

**NEW ZEALAND INSTITUTE OF CHARTERED ACCOUNTANTS
NOTICE OF DECISION AND ORDER OF THE PROFESSIONAL CONDUCT COMMITTEE**

At a meeting of the Professional Conduct Committee of the New Zealand Institute of Chartered Accountants held in private on 1 November 2010, the Committee considered matters relating to the conduct of Craig Robert Taylor of Matamata, a Chartered Accountant. The Committee found that the following matters would otherwise warrant being referred to the Disciplinary Tribunal:

In his role as a Chartered Accountant, Craig Taylor:

- 1) Breached the Fundamental Principle of Integrity and/or Rule 2 *False & Misleading Statements* and/or paragraph 27 of the Code of Ethics, in that he sent a letter dated 15 May 2009 to Organisation A which he knew or ought to have known to contain false and/or incorrect and/or misleading information, in that:
 - i) the letter gave false reasons as to the delay in sending three letters dated 23 January 2009; and/or
 - ii) the letter represented that those letters had been prepared on or about 23 January 2009 when in fact they were not prepared until on or about 15 May 2009; and/or
- 2) Breached Rule 4 *Independence* of the Code of Ethics in that he undertook audits of the financial statements of Club B for the years ended 31 October 2006 and/or 31 October 2007 and/or 31 October 2008, when he was not independent, in that he had also compiled the club's financial statements during the same periods, and there were no safeguards that could be employed to reduce the threat to his independence to an acceptable level; and/or
- 3) Breached Rule 11 *Compliance with Technical and Professional Standards* of the Code of Ethics, in that he undertook audits of the Club B for the years ended 31 October 2006 and/or 31 October 2007 and/or 31 October 2008, without complying with the Auditing Standards as required by paragraph 38 of AS-100.

With the written consent of Craig Taylor, the Committee made the following orders, which shall be entered on his record:

- 1) In accordance with Rule 21.6(d)(v) and (vii) that he be severely reprimanded and pay costs to the Institute in the sum of \$1,875.00 (plus GST);
- 3) In accordance with Rule 21.54A(b) that the Committee accept Mr Taylor's written undertaking that he will not perform any audits without undertaking specific audit training and under the supervision of a mentor approved by the Practice Review Board.

The Committee considered it was in the public interest to direct publication of its decision and the orders made with mention of Mr Taylor's name and locality but suppression of identifying details of any third parties.

Details of the decision and the Professional Conduct Committee's orders are published in the February 2011 edition of the *Chartered Accountants Journal* and on the Institute's website www.nzica.com/dt.

DJ Barker
Chairman
Professional Conduct Committee
New Zealand Institute of Chartered Accountants
1 December 2010