticism. I believe it is the superhero power of an auditor. It is a specially-honed ability that guides an auditor throughout an assurance engagement and navigating client information. Ultimately, by using this skill, an auditor provides a quality audit.

On the auditing world's radar

The scientific method to study and evaluate evidence is at the centre of skepticism. Galileo, one of the science wizards of medieval times, used this scientific method. He dropped two balls of differing weights from the Leaning Tower of Pisa and both hit the ground at the same time. This provided evidence to challenge Aristotle's claim that the balls would hit the ground at different times. Therefore, a questioning mindset and the ability to critically evaluate evidence is important for any skeptic.

Professional skepticism is on the auditing world's radar. In 2015, the International Auditing and Assurance Standards Board (IAASB), International Ethics Standard Board for Accountants (IESBA), and the International Accounting Education Standards Board (IAESB) started the Professional Skepticism Working Group (Working Group) to strengthen professional skepticism as it applies to an audit. The International Standard on Auditing 200 states that "Professional skepticism is an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence." The Working Group published "Toward Enhanced Professional Skepticism" in August 2017. In order to encourage and exercise professional skepticism, their observations include:

• Due to the increasing complexity of the business environment, an accountant needs a strong understanding of the client's business and industry.

- An accountant's environment influences the ability to exercise professional skepticism. With a firm's strong tone from the top, it can ease the impact of tight deadlines, personnel constraints, and reinforce and monitor the application of professional skepticism.
- An accountant can enhance their professional skepticism by understanding their own personal traits and biases.
- Education and training at the beginning of an accountant's career can develop the questioning attitude and critical thinking skills.

The work of the boards on professional skepticism so far is just the beginning of their journey. Further efforts will be in consultation with each other in order to serve the public interest.

"So," you ask, "how do I develop and enhance this extraordinary power?"

An auditor has a number of ways to keep their professional skepticism tool sharp. Education, training and experience are key. Training in behavioral and soft skills are necessary. For instance, most of our communication is non-verbal (70 to 80%), education and experience reading facial expressions and gestures could provide clues during a client interview. Specific courses on fraud including: why it happens; how it happens; and common fraud themes. Mentorship within a firm where staff have the opportunity to learn about real client experiences from an experienced auditor. In order to develop critical thinking skills, courses with case studies and team discussions and problem-solving elements to bring real-world situations to life.

There are a number of common themes that often put our professional skepticism to the test.

These include being alert to the following situations:

- Audit evidence that contradicts other audit evidence or the authenticity of a document
- Circumstances that possibly involve collusion amongst employees, management or third parties

continued on page 7

CPA PROFESSIONAL SKEPTICISM

continued from page 6

- Evaluation of management's judgements in applying a financial reporting framework
- Overlooking significant transactions outside the client's normal course of business
- · Review of accounting estimates for management bias
- Examination of journal entries for evidence of material misstatements by the client
- Evaluation of an entity's ability to continue as a going concern

It is important when pursuing the above issues that the auditor has the fortitude to challenge management and gather additional audit evidence.

Conclusion

Like any super hero, as professional accountants we need to be aware of our environment, listen to our intuition built with knowledge and experience, apply logic in problem solving and aspire to utilize best practices of professional skepticism. So, with a flourish every day, wear your green eye shades (stylized to today's fashion) and use your super power of professional skepticism with confidence and pride.

References

Price-Mitchell, M (2012). The Art of Positive Skepticism: Five Ways to Think Like Galileo and Steve Jobs, 5 June.

Professional Skepticism Working Group, comprised of representatives of IAASB, IESBA and IAESB (August 2017). <u>Toward Enhanced Professional Skepticism – Observations of the IAASB-IAESB-IESBA Professional Working Group</u>.

Fornelli, Cynthia M. (August 2018). <u>Response to IESBA Invitation to Comment – Professional Skepticism – Meeting Public Expectations.</u>

Skills You Need, Helping You Develop Life Skills. Body Language, Posture and Proximity.





UPDATE

ASSURANCE AND THE NOT-FOR-PROFIT SECTOR



BACKGROUND

After proclamation of *The Accounting Profession Act* ("The Act") on November 10, 2014, CPA Saskatchewan became aware of differences between the enforcement of The Act relating to licensing compared to the requirements for submission of annual returns under *The Not-for-Profit Corporations Act* ("The NFPO Act") and The Not-for-Profit Corporations Regulations ("The NFPO Regulations").

The NFPO Act and Regulations filing requirements for the financial statements are administered by Information Services Saskatchewan ("ISC") on behalf of the Ministry of Justice through an electronic annual return process.

ISSUES

There have been issues identified to CPA Saskatchewan by our registrants and the public on assurance engagements for Not-for-Profit Organizations (NFPOs). In January 2018, CPA Saskatchewan sent out a request for CPAs to organize a working group to develop recommendations for consideration by the Office of Public Registry Administration ("OPRA") (vis-a-vis the Ministry of Justice) and ISC to clarify the:

- requirements and interpretations of the operationalization of the respective legislation (including the revenue thresholds for assurance engagements); and
- administration of the legislative filing requirements for NFPOs.

The NFPO Working Group consists of CPAs who serve as auditors of NFPOs, on boards for NFPOs and those who work in the public sector.

The NFPO Working Group issued a report to OPRA in October 2018. We are disappointed to report that the positions regarding the interpretation of The NFPO Act

and Regulations are divergent amongst the NFPO Working Group and OPRA. Both groups continue to work together to frame future and ongoing communications.

COMMUNICATION TO THE PUBLIC AND REGISTRANTS

When CPA Saskatchewan receives calls from the public or registrants expressing concern over the interpretations of The NFPO Act and Regulations, we advise the following:

- 1. Contact publicregistryadmin@gov.sk.ca and express your concern over the requirements and interpretations.
- 2. Contact your Member of Legislative Assembly and request a review of The NFPO Act and Regulations.

When contacting anyone, please be clear about the root cause of the issue and your thoughts on potential solutions.

CEASE & DESIST PROCESS IN RELATION TO THE NFPO ACT AND REGULATIONS

CPA Saskatchewan considers the prosecution of unlicensed members as one component in our duty to serve and protect the public.

When we obtain a signed audit or review an engagement report from a non-member, our process includes issuing a cease the practice of professional accounting communication. In that letter, we request that the individual provide evidence of their approval to complete the work pursuant to another Act, such as the NFPO Act. If they cannot provide evidence, we request they acknowledge their intention to cease practice.

If we don't obtain the acknowledgement, we would pursue an application to the court. To date, it has not been necessary to file any applications with the court.

A CPA who is not licensed and authorizes an assurance report is subject to a similar communication to a cease practice of professional accounting and charged a \$500 penalty for practicing without a licence.

If you receive an assurance report from an unlicensed individual, please send a copy of it to licensing@cpask.ca.

FOR ALL FIRMS

IAASB - QUALITY MANAGEMENT



In December 2018, the IAASB approved proposed revisions to the quality management standards for firms and audit engagement teams. The revisions will change how firms manage quality and will likely require increased effort for most firms. They could also affect firms' organizational structures and operations. The revisions will also require greater leadership by engagement partners in managing and achieving quality engagements.

HOW CAN I FIND OUT WHAT IS CHANGING?

- A covering explanatory memorandum provides background on each proposed standard and the possible effective dates.
- ISQM 1 (previously ISQC 1) addresses a firm's responsibility to establish a system of quality management to support quality engagements.
- ISQM 2 is a new proposed standard to address engagement quality reviews.
- ISA 220 addresses the management of engagement quality for audit engagements.
- Listen to the IAASB's <u>webcasts</u> on Quality Management to learn more.
- Visit the <u>website</u>.

KEY CHANGES

- A new proactive, risk-based approach to firms' systems of quality management in ISQM 1
- Modernizing the standards for an evolving and increasingly complex environment, including addressing the impact of technology, networks, and use of external service providers
- Increasing firm leadership responsibilities and accountability, and improving firm governance
- More rigorous monitoring of quality management systems and remediation of deficiencies
- Enhancing the engagement partner's responsibility for audit engagement leadership and audit quality
- Addressing the robustness of engagement quality reviews, including engagement selection, documentation, and performance

QUALITY MANAGEMENT WEBCAST SERIES

Listen to the three <u>Quality Management Task Force</u>
 <u>Chairs</u> explain the new and revised standards on quality management

WHY IS QUALITY MANAGEMENT BEING ADDRESSED?

- To more proactively manage quality to address stakeholder expectations and concerns
- · To improve the scalability of the standards
- · To modernize the standards, and keep them fit for purpose

HOW IS SCALABILITY BEING IMPROVED?

- ISQM 1's new risk-based approach involves more professional judgment in designing a system that is tailored to the nature and circumstances of the firm and the engagements it performs
- Increased professional judgment in selecting engagements for engagement quality reviews
- Greater focus in ISA 220 (Revised) on the nature and circumstances of the audit engagement in managing quality

For additional information and guidance, please see this <u>draft practical example</u> to learn more about how ISQM 1 could be applied by firms with different circumstances.

<u>Draft frequently asked questions</u> may also be helpful to understanding more about ISQM 1.



NOTICE

REGULATORY NOTICES RELATING FROM LICENSING

CPA Saskatchewan publishes licence cancellations (either voluntary through the renewal process or through non-compliance with regulatory requirements) and licence restrictions as part of its obligations under Bylaw 34.2.

This information is made available to the public, including through this firm newsletter, so that the public is aware of members and firms who are no longer authorized to practice professional accounting or have restrictions on their ability to practice professional accounting in Saskatchewan.

Restrictions may be imposed temporarily until conditions of the restriction are satisfied or they may be imposed permanently (e.g. not authorized to practice any audit engagements). A restriction may be removed upon request by the member. The applicable regulatory committee approves this request.

For any questions or concerns about licensing or the licensing status of a member, please contact licensing@cpask.ca.

Please note, it is important to report information about an unlicensed member or non-member practicing professional accounting in Saskatchewan to us!



Licence cancellations through voluntary expiry

Voluntary renewal expiry effective December 31, 2018

Dwayne Bidyk, CPA, CA William Cunningham, CPA, CA Gordon Dillon, FCPA, FCGA Dale Dreis, CPA, CA David Fettis, CPA, CGA Karren Gordon-Green, CPA, CA William Hamilton, CPA, CA Dennis Heincke, CPA, CGA Theodore Hillstead, FCPA, FCGA Laurie Hudema, CPA, CA Carey Johns, CPA, CGA Douglas Johnson, CPA, CA Fahim Khan, CPA, CGA Richard Kozachenko, CPA, CA Robert Little, CPA, CMA Kelly Lutz, CPA, CA Joel Macaulay, CPA, CA Robert Nemeth, CPA, CA Elliott Procyshen, CPA, CA Lana Reilly, CPA, CA Lorelei Rhodes JohnsCPA, CA, CPA(NE) Jenna Richards, CPA, CA Elaine Sommerfeld, CPA, CA Ashley Stradeski, CPA, CA Yvonne Strocen, CPA, CA Michelle Tucker, CPA, CA Shane Webster, CPA, CA

Licence cancellations through regulatory functions

Rakesh Kaushik, CPA, CA Judith Reiman, CPA, CGA Susan Schuck, CPA, CMA

INVITATION FOR MEMBER CONSULTATION

Over the summer of 2019, CPA Saskatchewan will be engaging in member consultation of a series of new or amended Regulatory Board Rules. Members are encouraged refer back to the email dated July 18, 2019 for more information!





The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF MEMBER LICENCE RESTRICTION

On April 17, 2018, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction of the following member:

RAKESH KAUSHIK, CPA, CA

The licence of this member has been restricted such that the member is not permitted to issue a review engagement report in Saskatchewan after the date noted above without an approved monitor to supervise the engagement prior to report release.

Authorized by: William Hill, FCPA, FCA, CMA Registrar

December 13, 2018



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF MEMBER LICENCE RESTRICTION

On November 20, 2018, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction of the following member:

BJORN SIGURDSON, CPA, CA

The licence of this member has been restricted such that the member is not permitted to issue an audit engagement report in Saskatchewan after the date noted above without an approved monitor to supervise the engagement prior to report release.

Authorized by: William Hill, FCPA, FCA, CMA Registrar

January 14, 2019







The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF FIRM LICENCE RESTRICTION

On April 17, 2018, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction of the following firm:

DNTW CHARTERED ACCOUNTANTS LLP

The licence of this firm has been restricted such that the firm is not permitted to issue a review engagement report in Saskatchewan after the date noted above without an approved monitor to supervise the engagement prior to report release.

Authorized by: William Hill, FCPA, FCA, CMA Registrar

December 13, 2018



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF FIRM LICENCE RESTRICTION

On November 20, 2018, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction of the following firm:

BJORN SIGURDSON CPA PROF. CORP.

The licence of this firm has been restricted such that the firm is not permitted to issue an audit engagement report in Saskatchewan after the date noted above without an approved monitor to supervise the engagement prior to report release.

Authorized by: William Hill, FCPA, FCA, CMA Registrar

January 14, 2019



Notice of Discipline Committee Decision and Order - Case #1801-45

TRENOUTH, LAWRENCE EDWIN

Following the receipt of a Formal Complaint made by the Professional Conduct Committee, the Discipline Committee held a hearing regarding the conduct of Lawrence Edwin Trenouth (Trenouth) on February 6, 2019.

The Formal Complaint arose in the following context:

• Trenouth provided professional services including payroll processing services to four clients during the period January 1, 2014 and December 31, 2017. The engagement for payroll processing service included remitting client payroll source deductions to Canada Revenue Agency on behalf of these clients.

The general nature of the formal complaints on which the Discipline Committee accepted the Respondent's admissions of guilt relate to professional misconduct as defined in section 26 of The Accounting Profession Act (the APA) and bylaws 200.1 and 200.2 made or continued pursuant to the APA. Further to bylaw 200.4 rules of professional conduct 201.1 – Maintenance of the Reputation of the Profession, 202.1 – Integrity and Due Care, 212.1 – Handling of Trust Funds and Other Property, 212.2 – Handling Property of Others, 213.1 – Unlawful Activity, and section 38(c) of bylaw No. 1 of the CMA bylaws and rules 3.01, 3.02, 3.03, 3.21 and 3.22 of the CMA Code of Professional Ethics are relevant.

Specifically:

Trenouth transferred funds for client payroll source deductions from his client's bank accounts to bank accounts on which he had signing authority and did not remit said funds in full to the Canada Revenue Agency. The Discipline Committee therefore issued the following order:

- That Mr. Trenouth shall be expelled from CPA Saskatchewan and that his name be struck from the register;
- That the order and decision of the Discipline Committee be published by CPA Saskatchewan on CPA's website and in the CPA member and firm newsletters;
- That the order and decision of the Discipline Committee be published by CPA Saskatchewan on CPA's website and in the CPA member and firm newsletters;
- That Mr. Trenouth pays a fine of \$50,000.00, and
- That Mr. Trenouth pay costs of \$43,000.00.

Relevant Portions of the Society of Management Accountants of Saskatchewan Bylaws and Code of Ethical Principles and Rules of Conduct

For the period up to and including 09 November 2014: CMA Bylaws and Rules

Bylaws

Bylaw No. 1: A bylaw relating generally to the transaction of the business and affairs of the Society.

Every candidate for Certified membership in the Society who has passed the prescribed examinations and who shall have attained the prescribed standard of proficiency thereon shall be admitted as a Certified member and entitled to use after his name the designation, "Certified Management Accountant", or "Comptable en Management Accredite" or the initials "CMA", provided always, that such candidate has paid the required fees and has agreed to abide by the rules, regulations and bylaws of the Society.

Rules

3.01 Members shall conduct themselves at all time in manners which will maintain the good reputation of the profession and its ability to serve the public interest.

(continued on next page)



(continued from previous page)

- 3.02 Members shall perform their professional services with integrity and due care.
- 3.03 Without limiting the generality of item 301, members shall retain sufficient documentation and working papers to confirm the nature and extent of the work done in respect of any professional engagement.
- 3.21 Members who handle money or other property in trust shall do so in accordance with the terms of the trust and the general law relating to trusts and shall maintain such records as are necessary to account properly for the money or other property. Unless otherwise provided for by the terms of the trust, money held in trust shall be kept in a separate trust bank account or accounts.
- 3.22 Members shall not knowingly lend themselves, or the name of their services to any unlawful activity.

Relevant Portions of the Institute of Chartered Professional Accountants of Saskatchewan Rules of Professional Conduct

For the period commencing on 10 November 2014: CPA Bylaws and Rules

Bylaws

- 200.1 Practice of the profession or services provided as a Chartered Professional Accountant shall be performed within the context of the following standards of conduct:
 - (a) integrity;
 - (b) objectivity;
 - (c) competence; and
 - (d) confidentiality.
- A registrant or suspended registrant shall, at all times, exercise appropriate moral behaviour and shall comply with the laws of Canada and the province in which they reside or in which they provide professional services.

Rules

Maintenance of the Reputation of the Profession

A member, student or firm shall act at all times in a manner which will maintain the good reputation of the profession and its ability to serve the public interest.

Integrity and Due Care

202.1 A member, student or firm shall perform professional services with integrity and due care.

Handling of Trust Funds and Other Property

A member or student who or a firm that, receives, handles or holds money or other property as a trustee, receiver or receiver/manager, guardian, administrator/manager or liquidator shall do so in accordance with the terms of the engagement, including the terms of any applicable trust, and the law relating thereto and shall maintain such records as are necessary to account properly for the money or other property; unless otherwise provided for by the terms of a trust, money held in trust shall be kept in a separate trust bank account or accounts.

Handling Property of Others

A member, student or firm in the course of providing professional services shall handle with due care any entrusted property.

Unlawful Activity

A member, student or firm shall not knowingly associate with to any unlawful activity.

This notice is issued pursuant to Bylaw 49.1 and the terms of the Order.

Authorized by: William Hill, FCPA, FCA, CMA Registrar CPA Saskatchewan

March 12, 2019





The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF FIRM LICENCE RESTRICTION

On April 2, 2019, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction under Bylaw 31.1 of the following firm:

COGENT CHARTERED PROFESSIONAL ACCOUNTANTS LLP BATTLEFORD, SASKATCHEWAN

The licence of this firm has been restricted such that the firm is not permitted to authorize release of any assurance engagement reports in Saskatchewan after the date noted above without prior completion of an engagement quality control review by an approved monitor.

Authorized by: Leigha Hubick, CPA, CA Registrar

July 17, 2019



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF MEMBER LICENCE RESTRICTION

On April 2, 2019, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction under Bylaw 31.1 of the following member:

GERALD POHL, CPA, CGA

The licence of this member has been restricted such that the member is not permitted to authorize release of any assurance engagement reports in Saskatchewan after the date noted above without prior completion of an engagement quality control review by an approved monitor.

Authorized by: Leigha Hubick, CPA, CA Registrar

July 17, 2019

CPA SASKATCHEWAN FORUM

RAMADA PLAZA HOTEL REGINA - OCTOBER 3 & 4, 2019



CPA SASKATCHEWAN AND FELESKY FLYNN LLP INVITE YOU TO THE THIRD ANNUAL CPA SASKATCHEWAN FORUM



This two-day event kicks off on October 3 with a Reception and Dinner, including a keynote address by guest speaker Julien Smith, CEO at Breather. On October 4, technical sessions will cover a range of relevant issues for accounting practitioners that conclude with a CRA roundtable discussion.

The Forum is a prime opportunity to earn additional CPD hours while networking

with colleagues and subject matter experts. Click <u>here</u> to view the full Forum agenda.

CPA Saskatchewan Forum Registration Fees

(Fees do not include GST)	EARLY BIRD until August 15, 2019	REGULAR after August 15, 2019
Member – Forum and Keynote	\$400	\$500
Non-member – Forum and Keynote	\$500	\$600
Member – Forum only	\$375	\$475
Non-member – Forum only	\$475	\$575
Dinner and Keynote only – all registrants	\$100	\$150

Hotel Accommodations

A number of rooms have been reserved at the Ramada Plaza Hotel, 1818 Victoria Avenue, Regina, for the night of October 3. Participants are responsible for their own accommodation and parking. To reserve a hotel room online please use their reservation link Ramada Group Booking and provide their Group Booking Code CGTPCJ or phone 306-569-1444. Deadline to book a hotel room is September 5 at noon.

Registration

Early Bird Registration Deadline is August 15, 2019. Register here today!





Rates above represent male and female CPAs under the following criteria(s): age 35 and non-smoker; amount: \$500,000 term life insurance; rates are based on similar term life products; rates are based on the combined average of male and female annual rates; policy provisions will vary between carriers; rates as of July 1, 2019.

