



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
ONTARIO

DISCIPLINE COMMITTEE - CPA ONTARIO

RE: Ronald E. Day

EX: 2 FILED August 26 2015

RE

THE CHARTERED ACCOUNTANTS ACT, 2010

IN THE MATTER OF: ALLEGATIONS OF
PROFESSIONAL MISCONDUCT
AGAINST RONALD E. DAY, CPA,
CA, A MEMBER OF CPA ONTRIO
BEFORE THE DISCIPLINE
COMMITTEE

SETTLEMENT AGREEMENT

***Made pursuant to Section 34 (1)(c) of the Chartered
Accountants Act 2010 and to ICAO Regulation 7-1,
s.22.4***

Introduction

1. The Professional Conduct Committee approved draft allegations against Ronald E. Day, CPA, CA (Day) **Doc 1**.
2. The draft Allegations pertain to the professional work performed by Day with respect to:
 - (a) the audit of the consolidated financial statements of "WFN" for the year ended March 31, 2013 **Doc 4**;
 - (b) the audit of the financial statements of "TBHMS" for the year ended December 31, 2012 **Doc 6**;
 - (c) the audit of the financial statements of "STBALA" for the year ended March 31, 2014 **Doc 8**;

(d) the review of the financial statements of "106**** Ontario Inc." for the year ended December 31, 2012 **Doc 10**.

3. The documents referred to in this agreement are found in the Document Brief ("**Doc**"). The applicable *CICA Handbook* sections are found in the Brief of Authorities "**Tab**").
4. The Professional Conduct Committee ("PCC") and Day agree with the facts and conclusions set out in this settlement agreement for the purpose of this proceeding only and further agree that this agreement of facts and conclusions is without prejudice to Day in any other proceedings of any kind, including, but without limiting the generality of the foregoing, any civil or other proceedings which may be brought by any other person, corporation, regulatory body or agency.

Background

5. Day received his CA designation in 1970.
6. Day served as an accountant with Clarkson Gordon, Thunder Bay from 1970 – 1971. He became an assistant controller, first with Headway Corporation Ltd., Thunder Bay from 1971 – 1981 and then with Nu-West Corporation, Calgary from 1981 – 1984. He commenced to practice as a sole practitioner, in Calgary in 1984 and then in Thunder Bay from 1985 – 1988. In the period from 1988 – 2008 partners joined him in the practice and he withdrew from the partnership in 2008 to again become a sole practitioner in the Thunder Bay area.
7. Day has one employee who is a technician/secretary. His practice includes audits, reviews, compilations, income tax and sundry other engagements
8. Day was brought to the attention of the PCC by the Practice Inspection Committee in a report dated April 2, 2014 wherein it expressed the opinion

that Day's failure to maintain professional standards is "...sufficiently serious as to reflect adversely upon his professional competence." **Doc 2**

9. Day's responses to the complaint against him are reproduced at **Doc 3**.
10. Mr. Raymond G. Harris, FCPA, FCA was appointed to investigate Day's standards of practice.

Allegation 1 – The Audit of the Consolidated Financial Statements of WFN for the year ended March 31, 2013

11. WFN is a First Nation Government entity created under the provisions of the Canadian *Indian Act* and is located in Armstrong in Northern Ontario. Its consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and include the financial statements of its subsidiary "SED LLP".
12. The consolidated financial statements of WFN for the year ended March 31, 2013 are reproduced at **Doc 4**.
13. Day signed the Auditors' Report dated October 3, 2013 and presented it and the financial statements to the Chief of WFN.

Auditors' Report

14. The report is not titled "Independent Auditors' Report" and did not specify that it is management's responsibility for the preparation of the financial statements as required by *CICA Handbook* Sections CAS 700 21 & 24 **TAB 1**. In the opinion paragraph the term "change in its net surplus" is used rather than the term "change in its net financial assets (net debt)" as per the Consolidated Statement of Change in Net Financial Assets (Net Debt).

Consolidated Statement of Financial Position

15. There was no audit evidence to confirm the existence and value as required by *CICA Handbook* Sections CAS 200 17 & CAS 500 6 **Tab 2** with respect to
- a) "WFN Community Trust (Note 5) 5,991,120",
 - b) "Investments (Note 7) 123,244".
16. The audit evidence required by *CICA Handbook* Sections CAS 200 17 & CAS 500 6 **Tab 2** intended to confirm the value of "Tangible capital assets (Note 11) 6,048,093" is contained in a working paper that shows a total amount that is \$232,320 less than that shown in Note 11. In addition the note incorrectly shows opening balances of accumulated amortization that are, in fact the closing balances of the cost of the assets, and the total of the closing balances of the cost of the assets shown as \$8,794,090.47 should be \$10,511,186.47.
17. The terms and conditions with respect to the item "Due to Reserve 164,101" were not disclosed as required by *CICA Handbook* Section PS 4200.14 **Tab 3**. In addition the offsetting amount due from a different fund is not disclosed.

Consolidated Statement of Cash Flows

18. The items "Additions to capital assets (1,903,046)" and "Payments on long term debt (476,229)" do not tie in to the Consolidated Statement of Financial Position
19. The item "CASH, end of year 1,482,439" incorrectly includes, in addition to Consolidated Statement of Financial Position item "Cash and cash equivalents (Note 2) 1,328,237" the additional items from that statement "Investments (Note 7) 123,244" which are long term investments and "Replacement Reserve (Note 4) 30,958" which is a restricted asset. Neither of the additional items qualify for that treatment as per *CICA Handbook* Section PS 1201.104 & 105 **Tab 4**. In addition the policy adopted in

determining the composition of cash and cash equivalents was not disclosed as required by *CICA Handbook* Section PS 1201.126 **Tab 4**.

Consolidated Statement of Changes in Net Financial Assets (Net Debt)

20. The item "Acquisition of tangible capital assets (1,903,046)" does not agree with that item in Note 11 1,906,833.53 and the item "Annual surplus (deficit) 364,427" does not agree with the item "Annual Surplus (deficit) 442,213" in the Consolidated Statement of Operations.

Note 14 Statement of Changes in Fund Balances

21. A brief description of the purpose of each fund and a description of the restrictions, if any, applicable to each was not provided as required by *CICA Handbook* Sections PS 4200.02(c) & (d) &.06-.07 **Tab 5**.

22. Statements of changes in net assets of Capital Reserve Fund, 8Plex Construction, Administration, Building Project, W██████ FN Ontario Works Rental Program – Other, W██████ FN Housing, W██████ FN Sagetay, W██████ Local Delivery Mechanism, W██████ Intertribal Spiritual Society, W██████ FNSPF, W██████ F██████ N██████ – Fuels and Ontario Hydro Negotiations were not provided as required by *CICA Handbook* Section PS 4200.41 **Tab 6**.

Audit Engagement Letter

23. The audit engagement letter **Doc 5** incorrectly identifies the applicable financial accounting reporting framework as Canadian Accounting Standards for Private Enterprises rather than Canadian Public Sector Accounting Standards and it does not make reference to the expected form and content of the audit report to be issued as required by *CICA Handbook* Section CAS 210 10 **Tab 7**.

Management Representation Letter

24. The written representation from management **Doc 5** incorrectly states in the first paragraph that the financial statements are presented in accordance with accounting standards for private enterprises and in the first bullet in accordance with generally accepted auditing standards rather than being presented in accordance with Canadian Public Sector Accounting Standards as required by *CICA Handbook* Section CAS 580 10 **Tab 8**.

Consolidated Statement of Financial Position

25. There is no audit evidence regarding the item "Accounts payable and accrued liabilities (Note 8) 2,960,933" necessary to reduce the audit risk to an acceptable low level as required by *CICA Handbook* Sections CAS 230 8-11, CAS 200 17 & CAS 500 6 **Tab 9**.
26. The aggregate amount of payments estimated to be required in each of the next five years on long term debt was not disclosed as required by *CICA Handbook* Section PS 3230.18 **Tab 10**.
27. Information to enable the evaluation of the significance of the entity's financial instruments and the significant risks arising from them was not disclosed as required by *CICA Handbook* Sections PS 3450.85 - .96 **Tab 11**.

Audit Documentation

28. There was no documentation as required by *CICA Handbook* Sections CAS 230 8 – 11 **Tab 9** regarding the following:
- a) the performance of appropriate subsequent events procedures as per *CICA Handbook* Sections 560 6 – 8 **Tab 12**,
 - b) the performance of analytical procedures as part of the risk assessment procedures as per *CICA Handbook* Sections CAS 315 6(b) & CAS 520 6 **Tab 13**,
 - c) the performance of audit procedures with respect to :

- i) "Inventories for resale (Note 6) 18,329" as per *CICA Handbook* Sections 501 4(b) & 7 **Tab 14**,
- ii) "Accounts Receivable (Note 3) 4,043,302",
- iii) "Line of Credit 1,593,663",
- iv) "Current Portion of long term debt (Note 10) 477,335",
- v) "Deferred Revenue (Note 9) 20,000",
- vi) related parties as per *CICA Handbook* Sections 550 11 – 17 **Tab 15**,
- vii) litigation and claims as per *CICA Handbook* Section 501 9 **Tab 16**,
- viii) communication of audit findings to those charged with governance as per *CICA Handbook* Section 260 16 **Tab 17**,
- ix) the approval by the Chief of journal entries prepared by Day as per *CICA Handbook* Section CAS 220 11(c) & 24 (a) & (b) **Tab 18**,
- x) the evaluation to determine that an engagement quality control review as per *CICA Handbook* Sections CSQC 1 35 & 57 **Tab 19** was not required.

Allegation 2 – The Audit of the Financial Statements of TBHMS for the year ended December 31, 2012

29. TBHMS is a not-for-profit corporation incorporated without share capital under the laws of Ontario. It operates a museum in Thunder Bay wherein its collection includes man-made articles and archival material relating to the history of northwestern Ontario.

30. The financial statements of TBHMS for the year ended December 31, 2012 are reproduced at **Doc 6**.

31. Day signed the Auditor's Report dated March 21, 2013 and delivered it and the financial statements to the CAO.

Auditor's Report

32. The report was not presented in accordance with the requirements of *CICA Handbook* Sections CAS 700 & CAS 705 **Tab 20** in that it was not titled "Independent Auditor's Report" and it did not include the sub-headings "Management's Responsibility for the Financial Statements", "Auditor's Responsibility", "Basis of Qualified Opinion" and "Qualified Opinion". In addition, the second word in the second sentence of the second paragraph should be "standards" not "statements", the meaning of the last sentence in the third paragraph is not clear, note 2 does not fully disclose the effect of the departure referred to in the last sentence of the fourth paragraph and the reference to Note 2 in the second last line of the fifth paragraph should be to Note 1.

Statement of Financial Position

33. Although this was the first time adoption of accounting standards for not-for-profit organizations an opening statement of financial position at the date of transition, January 1, 2011, was not presented as required by *CICA Handbook* Section Part III 1501.04 **Tab 21**.

Fund Accounting

34. In Note 2 a brief description of the purpose of each of "Activity backpacks", "Microfilming", "Car raffle", "Web upgrade", "Ken Dawson" and "Allocated" funds was not provided as required by *CICA Handbook* Section Part III 4400.06 **Tab 22**.

Statement of Operations and Statement of Fund Balances

35. The "Excess of revenue over expenses" per the Statement of Operations "33,002" does not agree with the "Excess (Shortfall) of revenue over expenditures (66,194)" per the Statement of Fund Balances.

36. There is no information provided regarding the amounts of revenue and expenditures for the year of the funds listed in the Statement of Fund Balances as required by *CICA Handbook* Sections Part III 4400.35 **Tab 23**.

Audit Evidence

37. Sufficient appropriate audit evidence does not exist regarding Statement of Financial Position items "Cash and cash equivalents 509,070", "Prepaid expenses 4,508", "Accounts payable and accrued liabilities 15,412", "Deferred Revenue 60,425" and "Capital fund 70,374" as required by *CICA Handbook* Sections CAS 230 8 – 11, CAS 200 17 & CAS 500 6 **Tab 9**.

Interfund Loans

38. The amounts, terms and conditions of the following interfund loans as per the accounting records "Due from operating fund to development and general fund 84,002", "Due from operating fund to endowment fund 3,107" and "Due from car raffle fund to operating fund 29,625" were not disclosed as required by *CICA Handbook* Section Part III 4400.14 & .17 **Tab 24**.

Financial Instruments

39. Information to enable the evaluation of the significance of the entity's financial instruments and the significant risks arising from them was not disclosed as required by *CICA Handbook* Part II 3856.37 & .53 **Tab 25**.

Performance Materiality

40. Performance materiality was not determined as required by *CICA Handbook* Section CAS 320 11 **Tab 26**.

Audit Documentation

41. There was no documentation as required by *CICA Handbook* Sections CAS 230 8 – 11 **Tab 9** regarding the following:

- a) the evaluation to determine that an engagement quality control review was not required as per *CICA Handbook* sections CSQC 1 35 & 57 **Tab 19** was not required,
- b) the procedures used to determine the risks related to the information systems as per *CICA Handbook* Section CAS 315 18 **Tab 27**,
- c) analytical procedures performed as part of the risk assessment procedures as per *CICA Handbook* Section 315 6(b) **Tab 13** and at the end of the audit as per *CICA Handbook* Section CAS 520 6 **Tab 13**
- d) inquiries made of those charged with governance regarding fraud as per *CICA Handbook* CAS Section 240 21 **Tab 28, Doc 7**
- e) the assessment of risks of material misstatement due to fraud at the financial statement level and the assertion level as per *CICA Handbook* Section CAS 240 25 **Tab 29**, as well as the further audit procedures performed to address those risks and the results thereof as per *CICA Handbook* Section CAS 330 28 **Tab 29**,
- f) the performance of appropriate subsequent events procedures as per *CICA Handbook* Sections CAS 560 6 – 8 **Tab 12**,
- g) the performance of audit procedures with respect to inventory 6,860 as per *CICA Handbook* Sections CAS 501 4(b) & 7 **Tab 14**,
- h) the performance of audit procedures with respect to expenditures 541,219,
- i) the performance of audit procedures with respect to litigation and claims as per *CICA Handbook* Section CAS 501 9 **Tab 16**,
- j) the approval by the CAO of journal entries prepared by Day as per *CICA Handbook* Section CAS 220 11(c) **Tab 18**.

Allegation 3 – The Audit of the Financial Statements of STBALA for the year ended March 31, 2014

42. STBALA is a not-for-profit corporation incorporated without share capital under the laws of Ontario. It is located in Schreiber operating an adult literacy program in Schreiber, Terrace Bay and Marathon.

43. The financial statements of STABLA for the year ended March 31, 2014 are reproduced at **Doc 8**.

44. Day signed the Auditor's Report dated May 15, 2014 and delivered it and the financial statements to the Executive Director.

Auditor's Report

45. The report was not presented in accordance with the requirements of *CICA Handbook* Sections CAS 700 & CAS 705 **Tab 20** in that it was not titled "Independent Auditor's Report", it did not include the sub-headings "Basis of Qualified Opinion" and "Qualified Opinion" and it was dated before June 12, 2014, the date of approval of the financial statements by the Board of Directors. In addition, in the third line of the first paragraph the word "then" should have been inserted between the words "year" and "ended" and the qualification expressed in the third paragraph under the sub-heading "Auditor's Responsibility" was not required because the annual revenue for the current and preceding period is less than 500,000.

Canadian Accounting Standards for Not-for-Profit Organizations

46. The basis of presentation in accordance with these standards was not prominently stated in the notes as required by *CICA Handbook* Section Part III 1401.17 **Tab 30**.

Cash Flow Statement

47. The "Change in non cash operating working capital" with respect to "Accounts receivable (18,165)" incorrectly combines the changes in HST receivable (4,165) and in Accounts receivable (14,000) shown separately in the Balance Sheet and with respect to "Accounts payable 761" incorrectly combines the changes in Accounts payable and in accrued liabilities (3,042), Receiver General 5,080, Deferred Revenue 3,000 shown separately on the

Balance Sheet and Ministry clawback – 2013 (4,277) shown as an expense item on the Statement of Revenue and Expenditure.

Financial Instruments

48. The listing of financial instruments in Note 2 does not include GIC Investment, HST receivable, accrued liabilities and Receiver General which are listed in the Balance Sheet and the note does not explain the basis for the statement that “It is the board’s opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.” as required by *CICA Handbook* Section Part II 3856.37 & .53 **Tab 25**.

Materiality and Performance Materiality

49. The materiality and performance materiality amounts were not determined as required by *CICA Handbook* Sections CAS 320 10 & 11 **Tab 26**.

Engagement Letter

50. The engagement letter incorrectly states that the financial statements will be prepared in accordance with Canadian Accounting Standards for Private Enterprises instead of in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and it does not make reference to the form and content of the audit report to be issued as required by *CICA Handbook* Section CAS 210 10 **Tab 7**. Also, it identifies an income statement rather than the Statement of Revenue and Expenditure and a statement of changes in equity, although none is to be presented, as part of the financial statements to be audited. **Doc 9**

Audit Documentation

51. There is no documentation as required by *CICA Handbook* Sections CAS 230 8-11 **Tab 9** of the following:

- a) the evaluation to determine that an engagement quality control review as per *CICA Handbook* Sections CSQC 1 35 & 57 **Tab 19** was not required,
- b) the procedures used to determine and respond to the risks related to information systems as per *CICA Handbook* Section CAS 315 18 **Tab 27**,
- c) the assessment of risks of material misstatements due to fraud at the financial statement level and at the assertion level as per *CICA Handbook* Section CAS 240 25 **Tab 31** as well as the further audit procedures performed to address those risks and the results thereof as per *CICA Handbook* Section CAS 330 28 **Tab 31**, plus the inquiries regarding fraud made of those charged with governance as per *CICA Handbook* Sections CAS 240 21 **Tab 31**,
- d) the performance of appropriate subsequent events procedures as per *CICA Handbook* Sections CAS 560 6-8 **Tab 12**,
- e) the performance of analytical procedures as part of the risk assessment procedures as per *CICA Handbook* Section CAS 315 6(b) **Tab 13**, and at the end of the audit as per *CICA Handbook* Section 520 6 **Tab 13**,
- f) the performance of audit procedures to verify "HST receivable 6,428" and "Accounts payable and accrued liabilities 65" as per *CICA Handbook* Sections CAS 200 17 & CAS 500 6 **Tab 2**,
- g) the performance of audit procedures to verify Revenue – "Ministry of Training, Colleges & Universities 237,875" as per *CICA Handbook* Sections CAS 200 17 & CAS 500 6 **Tab 2**,
- h) the performance of audit procedures to verify "Expenses 221,633" as per *CICA Handbook* Sections CAS 200 17 & CAS 500 6 **Tab 2**,
- i) the performance of audit procedures with respect to litigation and claims as per *CICA Handbook* Section CAS 501 9 **Tab 16**.

Allegation 4 The Review of the Financial Statements of 106** Ontario Inc. for the year ended December 31, 2012**

52. 106**** Ontario Inc. is a corporation incorporated under the provisions of the *Ontario Business Corporations Act*. It operates a H [REDACTED] H [REDACTED] store in conjunction with a lumber yard and construction business in Geraldton.

53. The financial statements of 106**** Ontario Inc. for the year ended December 31, 2012 are reproduced at **Doc 10**.

54. Day signed the Review Engagement Report dated January 11, 2012 (sic) and delivered it and the financial statements to the President of the corporation.

Review Engagement Report

55. The final words in the last paragraph "...in accordance with Canadian generally accepted auditing standards." Should have been "...in accordance with Canadian generally accepted accounting principles." as required by *CICA Handbook* Section 8200.42 **Tab 32**.

Other Assets (Note 7) 111,754

56. A listing disclosing that is an investment in shares and five year notes of H [REDACTED] H [REDACTED] was not provided as required by *CICA Handbook* Section Part II 3051.32 **Tab 33**, and there was no disclosure of the maturity dates of the notes as required by *CICA Handbook* Section Pat II 3856.39 **Tab 33**. In addition, there is no evidence of the review performed to assess the plausibility of the investments as required by *CICA Handbook* Section 8100.15 (iii) **Tab 33**.

Government Remittances

57. The amount of government remittances payable were not disclosed as required by *CICA Handbook* Section Pat II 1510.15 **Tab 34**.

Income Taxes

58. A reconciliation of the provision for income taxes per the Statement of Income 110,143 to the product of the income before income taxes per that statement multiplied by the statutory income tax rate was not disclosed as required by *CICA Handbook* Section Part II 3465.88(b) **Tab 35**.

59. The amount of income taxes paid during the year was not reported on the Statement of Cash Flow as required by *CICA Handbook* Section Part II 1540.34 **Tab 36**.

Bank Indebtedness (Note 8)

60. The note states that the operating line of credit is 600,000 and that the term loan facility is 114,000 rather than amounts of 700,000 and 188,095 respectively as per the bank's confirmation. In addition Note 8 is not cross-indexed to the item "Operating Line 600,000" on the balance sheet.

Note 10 Lease Commitments

61. For some of the leases there was no disclosure of the interest rate and for some there was no disclosure the lease is secured as required by *CICA Handbook* Section Part II 3065.74 **Tab 37**. In addition the lease payments due in the next four years were disclosed rather than for the next five years as required by *CICA Handbook* Section Part II 3065.76 **Tab 37**.

Financial Instruments Risks and Uncertainties

62. Interest rate risk and other price risk were not disclosed as required by *CICA Handbook* Section Part II 3056.53 **Tab 38**.

Revenue Recognition

63. There was no disclosure of the revenue recognition policies applied to each material type of revenue transaction as required by *CICA Handbook* Section Part II 3400.31 **Tab 39**.

Documentation

64. There was no documentation as required by *CICA Handbook* Section

8100.23 **Tab 40** of the following:

- a) the basis, if any, of determining the plausibility of the Statement of Cash Flow items "Cash received from customers 5,740,680", "Cash paid to suppliers and employees (5,196,560)", "Repayment of obligation under capital lease (434,839)", "Proceeds from capital lease 289,459" and "Additions to capital assets (466,619)",
 - b) the basis, if any, of determining the plausibility of the Balance Sheet items "Current portion of long term debt (Note 9) 28,572", "Current portion of obligation under capital lease (Note 10) 166,606", "Obligation under capital lease (Note 10) 376,712", "Income taxes payable 110,143", "Assets under capital lease (Note 6) 607,958", "Due to Shareholders (Note 11) 15,273" and the estimate of "Patronage dividend receivable (Note 4) 75,000",
 - c) the basis, if any, of determining the plausibility of the Statement of Income item "Provision for income taxes 110,143",
 - d) the analytical procedures, such as comparing the current and prior period information and considering the reasonableness of financial and other inter-relationships, applied, if any, as per *CICA Handbook* Section 8100.19(b) **Tab 41**,
 - e) the evaluation to determine that an engagement quality control review as per *CICA Handbook* Sections CSQC 1 35 & 57 was not required **Tab 19**.
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Terms of Settlement

65. Day and the Professional Conduct Committee agree to the following Terms of Settlement:

- a) Day will pay a fine in the amount of \$7,500 within 24 months of this agreement receiving approval of the Discipline Committee;
- b) Day will attend, within 24 months of the time the Discipline Committee accepts this Settlement Agreement, the following professional development courses offered by CPA Ontario (or the successor courses):
 - *Auditing Refresher*;
 - *Effective Audit Documentation Using C-PEM*;
 - *Accounting Standards for Not-for-Profits*;
 - *ASPE – an Update - Online*; and
 - *Financial Instruments for Private Enterprises & Not-for-Profit Organizations*;
- c) Day shall, within 30 days of the approval of this Settlement Agreement, enter into a Supervision Agreement approved by the Director of Standards Enforcement ("the Director") with a Supervisor approved by the Director from outside of Day's practice who will review all assurance work undertaken by Day for a period of 24 months after the Discipline Committee accepts this Settlement Agreement, with the 24 month supervisory period to commence with the first assurance work undertaken by Day following approval of the Settlement Agreement;
- d) The Professional Conduct Committee will re-investigate Day following the period of supervised practice with the costs of the re-investigation, up to \$3,000, to be borne by Day;
- e) Notice of the terms of this Settlement is to be published in accordance with the provisions of ICAO Regulation 7-3, s. 22, including notice to

be given to CPA Canada, the Public Accountants Council and in a CPA Ontario publication;

- f) Day will pay costs in the amount of \$12,000 within 24 months of this agreement receiving approval of the Discipline Committee; and
- g) A failure by Day to comply with any of the terms of settlement will result in his suspension from membership in the Institute which suspension will continue until he complies PROVIDED THAT if his suspension under this section continues for three months his membership in the ICAO will be revoked with full publicity in accordance with Regulation 7-3(23).

66. In the event that the Director finds Day's choice of supervisor unacceptable, or there is any other issue relating to the supervised practice plan about which Day and the Director cannot agree, either Day or the Professional Conduct Committee may give notice of the disagreement to the Chair of the Discipline Committee, who may move to have that aspect of the order reconsidered in accordance with Rule 21 of the Rules of Practice and Procedure.

67. Should the Discipline Committee accept this Settlement Agreement, Day agrees to waive his right to a full hearing, judicial review or appeal of the matter subject to the Settlement Agreement. Upon the member fulfilling the requirements of this Settlement Agreement, the draft allegations approved by the Professional Conduct Committee and dated January, 2015, shall be forever stayed.

68. If for any reason this Settlement Agreement is not approved by the Discipline Committee, then:

- a) This Settlement Agreement and its terms, including all Settlement Negotiations between the Professional Conduct Committee and Day

leading up to its presentation to the Discipline Committee, shall be without prejudice to the Professional Conduct Committee and Day; and

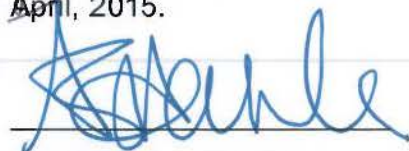
- b) The Professional Conduct Committee and Day shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations, or negotiating a new Settlement Agreement, unaffected by this Settlement Agreement or the Settlement Negotiations.

Disclosure of Settlement Agreement

69. This Settlement Agreement and its terms will be treated as confidential by the Professional Conduct Committee and Day, until approved by the Discipline Committee, and forever if for any reason whatsoever this Settlement Agreement is not approved by the Discipline Committee, except with the written consent of the Professional Conduct Committee and Day, or, as may be required by law.

70. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Discipline Committee.

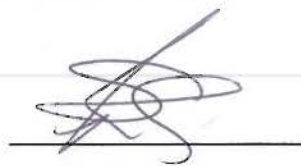
All of which is agreed to for the purpose of this proceeding alone this ²⁵ day of ^{Nov} April, 2015.



ALEXANDRA E. HERSAK

On behalf of:

THE PROFESSIONAL CONDUCT COMMITTEE



RONALD E. DAY, CPA, CA

on his own behalf