

PUBLIC COMPANIES





Global expertise

To deal with today's increasingly complex accounting standards, our partners have access to the diverse technical expertise of our professionals all across Canada – and the globe.

▶ IN TODAY'S EXPANDING GLOBAL MARKETPLACE, PUBLIC COMPANIES FACE EVER-CHANGING AND COMPLEX REGULATORY REQUIREMENTS, GROWING INFORMATION SECURITY, PRIVACY CONCERNS, AND GREATER DEMANDS FROM STAKEHOLDERS.

Take your business further

Employees want to work for companies they can count on, while customers want better products and services at lower prices. In the meantime, shareholders and other investors want investment security and all stakeholders want safeguards against fraud and failure.

In this unpredictable economy, a smart long-term strategy – linking management, boards of directors, and audit committees – is vital. BDO can help you achieve this. We have worked with public companies for more than 85 years. So whether you're already public, thinking of going public, or dissatisfied with your current auditor, we have the advice you need to help you make the right decisions for you, your business, and your stakeholders.

Our services

We commit time, energy and professional expertise to help our clients develop workable strategies that meet regulations, without sacrificing progressive thinking. From specialized reporting requirements and international tax planning to strategic risk management and major business transactions, we pool our resources and share our expertise to deliver a breadth of services available at any time to meet your public company needs.

Assurance services

Your company's audited financial statements will be more easily accepted by outside investors, shareholders, regulators, and lenders if they are audited by a firm with an international reputation for quality. When you require independent audits, compliant with all necessary regulations, call BDO.

Our efficient and timely assurance services target what you need. Whether you're looking for initial public offerings, continuous disclosure requirements, or ongoing security commissions and SEC filings, we can deliver. Our global approach to auditing is designed to ensure you experience objectivity, integrity and technical excellence at every turn.

Audits and quarterly reviews

For public companies looking to grow, a high quality audit is essential. We are committed to maintaining the integrity of the audit process and we inherently work objectively and independently with all of our clients.

What does this mean for you? We adapt each audit and quarterly review to the unique requirements of your organization. Our professionals gather extensive information about your company, its operating environment, the challenges and risks it faces, and the strengths and weaknesses of its internal control systems. From there, we can develop a comprehensive understanding of your business, then customize our audit approach accordingly.

At BDO, we strive to develop productive working relationships with key management and department representatives, and respond honestly and responsibly to your audit committee's needs. We keep in touch throughout the year so we can proactively identify and address key accounting issues if and when they arise.

Each audit is conducted according to BDO International's audit process, which incorporates proprietary methodology, automated tools and work papers to ensure we meet the highest standards.

Our relationship with management

We get involved before, during and after the audit process. To us, audits are a management tool that generates constructive ideas to enhance accounting procedures and controls — all the while strengthening operations and management information.

Prior to initiating an audit, we keep you informed, lay out the plan and identify the anticipated results. Then, we continue to keep management informed, share ideas and relay new insights during the audit, as more information becomes available.

When it's over, our professionals conduct a formal review of the findings, meet with your team and create a strategy for the future.

We keep you well-informed of any challenges that may arise and work with you to resolve the issues as quickly and efficiently as possible. In order to deal with today's increasingly complex accounting standards, our partners have access to the diverse technical expertise of our professionals around the world.

In Canada, these experts include:

- A member of the Assurance Standards Board
- A member of the IFRS Discussion Group
- Several members on Canadian Institute of Chartered Accountants task forces
- Several members on provincial committees and industry task forces

If you file in foreign jurisdictions, we offer access to all of the technical expertise and resources you may need. We have offices in over 100 countries that are connected through our worldwide BDO International network.

Board of directors and audit committee support

We leverage our extensive experience working with audit committees to offer valuable insights and guidelines for creating effective meetings. Some tips and advice we've honed along the way include:

- Focusing on timely meetings, effective agendas, and clear and concise information delivery
- Understanding and responding appropriately to new regulations issued by relevant national and international standard-setting bodies, such as the Canadian Institute of Chartered Accountants, the Financial Accounting Standards Board, and the International Accounting Standards Board
- Closely monitoring the Canadian and U.S. regulatory environments
- Assessing the impact of new assurance and accounting developments on our clients

For more information about creating and operating an effective audit committee, read our booklet, *Guide to Forming and Running an Effective Audit Committee*. Send your mailing address to publiccompanies@bdo.ca to receive this free publication.

Ensuring independence

Independence is essential to every public company's relationship with its external auditors. BDO requires each of our professionals to be independent in appearance and fact when providing audit and other assurance services.

We stick to the rules by:

- Meticulously following the independence standards adopted by the provincial accounting institutes and expected by domestic and international securities commissions
- Supplementing these standards with our own strict requirements
- Offering an internal reporting process, which enables our partners and staff to identify potential conflicts of interest, or independence issues, prior to accepting an engagement
- Requiring all of our professionals to refer to our intranet database of restricted securities before making a securities purchase
- Providing continuing independence training to all of our professionals



Registered to serve you

BDO is registered with both the Canadian Public Accountability Board (CPAB) and the Public Company Accounting Oversight Board (PCAOB). Auditors of public companies must register with the CPAB and, if they serve clients who deal with U.S. regulators, they must also register with the PCAOB. The auditors are then subject to the boards' regulations and must submit to their inspection procedures.

Other services

Tax services

Virtually every business decision you make will have significant implications on your tax return. That's why, as you plan for the future, you should rely on professionals who know the intricacies of Canadian tax legislation – and how to use new tax developments in your favour. An effective tax strategy will support expansion, eliminate uncertainties, and minimize your tax burden.

Drawing on the combined expertise of our national tax team and BDO International's global resources, we are well-positioned to offer you tax solutions that can adjust to meet your growing business needs. Our advisors offer comprehensive tax services year-round to help you minimize your taxes and maximize your profits, so you can keep your eyes on the whole picture.

Corporate tax planning: We can help you achieve the best possible tax advantages and avoid liability with smart strategies that work.

International tax: For companies that embark on international business, we have access to a network of tax professionals from around the world who have the expertise to help you overcome the ins and outs of tax-effective earnings repatriation, tax-effective cross-border transaction structuring, and more.

Transfer pricing: Our transfer pricing team can help you maximize your potential for an increase in after-tax income, while minimizing the likelihood that you'll endure adverse tax adjustments and penalties.

Scientific Research and Experimental Development (SR&ED) tax credits: Our tax professionals determine whether you qualify for SR&ED tax credits, then coach you in reinvesting funds and making a claim.

Going public

If you're a private company seeking resources for expansion, our professionals can help you explore your options and advise your organization on whether going public is the right move. At BDO, we're realistic and practical, creative and innovative. We get involved, learn your business, and provide reliable support and sensible advice to help you successfully manage going public.

From the readiness assessment to the filing of the final prospectus, we are with you every step of the way. We advise you on the



Delivering excellence

Our global approach to auditing is designed to ensure you experience objectivity, integrity, and technical excellence at every turn. Our efficient and timely assurance services target what you need. Whether you're looking for initial public offerings, continuous disclosure requirements, or ongoing security commissions and SEC filings, we can deliver.

feasibility of an initial public offering, on the necessary financial information required, and on other disclosure requirements. And, thanks to our relationships with a diverse network of investment bankers, underwriters, lawyers, and other professionals, we have the expertise to help you assemble an effective "going public" team.

Financial advisory services

To those public companies that we do not audit, BDO offers the following services.

If there's one thing that all businesses – including public companies – can rely on, it's that change is constant. Whether you're experiencing fluctuating performance, new directions, emerging technologies, new markets, or shifting internal environments, you have to be able to turn on a dime and evolve your business plans accordingly. It's part of the day-to-day of running a successful business.

However, changing too fast, too slow, too much, or too little can impact your achievements in the future. We offer financial advisory services that evaluate the risks, identify the opportunities, and develop and execute the appropriate strategies to help public companies prepare themselves for growth.



Supportive tax strategies

As you plan for the future, you should rely on professionals who know the intricacies of Canadian tax legislation and how to use new tax developments in your favour. An effective tax strategy will support expansion, eliminate uncertainties, and minimize your tax burden.

Business valuations: Although everything has a price, not everything holds true value. If you're selling your business, buying out a partner, or making any other major business moves, consider determining the value of your business first. Third parties need to know – and trust – that your business valuation is reputable. Our national expertise gives your business valuations the credibility to be taken seriously at every turn. Lawyers, bankers, business owners, and corporate executives regularly rely on our opinions. Our professionals are Chartered Business Valuators and Chartered Accountants with proven track records who develop independent and comprehensive business valuations.

Other financial advisory services: Our financial advisory services are as diverse as the needs of public companies. We have the specialized knowledge and experience our fields to meet and exceed client expectations. In addition to business valuations and corporate financing services, we also offer:

- Due diligence
- Fair value assessments
- Forensic accounting
- Insurance claims
- Litigation support
- Mergers and acquisitions

Financial recovery services

Our professionals work closely with clients suffering from financial stress. We help them resolve profitability, liquidity, or solvency challenges and implement creative recovery strategies that make business renewal possible.

Risk advisory services

We can assist you in developing the value-added risk management capabilities needed to mitigate business risk, support your business strategy, and continuously improve your operational performance.

Regulatory and compliance: Managing risk and ensuring regulatory compliance are critical to increasing shareholder value. Our services include Sarbanes-Oxley, Bill 198 readiness and implementation, corporate governance assessment, evaluation of audit committee effectiveness, and various internal control evaluation services.

Internal audit: A reactive approach to an internal audit is no longer acceptable; there can be no surprises when it comes to managing the risks and the opportunities in your business. Our services include risk assessment, establishment of the internal audit function, strategic partnering and co-sourcing, an internal audit effectiveness evaluation, and information technology internal audits.

Technology risk and security: Reliance on process and control automation is on the rise. IT managers are under pressure to accomplish more with their current infrastructure without increasing risk. We help our clients examine challenges, such as Service Auditor's Reports (CICA Section 5970 or SAS 70 Reports), enterprise security, business continuity and disaster recovery planning, privacy and data control, changes to management controls, and the evaluation of IT controls.

Business process enhancement: We work with clients to identify and prevent the potential process risks that may be introduced when changes are made in services, technology, and the organization. We can assist you by performing operational performance assessments, system implementation reviews, business process integration, and project management office.

Financial institution services: Our compliance and risk assessment services are designed to assist management in enhancing shareholder value through risk identification and assessment, control documentation and design effectiveness, risk mitigation, effectiveness testing and reporting. Our services include CDIC and OSFI compliance, anti-money laundering and operational banking audits.

Enterprise risk management: Our business and software solutions start with the creation of your individual framework, where you can customize the software to your risk management methodology. All fields and terminology can be adapted to accurately reflect your company's current risk management methodology. Multiple risk management frameworks (e.g. COSO and COBIT) are provided as starting points and can be modified to create the specific risk management frameworks for your legislative requirements and corporate goals.

BDO ReportLine: Corporate governance legislation like the Sarbanes-Oxley Act, Multilateral Instrument 52-110 (MI 52-110) and changes to the Federal Sentencing Guidelines have inspired many companies to implement an anonymous hotline as a risk-free way to report unethical or illegal activity. The hotline offered through BDO offers employees and others a variety of mechanisms

for reporting concerns. People who don't feel comfortable coming forward in person can do so through the hotline. Our powerful reporting system is also available via ASP, enabling your company to utilize our award-winning system for internal ethics reporting.



The BDO difference

When faced with difficult decisions, like going public or switching auditors, it's important to have a fresh perspective. We face every challenge with the true spirit of professionalism, integrity, and expertise. And when it comes to going public in an uncertain business environment, we've got the background, knowledge and forward-thinking strategies to help you make the right decision at the right time.



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