

**CHARTERED PROFESSIONAL
ACCOUNTANTS OF ONTARIO**

REGULATION 15-1

COMPLAINTS

Adopted by the Council under the *Chartered Professional Accountants of Ontario Act, 2017* and the By-law on September 21, 2018, effective as of November 19, 2018 and as amended to March 11, 2021.

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**REGULATION 15-1
COMPLAINTS**

Application

This Regulation governs the process for the review and investigation of Complaints and applies to Members, Students, and Firms.

Definitions

1. In this Regulation, words have the same meaning as they do in the Act and the By-law and for the purpose of this Regulation:
 - 1.1 “Complainant” means a person:
 - 1.1.1 making an External Complaint to the Professional Conduct Committee on the conduct of a Member, Student, or Firm, and a person acting on their behalf; or
 - 1.1.2 designated as a Complainant under section 7.2,but does not include any other person, regardless of interest;
 - 1.2 “Complaint” means any matter set out in an External Complaint or Internal Complaint, and matters related to it, but does not include any other matter or complaint;
 - 1.3 “Vice President, Investigations and Prosecutions” means the employee of CPA Ontario with that title and includes anyone authorized to act on their behalf;
 - 1.4 “Director, Standards Enforcement” means the employee of CPA Ontario with that title and includes anyone authorized to act on their behalf;
 - 1.5 “Employee” means a person acting in their capacity as an employee of CPA Ontario;
 - 1.6 “External Complaint” means a Complaint by a Complainant other than a Complaint by:
 - 1.6.1 an Employee; or
 - 1.6.2 a Regulatory Committee;
 - 1.7 “Internal Complaint” means a Complaint that is initiated from within CPA Ontario in the manner described in section 6;
 - 1.8 “Personal Interest” includes an actual or potential advantage or disadvantage to an individual, their spouse, parents, children, or grandchildren, a Firm with which the individual is associated as an employee or partner, or a business in

which the individual has an ownership interest, that arises or could reasonably arise from a determination involving the individual;

- 1.9 “Potential Capacity Application” means a matter where there are reasonable grounds to believe a Member may be Incapacitated; and
- 1.10 “Reporting Issuer” means reporting issuer as defined in the applicable Canadian provincial or territorial securities legislation.

External Complaints

- 2. An External Complaint received from any person shall be in writing and shall include:
 - 2.1 contact information of the Complainant, including, if the Complainant is not an individual, the name of a contact individual;
 - 2.2 the name and contact information of the Member, Student, or Firm complained of, if known;
 - 2.3 a summary of the matter complained of;
 - 2.4 any information and copies of any documents or materials in the possession or control of the Complainant that support the External Complaint; and
 - 2.5 the name and contact information of any person known to the Complainant likely to possess or control any information, documents or materials relevant to the External Complaint.
- 3. An External Complaint shall be in the prescribed form.
- 4. Once an External Complaint is made, it cannot be withdrawn by the Complainant.
- 5. The Professional Conduct Committee or the Director, Standards Enforcement may, at any time, request further information, documents, or materials from the Complainant or any other person.

Internal Complaints

- 6. The Professional Conduct Committee or the Director, Standards Enforcement may take notice of any information that comes to their attention from any source, including from an Employee or Regulatory Committee, and may consider the information as an Internal Complaint.
- 7. For Internal Complaints:
 - 7.1 there need not be a Complainant;

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- 7.2 the Professional Conduct Committee or Director, Standards Enforcement may, but is not required to, designate an Employee or Regulatory Committee as the Complainant;
- 7.3 the requirements of section 2 do not apply; and
- 7.4 if the source of the information referred to in the Internal Complaint is an Employee or Regulatory Committee, the committee or Employee, as the case may be, shall provide to the Director, Standards Enforcement:
 - 7.4.1 a written summary of the matter; and
 - 7.4.2 any information and copies of any documents or materials in the possession of the Employee or Regulatory Committee that support the Internal Complaint.

Jurisdiction

- 8. The Professional Conduct Committee has jurisdiction over:
 - 8.1 Students, for matters arising in any period during which they are registered as a Student, except that the Professional Conduct Committee does not have jurisdiction over a Student who resigns and provides an undertaking in conformity with section 41.1 of Regulation 9-1 or section 15.1 of Regulation 9-2;
 - 8.2 Firms, for matters arising in any period during which they are registered, whether or not the registration was suspended, as a Firm;
 - 8.3 Members, for matters arising in any period:
 - 8.3.1 during which they are a Member, whether or not a Member In Good Standing; and
 - 8.3.2 between the time that the Member applied for membership and was admitted as a Member; and
 - 8.4 former Members, for matters arising during any period of membership, whether or not while a Member In Good Standing, if the matter comes to the attention of CPA Ontario on or before the sixth anniversary of the date the former Member ceased to be a Member.
- 9. The Professional Conduct Committee has jurisdiction over Complaints regardless of:
 - 9.1 the territorial jurisdiction in which the matter arose or took place;
 - 9.2 subject to section 8, the time when the matter arose or took place; and
 - 9.3 whether or not the conduct complained of was in the course of the subject's activities as a chartered professional accountant or Student.

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10. Despite sections 8 and 9, in exercising its jurisdiction, the Professional Conduct Committee shall consider the time when the events giving rise to the Complaint occurred, including the impact of the passage of time on the ability of the Member, former Member, Student, or Firm to respond to the Complaint. The Professional Conduct Committee shall not consider External Complaints that raise matters that occurred more than six years before the time that the facts giving rise to the Complaint could reasonably have been discovered by the Complainant, unless there are exceptional circumstances.

Review

11. All Complaints shall initially be reviewed by the Director, Standards Enforcement to determine if the Complaint should:
 - 11.1 proceed to review by the Professional Conduct Committee in accordance with sections 12 and 13; or
 - 11.2 be reviewed by the Director, Standards Enforcement in accordance with section 14 and 15.
12. The Professional Conduct Committee shall review every Complaint referred to in section 11.1 and determine:
 - 12.1 if it has jurisdiction as set out in sections 8, 9, and 10; and, if so
 - 12.2 if, on the information, documents and materials provided, it appears the subject of the Complaint may have breached a rule in the Code or the Student Code.
13. At the conclusion of its review, the Professional Conduct Committee shall:
 - 13.1 take no further action;
 - 13.2 provide guidance and advice to, or admonish, the subjects of the Complaint, in which case the review shall be deemed to have been an investigation;
 - 13.3 refer the matter, in whole or in part, directly to the Discipline Committee, in which case the review shall be deemed to have been an investigation;
 - 13.4 refer the Complaint to the Registrar or elsewhere in CPA Ontario as a matter within their jurisdiction; or
 - 13.5 investigate the Complaint.
14. The Director, Standards Enforcement shall review every Complaint referred to in section 11.2 and determine if:
 - 14.1 the Complaint comes within the jurisdiction set out in sections 8, 9, and 10; and if so

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- 14.2 on the information, documents, and materials provided, it appears the subject of the Complaint may have breached a rule in the Code or Student Code of Conduct.
15. At the conclusion of its review the Director, Standards Enforcement, shall:
- 15.1 take no further action, and in this event, in conjunction with subsections 16.1 and 16.2, may review the matters raised in the Complaint with the subjects of the Complaint;
- 15.2 refer the Complaint to the Professional Conduct Committee with a recommendation that the Professional Conduct Committee provide guidance and advice to, or admonish, the subjects of the Complaint, in which case the Director, Standards Enforcement's review shall be deemed to have been an investigation;
- 15.3 refer the Complaint to the Registrar or elsewhere in CPA Ontario as a matter within their jurisdiction; or
- 15.4 direct the Vice President, Investigations and Prosecutions to appoint an Investigator to investigate the Complaint.

The Director, Standards Enforcement shall provide a written summary of the review and the action taken under this section to the Professional Conduct Committee.

16. The Professional Conduct Committee or the Director, Standards Enforcement, as the case may be, shall provide the Complainant and the subjects of the Complaint with:
- 16.1 notice of the determination made under section 13 or section 15;
- 16.2 an explanation of any determination made under section 13.1 or 13.2, or section 15.1 or 15.2; and
- 16.3 in the case of an External Complaint, notification to the Complainant of the right of review by the Reviewer of Complaints, as provided in Regulation 15-2,
- within 30 Days of the determination being made.

Investigation

17. The Professional Conduct Committee, or its delegates, the Vice President, Investigations and Prosecutions or the Director, Standards Enforcement, may appoint an Investigator to investigate a Complaint.
18. An Investigator:
- 18.1 need not be a Member;
- 18.2 shall be provided with, and produce on request, written confirmation of the appointment;

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- 18.3 shall have all the powers of an investigator under the Act;
 - 18.4 shall have the authority to investigate all matters and persons subject to the authority of CPA Ontario as disclosed by the Complaint or by the investigation itself, unless instructed otherwise by the Professional Conduct Committee;
 - 18.5 shall have the authority to require any person subject to the authority of CPA Ontario to provide information in writing, produce documents and materials, and, upon reasonable notice, meet in person with the Investigator to answer questions and produce documents and materials at a location and upon such terms, including that any interview may be recorded, determined by the Investigator; and
 - 18.6 shall report to the Professional Conduct Committee at the conclusion of the investigation and, as instructed by the person appointing the Investigator, on an interim basis.
19. The subjects of the investigation and, if applicable, their Firms shall be notified in writing of the investigation and of the matters being investigated, and shall also be notified of any expansion or alteration of the matters investigated. The notices shall:
- 19.1 include a reminder of the subjects' and, if applicable, their Firms', professional responsibility to cooperate in the investigation;
 - 19.2 include a reminder of the possibility that some client documents in their possession may be subject to legal privilege; and
 - 19.3 caution the subjects of the investigation and, if applicable, their Firms that the failure to produce a document that is not privileged may be a breach of their professional responsibilities.
20. The Firm Representative shall receive the notice referred to in sections 19 and 30 on behalf of a Firm.
21. As part of the review or investigation process, the Professional Conduct Committee or the Director, Standards Enforcement, as the case may be, may request any person to attend before it to answer questions and provide information, documents, and materials for consideration in the review or investigation, and may impose reasonable limits and conditions on that attendance.
22. As part of the investigation process, the Professional Conduct Committee may require that the subjects of the investigation attend before it and, subject to section 32, answer questions and provide information, documents, and materials for its consideration in the investigation.

Preliminary Suspension

23. The Professional Conduct Committee may, at any time during or following an investigation, apply to the Discipline Committee for an order suspending or placing restrictions or conditions on the membership of a Member or registration of a Firm, in accordance with the Rules adopted by the Discipline Committee.
24. The Professional Conduct Committee shall only apply for an order under section 23 if there are reasonable grounds to believe there is a significant risk of harm to members of the public or to the public interest, and an order would likely reduce that risk.
25. The Professional Conduct Committee shall, if the application under section 23 results in an order, ensure any investigation of the subjects of the order is completed and the matter is referred to the Discipline Committee.

Determination

26. The Professional Conduct Committee shall consider any report made under subsection 18.6, and all relevant information, documents, and materials that have been provided to it, and may, if satisfied the investigation is complete:
 - 26.1 take no further action;
 - 26.2 provide guidance and advice to or admonish the subjects of the investigation;
 - 26.3 refer the matter to the Registrar or elsewhere in CPA Ontario as a matter within their jurisdiction;
 - 26.4 negotiate a settlement agreement with the subjects of the investigation and refer the agreement to the Discipline Committee for final approval;
 - 26.5 refer the matter, in whole or part, to the Discipline Committee;
 - 26.6 adjourn the matter, with or without terms and conditions; or
 - 26.7 take any remedial action that it considers appropriate in the circumstances that is not inconsistent with the Act, the by-laws or the Regulations.
27. Where the Professional Conduct Committee exercises the powers set out in section 13.2 or 26.2, the decision to do so shall not be raised in any future discipline process against the subjects of the Complaint, except where it is relevant to the issue of the sanction to be imposed in the future discipline process.
28. In making a determination under section 26 about a Firm, the Professional Conduct Committee may consider, among other factors, if:
 - 28.1 the Firm has policies or procedures that are inconsistent with the Code;

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- 28.2 the apparent breach of the Code or Student Code by an individual associated with the Firm is related to the absence or inadequacy of appropriate quality control procedures;
 - 28.3 the Firm is identified with conduct or the provision of professional services that appear to breach the Code;
 - 28.4 the conduct that appears to breach the Code or Student Code was authorized, initiated, implemented, condoned, or concealed by the Firm or any Member associated with the Firm;
 - 28.5 the Firm failed to take appropriate action upon becoming aware of conduct that appears to breach the Code or Student Code; and
 - 28.6 there have been repeated Complaints alleging breaches of the Code or Student Code against individuals associated with the Firm.
29. The Professional Conduct Committee shall refer a matter to the Discipline Committee in all cases where a public inquiry or commission established by any government or public authority has found that any persons subject to the authority of CPA Ontario has engaged in conduct that appears to breach the Code or Student Code, as long as the persons, before the finding, were given the opportunity to make full answer to the allegations.
30. The Professional Conduct Committee shall provide, in writing, its determination made under section 26 and an explanation of any determination made under subsection 26.1, 26.2, or 26.3 to:
- 30.1 the Complainant;
 - 30.2 in the case of an Internal Complaint, the employee or Regulatory Committee, if any, referred to in section 7.4;
 - 30.3 the subjects of the investigation; and
 - 30.4 if applicable, the Firm Representative,
- within 30 Days of making the determination.
31. In the case of an External Complaint, if the Professional Conduct Committee determines to take no further action under section 26.1 or to provide guidance, advice or to admonish under section 26.2, it shall also advise the Complainant in writing of the right of review by the Reviewer of Complaints, as provided in Regulation 15-2.
32. The Professional Conduct Committee shall not compel production of a document subject to a valid claim of legal privilege that has not been waived, and shall not refer a matter to the Discipline Committee solely on the failure to produce the document.
33. The Professional Conduct Committee shall ensure:

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- 33.1 the Complainant;
- 33.2 in the case of an Internal Complaint, the employee or Committee, if any, referred to in section 7.4;
- 33.3 the subjects of the investigation; and
- 33.4 the person, if any, designated under section 20,

are informed in writing of the disposition of any matter referred to the Discipline Committee, including any appeal from the Discipline Committee.

33A Every Member who is a party to a settlement agreement that has been approved by the Discipline Committee pursuant to sections 19 and 20 of Regulation 6-2 is obliged to perform all obligations placed on the Member pursuant to the terms of the settlement agreement in the manner and in the time period, if any, set out in the settlement agreement;

33A.1 Any failure to perform any aspect of such obligation shall result in the suspension of the Member's membership by the Registrar pursuant to section 7.6.1.4 of the By-law; and

33A.2 If the obligation is not performed within 60 Days after the imposition of the suspension referred to in section 33A.1, or such other time period set out in the approved settlement agreement, the Member's membership shall be revoked by the Registrar pursuant to section 7.7 of the By-law.

Reconsideration

- 34. The Professional Conduct Committee may, at any time after a determination has been made under sections 13, 15, or 26, reconsider its determination and make a new determination upon receipt and consideration of new information, documents, or materials that have a material bearing on the determination.
- 35. The Professional Conduct Committee shall reconsider a determination made under sections 13.1, 13.2, 15.1, 15.2, 26.1, or 26.2 if and as required by the Reviewer of Complaints under Regulation 15-2.

Parties in Matters Referred to the Discipline Committee

- 36. The Parties in matters referred to the Discipline Committee under sections 23 and 26, and in any appeal of those matters to the Appeal Committee, shall be the Professional Conduct Committee and the Member, former Member, Student, or Firm that is the subject of the Complaint.

Referral to the Registrar as a Matter of Capacity

- 37. The Professional Conduct Committee and the Director, Standards Enforcement may, at any time during the performance of their duties under this Regulation, refer a matter to

the Registrar for consideration as a Potential Capacity Application as provided in Regulation 16-1.

38. Where a matter is referred under section 37, the Complaint from which the Potential Capacity Application arises shall continue to proceed through the process provided in this Regulation.
39. The Professional Conduct Committee or the Director, Standards Enforcement may take all information, arising from their respective reviews or the investigation of the Complaint that caused them to make the referral under section 37, into account in arriving at their respective determinations under sections 13, 15, and 26 and, if the information has an impact on their respective determinations, shall disclose this in the reporting referred to in sections 16 and 30.
40. Where a matter has been referred under section 37 and the Professional Conduct Committee subsequently makes a determination under section 26.4 or 26.5 on the Complaint from which the Potential Capacity Application arises, the Professional Conduct Committee shall notify the Discipline Committee of the section 37 referral:
 - 40.1 in the case of a determination under section 26.4, at the time that the settlement agreement is referred; and
 - 40.2 in the case of a determination under section 26.5, at the time that an originating process is filed.
41. If the Professional Conduct Committee determines that a matter should be referred to the Registrar for consideration as a Potential Capacity Application during a hearing before the Discipline Committee, or any appeal from the Discipline Committee, the Professional Conduct Committee shall inform the Discipline Committee or the Appeal Committee, as the case may be, of the referral at the time that it is made.

Professional Conduct Committee

42. The Professional Conduct Committee has all the powers and duties of the “complaints committee” specified in the Act, and the powers and duties specified in the by-laws and Regulations and shall exercise its powers and perform its duties in accordance with the Act, by-laws, Regulations, and PAC Standards.
43. The Professional Conduct Committee shall consist of between 20 and 40 members, including a Chair and at least six Deputy Chairs, and between three and five public representatives. The Professional Conduct Committee members shall generally be representative of CPA Ontario’s membership by occupation and geographic location, and shall include public accounting licensees or those who held public accounting licences within the three year period prior to their appointment to the Professional Conduct Committee.
44. The Professional Conduct Committee members shall be appointed for an initial one-year term and shall be eligible for reappointment for a maximum of three additional three-year

terms. The Council may extend the maximum term of a Professional Conduct Committee member in extraordinary circumstances.

45. If a Professional Conduct Committee member's term expires before a matter in which that member has been involved has concluded, the member may remain a member of the Professional Conduct Committee until the conclusion of the matter.
46. The Chair and Deputy Chairs of the Professional Conduct Committee shall be appointed from among the Professional Conduct Committee members for a two-year term, and shall be eligible for reappointment for a maximum of three additional two-year terms. The Council may extend the maximum term of the Chair or a Deputy Chair in extraordinary circumstances.
47. The quorum for any meeting of the Professional Conduct Committee shall be five members and shall include a public representative and, if a subject of the Complaint holds a Public Accounting Licence, at least one public accounting licensee or a person who held a public accounting licence within the three year period prior to their appointment to the Professional Conduct Committee.
48. A Professional Conduct Committee member participating in a determination shall not have a Personal Interest in the matter being considered.
49. Every Professional Conduct Committee member participating in a determination shall have one vote and the Chair may vote only to create a tie and so defeat a motion, or break a tie and so pass a motion.
50. The Professional Conduct Committee may, in a specific matter, seek the expertise and advice of one or more Members with expertise in an area of chartered professional or public accounting, if the Professional Conduct Committee members do not possess this expertise. The experts shall not have a Personal Interest in the matter or the persons involved in the matter.
51. The Professional Conduct Committee may also seek and rely on the advice of CPA Ontario staff and legal counsel, but, subject to sections 11, 14, and 15, only Professional Conduct Committee members shall make the determinations required of the Professional Conduct Committee in this Regulation.
52. The Professional Conduct Committee shall report to the Council annually or as required by the Council, and the reporting shall include statistics and an analysis of the number of matters considered by the Professional Conduct Committee and the manner in which they were determined or disposed of.

Canadian Public Accountability Board

53. Where the subject of a Complaint is Member or Firm that is registered with the CPAB and the conduct being investigated relates to an audit of the financial statements of a Reporting Issuer, the Professional Conduct Committee or the Director, Standards Enforcement shall, in a timely manner:

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- 53.1 notify CPAB of any determination made under sections 13.2, 13.3, 13.5, 15.2, 15.4 or 26;
- 53.2 provide CPAB with a written explanation of the determinations referred to in section 53.1;
- 53.3 in the case of any matter referred to the Discipline Committee, notify CPAB in writing of the disposition of the matter including any appeal from the Discipline Committee; and
- 53.4 provide CPAB with the information, documents or materials requested by CPAB under s. 11 of the Canadian Public Accountability Board Act.