

Celebrating The Profession

2010 ICAS CONFERENCE

June 3, 2010
Hilton Garden Inn
Saskatoon, Saskatchewan

On behalf of ICAS Council, President Lee Braaten, FCA would like to invite you to this year's AGM and Conference. Please join us as well for the luncheon as we welcome our incoming president, Garth Herbert, FCA, celebrate the achievements of our service award winners, recognize our 50-year pin members and hear from our guest speaker. This year we are excited to have Colette Bourgonje speaking at our luncheon. Colette is a member of the 2010 Canadian Paralympic cross-country ski team and she will be sharing her experiences at the Vancouver Paralympic Games. You'll also have an opportunity to attend two topical PD sessions.

- **ICAS Annual General Meeting**
8:00 am – 9:15 am:
Registration, Light Breakfast & AGM
- **AM PD Session**
9:30 am – 11:30 am:
“Dealing with the Landslide of Ownership & Leadership Changes – Succession Planning for Canadian Private Enterprises” – *Bill Matiko CA CBV*
- **‘Celebrating the Profession’ Luncheon**
11:45 am – 1:00 pm:
Luncheon; Presentation; Guest Speaker, Colette Bourgonje, Paralympic Athlete & Saskatoon Educator
- **PM PD Session**
1:30 pm – 3:30 pm:
“De-Stress and Feel Your Best” – *Darren Lang*

Space is limited so register early!

**For more information and registration,
please go to www.icas.sk.ca or contact Michelle at m.reimer@icas.sk.ca.**

2009-2010 Annual Report on pages 6-13

We Salute Our Volunteers!

Thank you to all our members who have made contributions to the profession by volunteering their time and talents during this past year.

2009 – 2010 Council



Left to Right: Leslie Neufeld CA; Second Vice-President, Barry Remai CA; Carmela Haines CA; Megan Costiuk CA; Tim Herrod CA; Sandi Bergen; Dennis Terry CA; First Vice-President, Garth Herbert FCA; President & Chair, Lee Braaten FCA; Chief Executive Officer, Keri McFadden CA; Cheryl-Lyn Shepherd CA
Missing: Morgan Kennedy FCA; Rick Peddle FCA

Executive Office

President & Chair:

Lee Braaten, FCA

First Vice-President:

Garth Herbert, FCA

Second Vice-President:

Barry Remai, CA

Chief Executive Officer:

Keri McFadden, CA

Public Representative:

Sandi Bergen

HORIZONS is a bi-monthly publication of the Institute of Chartered Accountants of Saskatchewan, 3621 Pasqua Street, Regina, SK S4S 6W8 (306)359-1010, fax (306)569-8288, e-mail info@icas.sk.ca. Opinions or products represented are those of the individual or company only. The Institute accepts no responsibility for them. The Institute reserves the right to make the usual editorial changes in articles accepted for publication. The Institute also reserves the right to refuse or withdraw acceptance from or delay publication of any article submitted. All members are welcome to submit articles. If you are interested in inserting an article or have any comments, please direct them to Sue James at the Institute office.

Institute of Chartered Accountants of Saskatchewan Committees Committees of Council

Audit

Dennis Terry CA*
Tim Herrod CA
Rick Peddle FCA

Bylaws

Irene Boychuk FCA*
Glen Bailey FCA (HL)
Margaret Ellard CA, FCMA
Noreen Gregor CA
Kimberley Mazzei CA
Barbara Miller CA
Brian Munro CA
Todd Rosenberg FCA
James Salamon FCA
Victor Schwab CA•CISA, CA•IT
Cheryl-Lyn Shepherd CA (CL)
Jason Tremblay CA

Discipline

W. Daryl Lindsay FCA*
Brian Atkinson FCA
Doug Finnie (PL)
Clayton Jackson FCA
Douglas Kalesnikoff, CA•IFA
Barbara McFadden FCA
Peter Oliver (PL)
Rodney Perkins FCA
J. Lynn Shepherd FCA
Humphrey Tam FCA
Stanley Thorp CA

Discipline – Ad Hoc

John Aitken FCA
Velma Geddes CA
J. Donald Stewart FCA
Bruce Willis FCA
Judith Youngwirth CA

Fees & Services Review

Robert Kenny CA*
Diana Adams CA
Christopher Eckert CA
Erin Fitzgerald CA
Morgan Kennedy FCA (CL)
Kama Leier CA
Delbert Lindsay CA
Michael Litzenberger CA
Christina Martens-Funk CA
Jason Ratzlaff CA

Ad Hoc Fees & Services Review

Trevor Sundbo CA
Michael Wild CA

Governance

Megan Costiuk CA•CIA
Carmela Haines CA

Practice Appraisal

Patrick Pitka FCA*
Glen Berger CA
Leigh Derksen CA
Cory Frei CA
Deborah Funk CA
Jeff Kress CA•CISA, CA•IT, CISSP
Leslie Neufeld CA, CFP (CL)
Adrian Olenick FCA
Dean Staff CA
James Zatulsky CA, FCMA◆

Professional Conduct

Craig Hinz CA*
John Amundson CA
Lyle Bolen CA
Richard Cote CA

Orlo Drewitz CA
G. Douglas MacLennan CA.CIA
Carolyn O'Quinn CA
Stuart Pollon CA, CPA (Illinois)
Maurice Rieder FCA
Glen Rittinger FCA, CFP
Robert Watt FCA

Professional Conduct – Ad Hoc

Michele Arscott CA
Amber Hoffus CA
Catherine Warner CA

Advisory Committees

Awards

Angele Borys CA
Dwayne Dahl CA
James Fallows CA
Shelley Lipon FCA
Adrian Olenick FCA

Saskatchewan Check-Up

John Aitken FCA
Daphne Arnason FCA
Brenda Gelowitz CA
Nola Joorisity FCA, CMA
Colleen Schommer FCA
Greg Smith FCA
Lyle Spencer CA
Patricia Thomas CA

Taxation Task Force

Dwayne Anderson CA
Terry Downie CA
Richard Haines FCA
Doug McKillop FCA, CMA
Thomas Pavlovsky CA, CPA (Illinois), CFP
Jason Rotelick CA

* Chair (CL) Council Liaison (HL) Harmonization Liaison (PL) Public Representative ◆ CMA Representative

Annual Member and Firm Dues

The annual dues for both members and firms have been mailed out and were due April 30, 2010. If you did not receive a copy of your dues form, please contact us at (306) 359-1010 and we will send you another copy.

ICAS Members on National & Regional Committees

Accounting Standards Board

Brian Drayton FCA

Alliance for Excellence in Information Technology: Certification Committee & Board

Jeff Kress CA•IT

Alliance for Excellence in Information Technology: Marketing & Member Services Committee

Victor Schwab CA•IT, CISA

Alliance for Excellence in Investigative & Forensic Accounting: Standards Committee & Board

Doug Kalesnikoff CA•IFA

Auditing and Assurance Standards Board

Judy Ferguson FCA

Board of Evaluators

Michael Unick FCA

CA Communicators Group

Sue James

CA Pooled Professional Development

Shelley Thiel FCA

CA School of Business (CASB) Board

Lisa Wallace FCA

CICA Board of Directors

Shelley Brown FCA

Corporate Sustainability Reporting

Tim Herrod CA

Council of Senior Executives

Keri McFadden CA

Council of Presidents

Lee Braaten FCA

Digital Archives Advisory Committee

Nola Buhr CA

Discipline Working Group

William Hill FCA

Education and Qualifications Committee

Shelley Brown FCA

Financial Reporting by First Nations Study Group

Keith Martell CA*

Financial Reporting by Government Task Force

Terry Paton FCA*

Government Transfers Task Force

Chris Bayda FCA

Independence Task Force

James Salamon FCA

International Qualifications

Appraisal Board

Gord Stewart FCA*

Joint Taxation Committee

Tom Stack FCA

Member Advisory Services Group

Shelley Thiel FCA

Non-publicly Accountable Enterprises ("Private Enterprises") Advisory Committee

Brian Drayton FCA *

Private Enterprise Advisory Committee

Kelly Thompson CA

Professional Liability Insurance Committee

Paul Jaspar FCA

Public Sector Accounting Board

Vivian Lund CA

Morina Rennie FCA

Rules Harmonization Committee

Glen Bailey FCA

Tax Revenue Task Force

Chris Bayda FCA

University of Regina Senate

Michelle Arscott CA

University of Saskatchewan Senate

Gord Stewart FCA

CA Insurance Plans West

Lyn Kristoff FCA

Colleen Schommer FCA

Western Recruiters Group

Sue James

Shelley Thiel FCA

Western First Officers

Lee Braaten FCA*

Keri McFadden CA

Garth Herbert FCA

Sue James

Women's Initiatives Advisory Committee*

Shelley Thiel FCA

* Chair

CONGRATULATIONS

Congratulations to Stefanie Lawton, CA who was recently nominated for Saskatoon's YWCA Women of Distinction Award in the Athletic's category. During the past 14 years, Stefanie has been a skip on the women's and junior curling circuits, winning a total of eight provincial championships, a junior national championship and placing fourth and third, respectively, at the Scotties Tournament of Hearts and Olympic Curling Trials.

Member News

Members on the Move

- Peter Balkwill, CA (1985) is now the Vice President and Chief Financial Officer with Blackwatch Energy Service Corp, Calgary.
- Janice Brunas, CA (1993) is now the Director Investment Operations with Greystone Managed Investments in Regina.
- Melanie Christianson, CA (2004) is now a Supervisor, T & D Accounting with Potash Corporation of Saskatchewan in Saskatoon.
- Sheri Lucas, CA (1997) is now Chief Financial Officer/Executive Vice-President, Finance at SaskCentral (Credit Union Central of Saskatchewan) in Regina.
- Michael MacBean, CA (2003) is now the Managing Director at Triwest Capital Partners in Calgary.
- John Povhe, CA (1996) is now Chief Financial Officer of Superior Cabinets in Saskatoon.

New Members

Through Membership

- Scott Hamilton
- Melissa Hansen
- Alan Koop
- Jennifer Ochieng

Resigned

- Catherine Cameron (1984)
- Gerald Lalonde (1984)
- Marnie Linder (1989)

Memorials

It is with regret that we announce the death of:

- Kathleen Byam (1945)
- Richard Seabrook (1969)

Dates to Remember

2010

June

3 AGM/Conference
- Saskatoon

September

14-16 UFE

December

3 UFE Release

For more information on these events, please contact Sue at 306-791-4142 or e-mail s.james@icas.sk.ca



Golf Season Is Now In Full Swing - now's the time to purchase your CA golf shirt

Last fall the ICAS store added golf shirts to the inventory. These sporty garments which display the CA logo on the left sleeve are available in men's and ladies' styles and sizes. For more information on how to order the shirts please click on ICAS Store under the Member Services tab on the ICAS website. The shirts will also be on display and for sale at our AGM and Conference in Saskatoon on June 3rd at the Hilton Garden Inn.

Auditors' Report

To the Members of the Institute of Chartered Accountants of Saskatchewan:

The accompanying summarized statement of financial position of The Institute of Chartered Accountants of Saskatchewan as at March 31, 2010 and the summarized statement of operations for the year then ended are derived from the financial statements on which we expressed an opinion without reservation in our report dated April 26, 2010. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guidelines referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, net assets, results of operations and cash flows, reference should be made to the related complete financial statements.



Chartered Accountants

Saskatoon, Saskatchewan
April 26, 2010

Report of Management

The accompanying summarized statement of financial position and statement of operations and all information in the annual report are the responsibility of management. The summarized statements are derived from the complete financial statements of the Institute which have been prepared by management in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized in the notes to those financial statements.

The accounting systems employed by the Institute include an appropriate system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are protected from loss and unauthorized use and financial records are complete and properly maintained to provide reliable information in the preparation of financial statements and other data.

The Institute's management is responsible for preparation of timely financial statements which are reviewed by the Audit Committee. Any requirements for corrective action are brought to the attention of Council. Council reviewed quarterly financial information at its regular meetings.

The Institute's Audit Committee is appointed by Council and is comprised of a chair and two members. It has reviewed the financial statements, including the notes thereto and the summarized statements, with both management and the external auditor. The complete financial statements have been approved by Council, based on the recommendation of the Audit Committee.



Keri McFadden, CA
Chief Executive Officer
Regina, Saskatchewan
April 26, 2010

Summarized

Financial Statements**The Institute of Chartered Accountants of Saskatchewan**

(Incorporated under a special Act of the Saskatchewan Legislature in 1909)

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As at March 31st

	2010	2009
Assets		
Cash and Investments	\$ 637,800	\$ 645,600
Accounts receivable and prepaid expenses	138,400	109,400
Capital assets	<u>309,600</u>	<u>354,000</u>
	<u>\$ 1,085,800</u>	<u>\$ 1,109,000</u>
Liabilities		
Accounts payable and fees received in advance	<u>\$ 226,100</u>	<u>\$ 209,000</u>
Net Assets		
Invested in capital assets	\$ 309,600	\$ 354,000
Unrestricted	<u>550,100</u>	<u>546,000</u>
	<u>\$ 859,700</u>	<u>\$ 900,000</u>
	<u>\$ 1,085,800</u>	<u>\$ 1,109,000</u>

SUMMARIZED STATEMENT OF OPERATIONS

For the year ended March 31

Revenues		
Members' fees	\$ 1,116,100	\$ 1,029,700
Investment income	27,100	32,900
Self-funding activities	<u>543,600</u>	<u>536,800</u>
Total revenues	<u>\$ 1,686,800</u>	<u>\$ 1,599,400</u>
Expenses		
Member services, administration and regulatory affairs	\$ 1,290,600	\$ 1,268,300
Self-funding activities	<u>436,500</u>	<u>450,200</u>
Total expenses	<u>\$ 1,727,100</u>	<u>\$ 1,718,500</u>
Deficiency of Revenues over Expenses	<u>(\$ 40,300)</u>	<u>(\$ 119,100)</u>

Full financial statements are available upon request. Contact Sue at 306-791-4142 or e-mail s.james@icas.sk.ca.

From the President & the CEO

Our Primary Mandate – Protect the Public Interest

Public Trust

At the core of the Canadian CA profession is our commitment to protecting the public. This dedication is exemplified in the profession's ongoing standards enforcement, discipline and practice review programs, and in the national standard-setting process.

Given our internationally recognized designation, the CA profession must assess its own standards against those needed to maintain recognition and reciprocity. It is important that these requirements be harmonized nationally as much as possible, both to demonstrate the quality and consistency of the CA brand internationally and to ensure confidence in the CA profession through continued focus on protection of the public.

During the past several years, Council has dedicated much of its effort on activities that meet our regulatory requirement of protecting the public. In particular, the profession, as part of the implementation of the national strategic plan, has operated a Public Trust Task Force. The goal of the task force is to identify areas where the profession needs to "raise the bar" to ensure it continues to protect the public interest and restore confidence within capital markets. This includes harmonizing standards across the profession in Canada and making sure that standards in Canada meet or exceed our international counterparts, where applicable.

Branding & Image Enhancement

Since 2002 *Saskatchewan Check-up* has tracked Saskatchewan's development as a place to live, work and invest. In addition ICAS offers comment on results and suggestions for public consideration, and courses of action it believes can enhance the province's future outcomes.

Saskatchewan Check-Up 2009 reported a successful economic year for our province. The Institute presented the publication with our members, government and the business community in Saskatchewan.

The Institute also participated in a pre-budget consultation process with the Minister of Finance. The Institute garnered media attention from commentary regarding the balance of the government funds and various government decisions. In addition to this, we continued to profile the profession in advertisements regarding Council election results, Uniform Evaluation (UFE) results, and the 2009 FCA and Distinguished Community Service Awards recipients.

At the national level the "Decisions Matter" campaign continued in the 2009/10 year. In a time of uncertainty, the CA brand became more important than ever as business people relied on the expertise of CAs to help weather the economic crises and deal with changes in financial reporting.

In 2010/2011, there is an ongoing commitment to collaborate across the country to continue strengthening the brand. The "Decisions Matter" concept underscores the unique qualities CAs bring to business, and will remain central to the campaign. In the fall of 2010, however, new ads will appear; these new ads will stay true to the Decisions Matter concept, but will deliver the message in a fresh manner.

Education

The CA School of Business (CASB) has continued to achieve success. There were 3,127 students nation-wide who successfully passed the UFE – 1,037 of which were enrolled with CASB. Saskatchewan writers were especially successful, with 60 writers passing the exam, including two writers that were named to the National Honour Roll. CASB continues to grow, reflecting the strong demand for new students by the firms and the marketplace. Registration levels continue to grow

with 270 Saskatchewan students as of March 31, 2010.

However, the business community's demand for CAs is outstripping the supply. Students are eager to join the profession and enrolment levels are up dramatically in many parts of the country. The problem lies in the fact that there are still more high-quality students than there are positions in public practice training offices.

We are currently working very hard at attracting students and offering options beyond the public accounting stream by broadening our definition of "qualifying experience" and expanding the range of organizations we recognize as approved training offices. These changes will allow CA students to accept training positions inside and outside public practice offices, in taxation, business advisory services and other areas in addition to audit and assurance. At the same time, these changes will do nothing to lessen the excellence of our admission and qualification standards, which will continue to meet all the criteria for international recognition and reciprocity. We trust that employers will see the benefits of becoming an approved training office and directly recruiting CA students.

We expect to see Saskatchewan students have this opportunity in the very near future!

Member Relations

With 1,939 members in Saskatchewan and more than 74,000 CAs across Canada, we want each member to value their CA designation and see the profession as a primary resource for the intellectual capital and competencies they need to succeed.

Saskatchewan's professional development (PD) program continues to offer a diverse array of topics covering a variety of competencies inherent to the profession. In 2009/10, 2,165 registrations were received for 90 sessions across the province. In

the coming year we will introduce additional topics and innovations to meet the ever-growing needs of members. As we have for several years, we continued to offer practical assistance to our members through the joint professional services program with the Alberta Institute. This program gives all members access to a professional who is dedicated to providing guidance or referral in

the areas of accounting and auditing standards, ethics, practice management issues and other concerns.

Our Future

The recent standards change will no doubt have a significant impact on our profession. It will present challenges for all Chartered Accountants and provide opportunities to ensure that CAs remain as the preminent accounting designation in Canada.

The future does not rely only on the upcoming CAs but on our whole membership. We hope that the profession remains attractive to new

CA recruits, but also that each of us recognize the value of the designation we hold – a profession committed to protecting the public, and providing value to members in their careers and daily lives.

The Chair and CEO acknowledge and thank Council and all Committee members for their significant contributions to the ICAS successes over this past year.



K McFadden

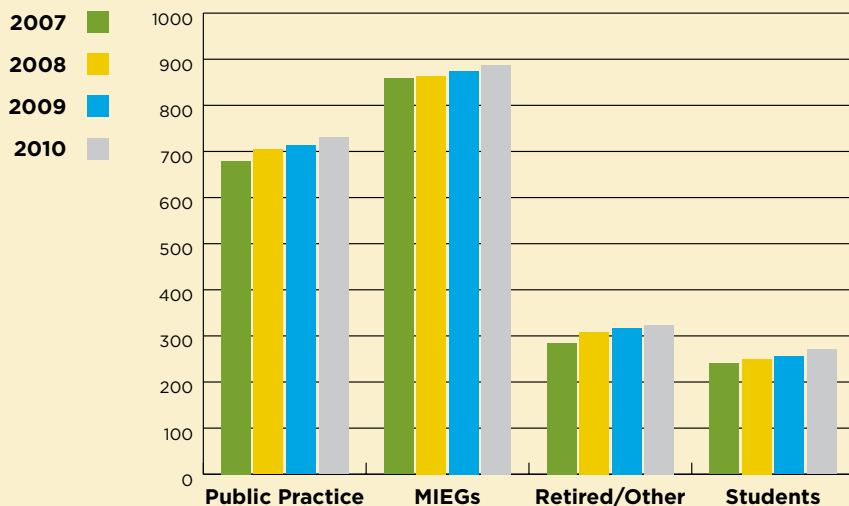
Keri McFadden, CA
Chief Executive Officer



Lee Braaten

Lee Braaten, FCA
President & Chair

Member and Student Statistics (as of March 31)



ICAS Management Discussion & Analysis

Founded in 1908, The Institute of Chartered Accountants of Saskatchewan (ICAS) is a self-regulatory professional body incorporated under *The Chartered Accountants Act* to serve the best interests of the public through the development and enforcement of high standards of qualification and practice. ICAS provides leadership to approximately 1,939 CAs and 270 CA students. The Institute also offers an array of services to its members and students.

Governance

The Institute is governed by a Council of 13 members, including 12 CAs elected by the membership as well as one public representative in accordance with the requirements of *The CA Act*.

To assist with governance, there are three Committees of Council – Audit, Compensation/Nominating, and Governance. As well, there are a number of self-regulatory Committees including Bylaws, Fees and Services Review, Discipline, Practice Inspection and Professional Conduct that help Council fulfill the Institute's regulatory mandate.

In addition, other special and advisory committees are established from time to time. Volunteers serving on all of these committees are acknowledged elsewhere in the Annual Report.

Strategy

Council follows the Policy Governance model in governing the affairs of the Institute. As such, it sets the Ends, Executive Limitations, Governance Process and Council-Staff Relationship policies. This means that Council decides what organizational goals are to be achieved and within what boundaries these goals should be achieved. These Ends, Executive Limitations, Governance Process and Council-Staff Relationship Policies are articulated in the Institute's Governance Policy Manual, which is reviewed and updated annually by

Council. In establishing the Ends, Council considers the strategic initiatives developed nationally for the CA profession. These strategies are discussed in the report from the President and Chief Executive Officer.

Based on the Ends established by Council, the Chief Executive Officer, with the assistance of the management team, in turn develops the action plan to best achieve the Ends of the Institute. A business plan is developed, followed by an annual budget and based on this information, annual fees assessments are approved by Council.

Management's Responsibility

Management is responsible for stewardship of the Institute's resources and the reporting of its financial results. The 2009/10 summarized financial statements and all other financial information contained in this report are related to this responsibility.

Information contained elsewhere in this report is consistent, where applicable, with that contained in the full financial statements. The information contained in the management discussion and analysis of the financial statements is not audited.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and necessarily include estimates based on management's best judgment.

The Audit Committee reviews the annual financial statements. The Audit Committee also reports to Council and recommends approval of the financial statements. The Audit Committee meets periodically with senior management of the Institute and the external auditors. The auditors may meet with the Audit Committee without management present to discuss the auditors' comments on the adequacy of internal accounting controls, quality of financial reporting, and other audit issues.

Summarized Financial Statements

The responsibility to provide members with information to assess the Institute's finances and its future direction is fulfilled in this report through summarized financial statements and non-financial data that, when viewed together, provide the appropriate balance between current and historical data.

Members are still able, however, to view the full set of financial statements by requesting a copy from the Institute.

Financial Position

The operating results for the year and changes in capital assets, results in \$550,100 in unrestricted net assets at March 31, 2010. This falls within Council's executive limitation.

Results from Operations

Basic members' annual fees increased this year by \$25 per resident member effective April 1, 2009. The number of dues-paying members has remained fairly static over the past ten years due to the number of new members admitted being approximately the same as those who retired or resigned (primarily after moving to another jurisdiction).

The Institute continued with its diversified investment portfolio in accordance with the investment policy as approved by Council.

We continued to see significant attendance at professional development courses. There were approximately 2,165 registrations which is consistent with the prior year's. We continue to offer courses in the traditional assurance, accounting and tax areas as well as courses in other areas, which we hope will be of interest to a wider base of members. Member education will continue to be one of the key thrusts as we move forward with the strategic initiatives and changes in standards.

Overall, expenses exceeded revenues by \$40,300.

Future Challenges

The Institute continues to be dependent on the use of volunteers. Council plays a significant role as the policy setter for the Institute while volunteers on Self Regulatory Committees help ensure that high standards of education, admission, professional conduct and discipline are maintained as required by The CA Act.

Many new options will become available for students as a result of the expansion of the profession's approved training offices across the country.

Changes to the CA education and qualification system are expected to yield positive results for the profession's future by increasing the number of new CA students to meet a growing demand for qualified CAs.

The ACSB decision to make the adoption of International Financial Reporting Standards (IFRS) mandatory for publicly accountable enterprises is one of the most significant changes in Canadian standards in decades.

There are other changes, such as new Canadian Auditing Standards and

GAAP for Private Enterprises affecting Chartered Accountants. ICAS is committed to provide the support and ensure CAs are prepared. ICAS continues to provide CAs with a range of high quality materials and courses to address the variety of needs by CAs both in Saskatchewan and across Canada.

We hope you will find this year's annual report informative. As always, we welcome your comments and suggestions.

Committees Of Council – Annual Reports

Self Regulation and Regulatory Committees Overview



William Hill FCA
- *Director of Regulatory Affairs*

Self Regulation and Regulatory Committees Overview

The CA profession in Saskatchewan is privileged to be a self-regulating profession. With this privilege comes the paramount responsibility of acting in the public interest. Congruent with the role in protecting the public, is maintaining the reputation of the CA profession as a whole. Each Chartered Accountant shares these responsibilities.

The Institute, through its councillors, regulatory committees and management, is responsible for establishing, monitoring and enforcing standards of practice of the profession and professional conduct. The members of these groups make decisions and take actions based on an objective of maintaining public trust in the CA profession and thus, maintaining the good reputation of the profession.

Maintaining public trust is a priority for the leadership of Canada's CA profession. The national Public Trust Committee is charged with direct strategic responsibility for this area, with comprehensive projects in progress in discipline process, practice inspection and conduct rules harmonization. ICAS regulatory committees have an opportunity to provide input to national committees of standards of conduct.

The development and approval of the recommendations of the national Discipline Process and Practice Inspection Process working groups is nearing completion. As a result, ICAS initiatives for the next two years will include consideration and implementation of the recommendation of these working

groups. We will inform our members of the effects these recommendations will have on them.

Three committees of volunteers are established in the CA Act – Fees and Services Review, Professional Conduct and Discipline. In addition, Bylaws and Practice Appraisal committees are established in the Institute bylaws. The roles and activities of the five committees are briefly described in the following reports.

Self regulation of our profession would not be sustainable without the significant commitment of the volunteers who participate in these committees. Feedback from volunteers indicates many believe that they too have benefited from their volunteer experience. The committee chairs and Institute staff thank each of the volunteers for their contributions during the past year.

Professional Conduct Committee Chair: Craig Hinz CA

The privilege of being allowed to operate as a self-regulating body brings with it the responsibility for ICAS to ensure appropriate policy and process exist to maintain a high level of accountability in this regard. As an integral part of this process, the

mandate of the Professional Conduct Committee (PCC) is to receive and investigate complaints regarding the conduct of ICAS members and determine whether the complaint should be referred to the Discipline Committee.

The initial review of every complaint is performed by the committee's Chair to determine if the PCC is the appropriate process for the issue and to determine if enough information is available to warrant an investigation. In turn, the Chair appoints two or more committee members or external contractors to investigate the complaint and gather potential evidence. The investigation report is then reviewed by the committee as a whole, which determines if the case should proceed to be heard by the Discipline Committee or be discontinued depending on whether investigation findings indicate a breach of one or more ICAS bylaws. Informal cases sent before the Discipline Committee are prosecuted by a member of the PCC and formal cases are prosecuted by the committee's legal counsel.

During the 2009-10 committee year, the PCC received eleven new cases to add to the twelve cases carried over from the previous fiscal year. Of these twenty-three cases, two were sent forth to be heard by the Discipline Committee, thirteen were discontinued for varying reasons, one was transferred to another ICAS committee to determine if the issue could be resolved without PCC involvement and seven cases remain in progress at the end of the year.

Discipline Committee
Chair: Daryl Lindsay FCA

The discipline process deals with complaints alleging professional

misconduct, or a breach or breaches of the CA Act, and the bylaws including the Rules of Professional Conduct. The process has two independent stages: the investigation of the original complaint by the Professional Conduct Committee and the hearing and determination by the Discipline Committee of any complaints reported to it by the Professional Conduct Committee.

The Discipline Committee selects at least five individuals from its membership who have no direct or indirect connection to the subject matter of any complaint to serve as a Hearing Panel to consider the evidence and arguments, if any, placed in each case before it and to render a determination.

In order to ensure the public's perspective is adequately represented on the committee and discipline hearing panels, three public representatives have been appointed to the committee by Council. One or more public representatives may be selected to serve on a Hearing Panel.

A hearing may be either formal or informal. An informal hearing may be either in-person or paper-based at the discretion of the individual against whom the complaint was lodged. All hearings follow the rules of natural justice, whereby the accused has the opportunity to be heard, and the decision makers must act in a fair and unbiased manner. If the determination is one of guilt, the Discipline Committee is authorized under section 23 of the CA Act to make an array of orders, including fines and the award of costs.

In 2009 – 2010, the committee held three committee meetings, five in-person and two paper-based informal hearings, and committee members participated in one provincial

discipline working group session to react to draft reports of the Discipline Working Group of the national Public Trust Task Force.

While there were fewer hearings conducted this year than during the preceding year, the amount of disciplinary activity should be viewed over a longer time horizon as the investigation process and the scheduling of hearing dates and the completion of hearings may be lengthy.

It is likely that the processes within the jurisdiction of the committee will evolve as the recommendations of the national Discipline Working Group are adopted.

Practice Appraisal Committee
Chair: Patrick W. Pitka FCA

Practice inspection assesses the compliance of members in public practice with professional standards. These assessments are performed for both regulatory and educational purposes.

Currently, there are approximately 150 practicing Chartered Accountant offices in the Province with twelve new offices opening in the past year.

Inspections are now being performed on a three-year cycle which represents about fifty regular inspections per year plus office re-inspections where deficiencies exist. The committee reviews the inspector's draft findings, recommendations and conclusions and approves the final inspection reports. The outcomes of an inspection include – 1) No matters to report, 2) the practice office is required to prepare a corrective action plan, 3) directive for re-inspection plus a 'corrective action plan', and 4) referral to the Professional Conduct Committee.

For fiscal years beginning on or after January 1, 2011, publicly accountable

enterprises will be required to adopt International Financial Reporting Standards (IFRS). Private enterprises can elect to adopt IFRS or can adopt the new Accounting Standards for Private Enterprises. The AcSB has also issued an exposure draft on Accounting Standards for Not-for-Profit Organizations. In addition, the new Canadian Auditing Standards (CAS) will come into effect for audits of financial statements for periods ending on or after December 14, 2010.

It is imperative that members invest in additional training and professional development, as members will be expected to assist their clients with the education and application of these new standards.

Fees and Services Review Committee
Chair: Bob Kenny CA

The mandate of the committee (renamed Fees and Services Review) was expanded during the year in recognition that fee disputes are often intertwined with service issues. As well, the mandate includes the authority to communicate 'guidance' to improve member's business practices and a warning with respect to 'course of conduct'.

The committee is responsible to investigate client concerns relating to fees or services provided by members in public practice. Factors considered during investigation include: the nature of the work engaged and/or performed, billing rates, standard rates, staffing levels and hours during the engagement. The committee establishes the positions of the two parties with respect to the issues and attempts to resolve the areas of disagreement. Upon completion of the investigation, the committee determines whether the fees charged were fair and reasonable

in the circumstances and whether 'guidance' should be communicated to the member. The committee may also refer the matter to the Professional Conduct Committee if, during the course of the investigation, it identifies concerns about a member's conduct.

Four new cases were received in 2009-10, with two cases being carried forward from 2008-09. Three cases are currently under investigation. In three cases, the committee determined the fee disputes resulted from a lack of communication from the members to the clients. In two of the cases, the committee determined the fees to be fair and reasonable; however, in the third case, the committee determined that the fees were reasonable for the services provided, but that they were not fair given the lack of communication of potential/actual increases in fees from the original estimate.

In all three cases, the committee recommended that the members implement communication practices for all types of engagements to ensure clients understand the services to be provided and the related fees.

Although clients share responsibility when it comes to communication, a higher expectation is placed on our members as professional services providers. Keeping your clients informed and dealing promptly with any misunderstandings will go a long way toward alleviating those issues before a client is led to contact the Institute to find a resolution.

Bylaws Committee
Chair: Irene Boychuk FCA

The committee's primary responsibility is to advise Council with respect to issues that affect our Institute's bylaws. In this respect, the committee

ensures that our bylaws permit the effective and efficient operation of our Institute and are consistent with the recommendations of the Rules Harmonization Committee's rules of professional conduct.

One of the purposes of the Institute's bylaws is to provide a framework for appropriate member conduct, as well as processes for assessment and enforcement. The rules of professional conduct are substantially harmonized across Canada. The Bylaws Committee, on behalf of our members, reviews proposals from the national Rules Harmonization Committee and thereby provides input to the evolution of the harmonized rules.

During the year, the committee reviewed and approved a framework that will guide the development of bylaws, including a 'wall-to-wall' review and re-write of the existing bylaws. The first phase of this review is to separate the bylaws into two broad categories:

- bylaws that facilitate the efficient and effective governance of the Institute through Council, and
- bylaws that enable the effective regulation of members under the direction of the regulatory committees and Council.

As well, the committee reviewed bylaw amendments relating to the mandates and processes of the Practice Appraisal and Fees/Services Review committees.

If you would be interested in participating in the important functions of one of these committees or require further information regarding committee mandates, please contact Michelle Reimer, Membership and Registration Assistant at m.reimer@icas.sk.ca or William Hill, FCA at w.hill@icas.sk.ca.

Notice of Discipline Committee Decisions and Orders

The Discipline Committee conducted hearings into complaints of the Professional Conduct Committee.

Case 05-07

Hearing Date: December 16, 2009

The general nature of the complaint related to the audit of projections included within securities offering memoranda.

The allegations were:

- a. That the member failed to perform audit services for the client in accordance with CICA Handbook Section 5021 paragraph .06, in that the member issued an auditor's report on financial projections, which did not contain all significant assumptions & hypotheses within the notes to the financial projections and that the audit file did not contain sufficient audit documentation, specifically that the audit services and documentation failed to meet the standards set out in audit guideline AuG-6.
- b. That the member failed to sustain professional competence with respect to audit services provided to the clients.

The Discipline Panel found that the member did breach Bylaws 203.1, 206 effective prior to September 24, 2003, and 206.1 effective after September 23, 2003 as referenced in the complaint.

Therefore, the panel ordered that:

- the member pay a fine of \$2,000
- the member pay actual costs of the hearing not to exceed \$1,000
- the member receive and acknowledge in writing a letter of reprimand

Case 06-01

Hearing Date: December 17, 2009

The general nature of the complaint related to the audit of financial statements.

The allegations were that the member:

- a. Failed to perform audit services for the client in accordance with generally accepted audit standards – Section 5100, and specifically that the audit services and

documentation failed to meet the standards for:

- i. Assurance engagements – Section 5025
 - ii. Auditor's responsibility to consider fraud – Section 5135
 - iii. Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement – Section 5141
 - iv. Materiality – Section 5142
 - v. Documentation – Section 5145
 - vi. Planning – Section 5150
 - vii. The Auditor's Standard Report – Section 5400
 - viii. Communications With Those Having Oversight Responsibility for the Financial Reporting Process – Section 5751
- b. Failed to sustain professional competence with respect to audit services provided to the client.
 - c. Failed to provide audit services to the client with due care.

The Discipline Panel found that the member did breach Bylaws 202, 203.1, 206.1. Therefore, the panel ordered that:

- the member pay a fine of \$3,000.00
- the member pay actual costs of the hearing not to exceed \$1,500.00
- the member receive and acknowledge in writing a letter of reprimand
- the member must complete no less than 21 verifiable hours of professional development courses in the area of Audit within the next 12 month period
- the member's practice to be inspected within the next 12 month period

Case 07-04

Hearing Date: December 17, 2009

The general nature of the complaint related to taxation services.

The allegation was that the practice office failed to exercise due care in providing services to its client, in that the practice office failed to file a tax return by the due date.

The Discipline Panel found that the designated in charge partner of the practice office breached bylaw 202 and therefore issued the following order:

- that the member receive and acknowledge in writing a letter of reprimand.

Case 07-07

Hearing Date: December 17, 2009

The general nature of the complaint related to the audit of financial statements.

The allegations were:

- a. That the member issued an audit report without reservation on a financial statement which was not prepared in accordance with GAAP.
- b. That by issuing the report, the member failed to comply with the "generally accepted standards of practice of the profession."
- c. That the member did not recognize that the financial statements, to which the member's auditor's report was attached, did not meet current standards for public sector organizations; thus indicating that the member did not sustain professional competence by keeping informed of developments in professional standards.
- d. Considering the foregoing, that the member failed to 'perform professional services with due care.'

The Discipline Panel found that the member did breach Bylaws 202, 203.1, 206.1. Therefore, the panel ordered that:

- the member pay a fine of \$3,000.00
- the member pay actual costs of the hearing not to exceed \$1,500.00

- the member receive and acknowledge in writing a letter of reprimand
- the member must complete no less than 21 verifiable hours of professional development courses in the area of Audit within the next 12 month period
- the member's practice to be inspected within the next 12 month period

Case 07-13

Hearing Date: December 17, 2009

The general nature of the complaint related to lapsing of a professional liability insurance policy.

The allegation was that the member did not have continuous professional liability insurance coverage for the member's public accounting practice.

The Discipline Panel found that the member did breach Bylaws 701, 702, 705. Therefore, the panel ordered that:

- the member pay a fine of \$2,000.00
- the member pay actual costs of the hearing not to exceed \$1,500.00
- the member receive and acknowledge in writing a letter of reprimand

In all of the above cases, it was ordered that notices of the decisions and orders

be published in *Horizons* on unnamed bases.

The orders also included a provision that the member must comply with all aspects of the order within 60 days of receipt of the order and, in failing to comply within 60 days, the member shall be suspended. The member would be reinstated provided within a further 60 days, the member complies with all aspects of the order and pays a reinstatement fee. On failing to comply with all aspects of the order within 120 days of receipt of the order, the member shall be expelled.

Client Development Series Brochures

As part of CICA's commitment to providing a range of products and services to assist CAs as they grow their business, we are pleased to offer the Client Development Brochure Series. These practical resources can be distributed to current and prospective clients — helping them to assess the issues that affect their business, so that they are better prepared to discuss them with you.

Designed to support your client retention and development efforts, you can download and print copies of the Client Development Brochures for free; or you can purchase personalized copies from CICA, with the name and contact information of your firm printed on the back. *Please visit the CICA website for more information.*

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The Institute of Chartered Accountants of Saskatchewan

Notice of Suspension

The following person has been suspended from membership with The Institute of Chartered Accountants of Saskatchewan for failure to comply with an Order of the Discipline Panel. Having been suspended, this individual may not use the professional designation "C.A. – Chartered Accountant" in Saskatchewan while suspended.

WILLIAM CARROLL CANTLON – ESTEVAN SK

Authorized by: Keri McFadden, CA Secretary
The Institute of Chartered Accountants of Saskatchewan
April 5, 2010

The Institute of Chartered Accountants of Saskatchewan

Notice of Suspension

The following person has been suspended from membership with The Institute of Chartered Accountants of Saskatchewan. Having been suspended, this individual may not use the professional designation "C.A. – Chartered Accountant" in Saskatchewan.

JAMES ALBERT BESLER – ESTERHAZY SK

Authorized by: Keri McFadden, CA Secretary
The Institute of Chartered Accountants of Saskatchewan
March 30, 2010



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Our Vision

We are Canada's most valued, internationally recognized profession of leaders in senior management, advisory, financial, tax and assurance roles

Our Mission

Our mission is to foster public confidence in the CA profession by acting in the public interest and helping our members excel

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