

# REGULATORY REPORT 2020





WE **PROTECT** THE PUBLIC

WE **ADVANCE** OUR PROFESSION

WE **GUIDE** OUR CPAs

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## A MESSAGE FROM OUR EXECUTIVE VICE PRESIDENT

# PROTECTING THE PUBLIC INTEREST

It was with great pride and excitement that I joined CPA Ontario as EVP, Regulatory & Standards in late-February. As a member, I was keenly aware of the value of our designation and of the importance of maintaining public trust in our profession. I was excited to continue in CPA Ontario's efforts to build an effective and efficient regulatory function. Little did I know that the entire business world would be confronted with an unprecedented global crisis within weeks of my first day.

Rigorous and effective regulatory oversight has always been a core component of CPA Ontario's mandate. We set high standards of professional conduct and hold our members, students and firms accountable for meeting those standards in order to maintain public confidence in the CPA designation. In times of significant change and disruption, our ability to provide regulatory oversight of the profession takes on critical significance.

Effective discipline must balance the need for due process with the need to have issues resolved in a reasonable period of time. In conducting a review of complaints, we found opportunities to improve administrative efficiencies and implemented changes that reduced processing times.

Rules and regulations are only effective if people follow them. To ensure compliance levels among

our members we conducted audits or reviews of Continuing Professional Development (CPD), Annual Membership Dues (AMD) exemptions, and professional liability insurance (PLI).

Our inspection regime is based on the knowledge gathered over years of practice. As new industries emerge, they bring with them new risks that warrant additional attention. We introduced targeted practice inspections on emerging industries - cryptoassets and cannabis. As change continues to accelerate throughout the economy, we will work to enhance our knowledge and maintain a future-focused point of view.

Before the pandemic emerged, we'd already had a highly productive year. Amid the challenges presented by COVID-19, CPA Ontario remained steadfast in our core commitment to protect the public interest. Even as businesses and public spaces shut down, we continued to enforce compliance among members, students and firms and investigate potential misconduct. In fact, we made significant progress in strengthening our regulatory effectiveness even as we adapted to a rapidly evolving environment.

Our teams developed and implemented policies and procedures that allowed us to continue our critical regulatory functions even as employees, members and students were forced to remain socially distant. We shifted to virtual practice



inspections, to ensure that practitioners continue to meet professional standards. We moved to online hearings so that violations are addressed in an appropriate amount of time. Additionally, in March 2020, we made preparations to move the Professional Conduct Committee (PCC) meetings to videoconference with the first two PCC videoconference meetings taking place in April 2020. These shifts allowed us to continue regulating conduct issues without interruption in the midst of social distancing.

We made all of these adjustments while never compromising our commitment to ethics, integrity and high standards.

Further, during a period of extreme uncertainty, we wanted to provide support that would help our members navigate the complex business environment. We responded with practical support for members in the form of an online COVID-19 resources page that provided timely information on topics from across the profession. This included the development of a Financial Relief Guide for small- and medium-sized enterprises, complimentary professional development courses on the impacts of the pandemic, advice on using cash flow to maintain business continuity and guidance on ethics and independence considerations related to COVID-19.

Looking ahead to next year, many of the changes accelerated by COVID-19 will become the new normal. We will continue to digitize interactions with members, where appropriate, and enhance

self-service functions in My Portal. This shift will help us to operate in a more timely and effective way.

Above all else, our priority is to maintain strong regulatory oversight of our profession. In uncertain times, it is more important than ever that we reinforce the trust that we have built with the Ontario public.

**JANET GILLIES** CPA, CA  
EVP, REGULATORY & STANDARDS

# THE REGULATORY CONTINUUM



Our regulatory duties involve the continuum of advising, compliance, inspecting, investigating, enforcing and imposing discipline if our members, students or firms fall short of our high standards.

The business landscape is rife with change. What doesn't change is our comprehensive oversight of the profession, which fosters trust in Ontario's regulated CPAs, students and firms. Protection of the public is at the core of what we do.

## **1 PROFESSIONAL ADVISORY SERVICES**

- Education
- Advising
- Guidance

## **2 REGISTRAR'S OFFICE**

- Admission and Licensing
- Registering Firms
- Monitoring Compliance

## **3 PRACTICE INSPECTION**

- Member Inspection
- Firm Inspection

## **4 DISCIPLINARY PROCESS**

- Standards Enforcement
- Investigations and Prosecutions

# WHO WE ARE

CPA Ontario is an educator, thought leader, regulator, advocate and provider. We protect the public interest by ensuring our members meet the highest standards of integrity and expertise. We provide pathways to the profession for aspiring accountants from around the world. And we engage in our community as a responsible corporate citizen.

94,770

MEMBERS

22,154

STUDENTS

4202

PUBLIC  
ACCOUNTANT  
LICENSEES

7117

FIRMS

1199

CERTIFICATE OF  
AUTHORIZATION  
HOLDERS



FIRM NAME  
APPROVAL



772 STUDENT  
TRAINING OFFICES



USE OF  
DESIGNATIONS



# PROFESSIONAL ADVISORY SERVICES



CPA Ontario's Professional Advisory Services supports members in meeting their responsibilities to clients, employers and the public. Our advisors are CPAs who leverage their expertise to provide guidance on assurance, accounting standards and ethics to members and firms to assist them in navigating a complex and evolving business environment. Advisors actively monitor and respond to consultations on proposed changes to national and international accounting, assurance and ethical standards, and work with oversight and regulatory bodies on strategic changes to laws and regulations.

Last year, advisors fielded more than 4900 calls from members and firms. Requests focused on a variety of issues, including technical accounting and assurance standards issues, and proper application of CPA Ontario's by-laws and regulations, including the CPA Code of Professional Conduct (the Code). Advisors also provided advice to students on ethical matters. In supporting members and firms, we help to

maintain the strong reputation of the profession among business leaders and ensure members meet their mandate to protect the public.

To provide advice to members and firms, we must stay on top of the latest developments in the profession. In fact, we are active participants in helping to drive change within the industry. We do this by commenting on discussion papers related to critical changes to international accounting standards.

For instance, this year, as a member of the International Federation of Accountants, we responded to the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants exposure drafts on proposed changes to the IESBA Code. But the job doesn't end when a standard is enacted. We monitor changes as they are approved and enacted, and identify ways in which they will affect our members, providing advice and guidance as needed.

In providing guidance to members, it is important to recognize that small- and medium-sized enterprises have different needs than those at larger organizations. CPA Ontario's Small and Medium Practices Advisory Committee (SMPAC) collected feedback from Ontario's small and medium practitioners to determine areas where more guidance and support is required.

Advisors also kept members abreast of new standards in our e-newsletter and posted frequently asked questions and articles on our website. In addition, we presented an ethics livestream to more than 6500 members and spoke at the annual Practice Management and Tax Summit on regulatory issues and application of the Code.

## THE MOST COMMONLY ASKED QUESTIONS:

### FROM THE GENERAL PUBLIC:

1. What can I do if my CPA is not acting in a manner that will maintain the good reputation of the profession and serve the public interest?
2. My CPA has provided me with a brief invoice with limited explanations or breakdown. Can I request a more detailed billing?
3. What can I do if I am unable to access my CPA through e-mail and calls? What recourse do I have?

### FROM MEMBERS IN PUBLIC PRACTICE:

1. I am asked to audit a corporation, but my independence could possibly be impaired. Could you provide me with guidance?
2. If I provide professional services should I register a public accounting practice with CPA Ontario?
3. How can I get updates on the latest changes in assurance and accounting standards?

### FROM MEMBERS IN INDUSTRY:

1. I am being asked by a superior to file an inaccurate corporate tax return; as a proud professional, what are the rules I should be aware of?
2. What should I do if I suspect fraud is taking place in the organization where I am employed?
3. What is the best course of action if we have disagreements with the auditor regarding accounting for specific transactions?

# REGISTRAR'S OFFICE

The Registrar's Office is responsible for core administrative and regulatory functions related to membership in the profession, including:

- admission to the profession
- licensing members as public accountants
- registering firms
- monitoring and assessing compliance with CPA Ontario's regulations and by-laws
- maintaining the public register and directories of members, firms and licensees
- implementing a fitness to practice program

Individuals and businesses across the province recognize the value of the CPA designation and seek out our members for their expertise and professionalism.

Our regulations and by-laws detail a clear set of expectations and obligations that members and firms must meet in order to remain in good standing. Each individual obligation contributes to a system designed and executed to ensure that the public is protected and can trust in the services provided by members and firms. The CPA designation is a promise of professional standards and ethical behaviour, which is

underscored by the obligations imposed on members and firms from mandatory CPD to professional liability insurance (PLI) requirements.

Over the past year, the Registrar's Office focused on refining its approach in two key areas: amplifying our focus on compliance and supporting members in meeting their obligations.

## A FOCUS ON COMPLIANCE

This year the Registrar's Office increased the overall number of audits and reviews conducted to confirm compliance with regulations and by-laws. In conducting these exercises, we took a risk-based approach that allocates more resources to areas of compliance that present greater risk.

First, a triennial CPD audit to assess compliance with existing standards was conducted. Per the regulation, CPAs must take a minimum of 20 hours of CPD each year and 120 hours over a three-year period. The CPD requirements ensure that CPAs maintain a certain competency level throughout their careers, while also providing some flexibility.

# SUSPENSIONS, REVOCATIONS AND DEREGISTRATIONS



## MEMBERSHIP

966 SUSPENSIONS

583 REVOCATIONS



## LICENSES

28 SUSPENSIONS



## FIRMS

52 SUSPENSIONS

9 DEREGISTRATIONS

We audited members claiming an exemption or reduction from the AMD obligation. Reductions or exemptions are granted when members find themselves in circumstances that limit their ability to pay their dues. To assess whether members appropriately self-assessed their needs relative to what is permitted by the standards, we selected a sample of exemption requests and requested supporting documents that demonstrated their eligibility for the reduction or exemption. Conducting this review helps us to determine if members are incorrectly applying for exemptions and, if so, to dedicate additional resources to enforcing compliance. This year, only one member was suspended as a result of the audit.

Finally, we conducted a review of firms' compliance with the PLI requirements, which are in place to protect members of the public who engage CPAs. As a result of the review, the Registrar's Office identified one non-compliant firm.

While we make efforts to help bring members and firms back into compliance, when they prove unable or unwilling to meet their professional obligations, they are subject to administrative action, which may include suspension and revocation or deregistration, as applicable, and the loss of their public accounting license.

## SUPPORTING COMPLIANCE

The standards, rules and regulations that we have in place are how we protect the public from those who do not meet the high bar our profession sets. We work to supply our members and firms with the tools they need to meet our profession's high expectations. Discipline, whether in the form of fines, public notice, suspension or revocation, are necessary enforcement actions against members and firms when compliance is not met.

CPA Ontario's digital transformation gives us the opportunity to shift from relying on complaints to enforce compliance to leveraging data to identify

# “ THIS SHIFT TOWARD PREDICTIVE ANALYTICS ALLOWS US TO PROACTIVELY SOLVE PROBLEMS WITH OUR MEMBERS. ”

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potential risks. This shift toward predictive analytics allows us to proactively solve problems with our members.

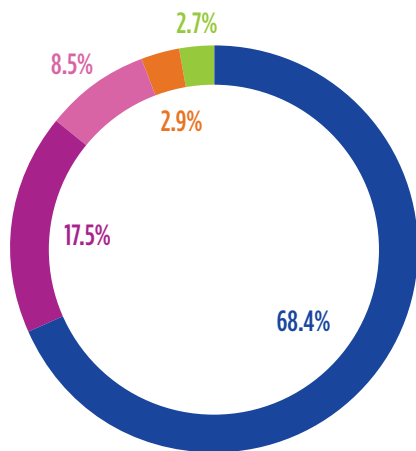
The PLI review is an example of this principle in action. Using our database, we were able to identify that a number of firms had not updated their insurance in our system. We proactively reached out to notify them of the issue and remind them that failing to comply could result in the firm and firm representative's suspension. In some cases, we found non-compliant firms had valid insurance, but had simply failed to update their information in our systems. In other cases, we were able to flag oversights in their operations and helped them address the issue. Building on this success, we now provide reminders to firms that their PLI is set to expire so they can update their information before it lapses.

During the course of our regulatory activities, we found that some members were engaging in activities that should only be done through entities registered with CPA Ontario as firms. We reached out to these practices to inform them of their non-compliance and explained

how they could register. In the end, several practices registered so that they could continue offering their services and bring themselves into compliance with our regulations.

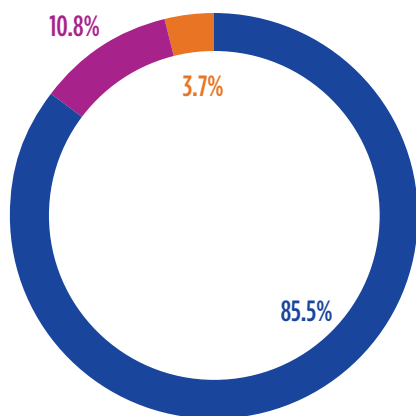
We also introduced a number of other tools and resources, including walkthrough guides, FAQs, and one-on-one support. Being proactive and offering support helps us resolve problems before they arise.

In the coming year the Registrar's Office will continue to monitor members' compliance with regulatory requirements. Specific areas of focus include an additional review of members who have indicated they have met the criteria for a reduction or exemption from AMD and a review of firms' annual updates of their PLI coverage to ensure firms maintain the appropriate coverage amounts and terms required by the regulations. We will also continue to seek opportunities for outreach to members and firms to promote compliance with CPA Ontario by-laws and regulations.



### FY2020 ADMISSIONS

- Student
- Reciprocal Membership Agreements
- Provincial Transfer
- Memorandum of Understanding
- Mutual Recognition Agreement



### FY2020 TRIENNIAL CPD AUDIT RESULTS

- Compliance
- Guidance Provided
- Suspension

# INTERNATIONALLY TRAINED ACCOUNTANTS

We are committed to providing pathways to the profession and reducing barriers to membership for qualified international accountants. Our admission efforts are guided by the International Qualifications Appraisal Board, an interprovincial committee of the CPA profession that reviews professional accounting bodies outside Canada.

Accountants with designations in good standing from 19 professional accounting bodies in 16 international jurisdictions are accepted as CPAs via international agreements; these include Mutual Recognition Agreements, Reciprocal Membership Agreements and Memorandums of Understanding.

PROFESSIONAL ACCOUNTING BODIES **19**

**16** INTERNATIONAL JURISDICTIONS ARE ACCEPTED

# PRACTICE INSPECTION

Practice Inspection contributes to the protection of the public interest by promoting the highest standards of integrity and expertise.

The inspection program includes assessments of quality controls and reviews of assurance and compilation engagements as well as an educational experience to assist practitioners to improve their professional standards where necessary.

This year, CPA Ontario inspected 1363 practising offices, of which 547 were assurance offices and 816 were compilation only. Approximately 85 per cent of inspected assurance offices and 100% of compilation only offices did not require further action or required a specific course of action. The remaining practising offices were subject to remedial action, ranging from reinspection to referral to the Professional Conduct Committee (PCC) for possible disciplinary action.

In pursuing the goal of protecting the public, efficiently deploying resources is imperative, which is why we are increasingly shifting to a risk-based approach to inspections. One of Practice Inspection's goals for the FY2020 inspection year was to inspect selected assurance engagements in the crypto-asset and cannabis industries,

both of which have unique risks and assurance issues. These industries are relatively new to the business environment and, as a result, there is an increased potential for errors in these sectors.

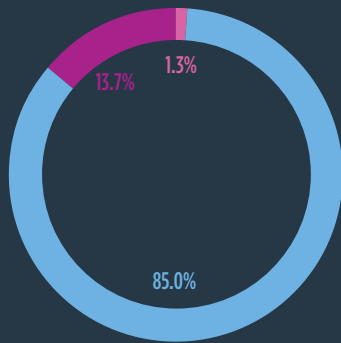
Of the crypto-asset files that were inspected, a number of deficiencies were found, including inadequate evaluation of fraud risk factors, insufficient evidence to support the completeness of revenue and a lack of support for crypto-asset mining management fees.

Our inspections of cannabis engagements did not reveal significant deficiencies. However, as the industry is still predominantly in its initial phase, we anticipate that practitioners may encounter additional challenges as the industry matures.

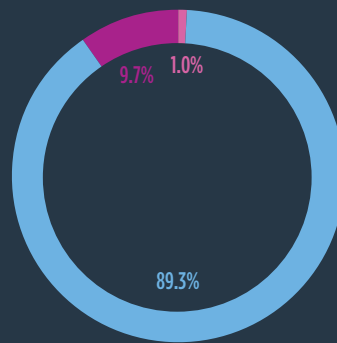
We will continue to closely monitor developments in emerging industries and perform additional targeted inspections as necessary.

## RESULTS OF ASSURANCE PRACTICE INSPECTIONS

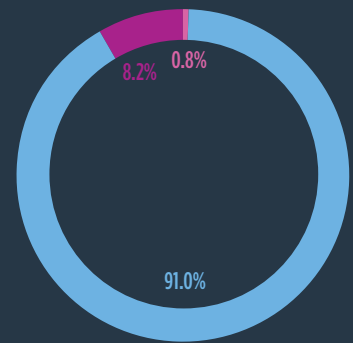
FY2020



FY2019



FY2018



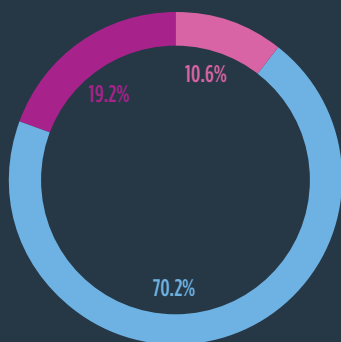
NO FURTHER ACTION OR ACTION PLAN RESPONSE

REINSPECTION

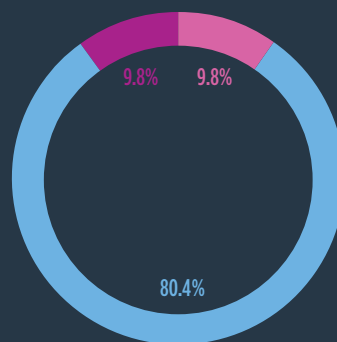
REFERRAL TO THE PCC

## RESULTS OF ASSURANCE PRACTICE REINSPECTIONS

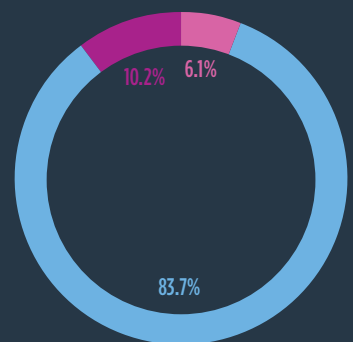
FY2020



FY2019



FY2018



NO FURTHER ACTION OR ACTION PLAN RESPONSE

REINSPECTION

REFERRAL TO THE PCC



Additionally, the Practice Inspection Committee began requiring the mandatory completion of professional development courses by practitioners as a further consequence of inspections requiring reinspection. This is an effort to ensure that practitioners who have not met professional standards are given the tools they need to succeed in the future.

In performing a root cause analysis of inspections that resulted in reinspection or referral, we identified areas of interest to which practitioners should pay special attention. Common root causes can be grouped into three main categories: extent of technical knowledge and continuing professional development, availability and use of appropriate tools, and adequacy of supervision and review.

## COMMONLY IDENTIFIED ISSUES

### TECHNICAL KNOWLEDGE

- Unaware that new standards were effective
- Using frameworks in which they had little or no experience
- Attending training sessions without sufficient focus on assurance and accounting standards

### TOOLS

- Using out-of-date forms
- Accepting engagements without obtaining appropriate forms or templates
- Rolling forward checklists from prior years without updating for changes in the entity or professional standards

### SUPERVISION AND REVIEW

- Failing to allocate sufficient time to plan, perform and review files
- Failing to follow up on queries made by reviewers
- Relying too heavily on staff to supervise and review the work of others

Although inspection activities were not directly affected by the COVID-19 pandemic, CPA Ontario put in place the tools necessary to conduct remote inspections. We are also aware of the potential impact of the pandemic on public practices and anticipate that it will affect assurance engagements in numerous areas including going concern, subsequent events, impairment analysis, inventory observations and reliability of evidence.

Looking forward to the upcoming year, we will enhance our risk-based approach to inspections, which allows for a better deployment of CPA Ontario resources. This will allow us to apply greater scrutiny to work considered riskier to the public, and inspect more frequently those practices performing more complex and challenging work.

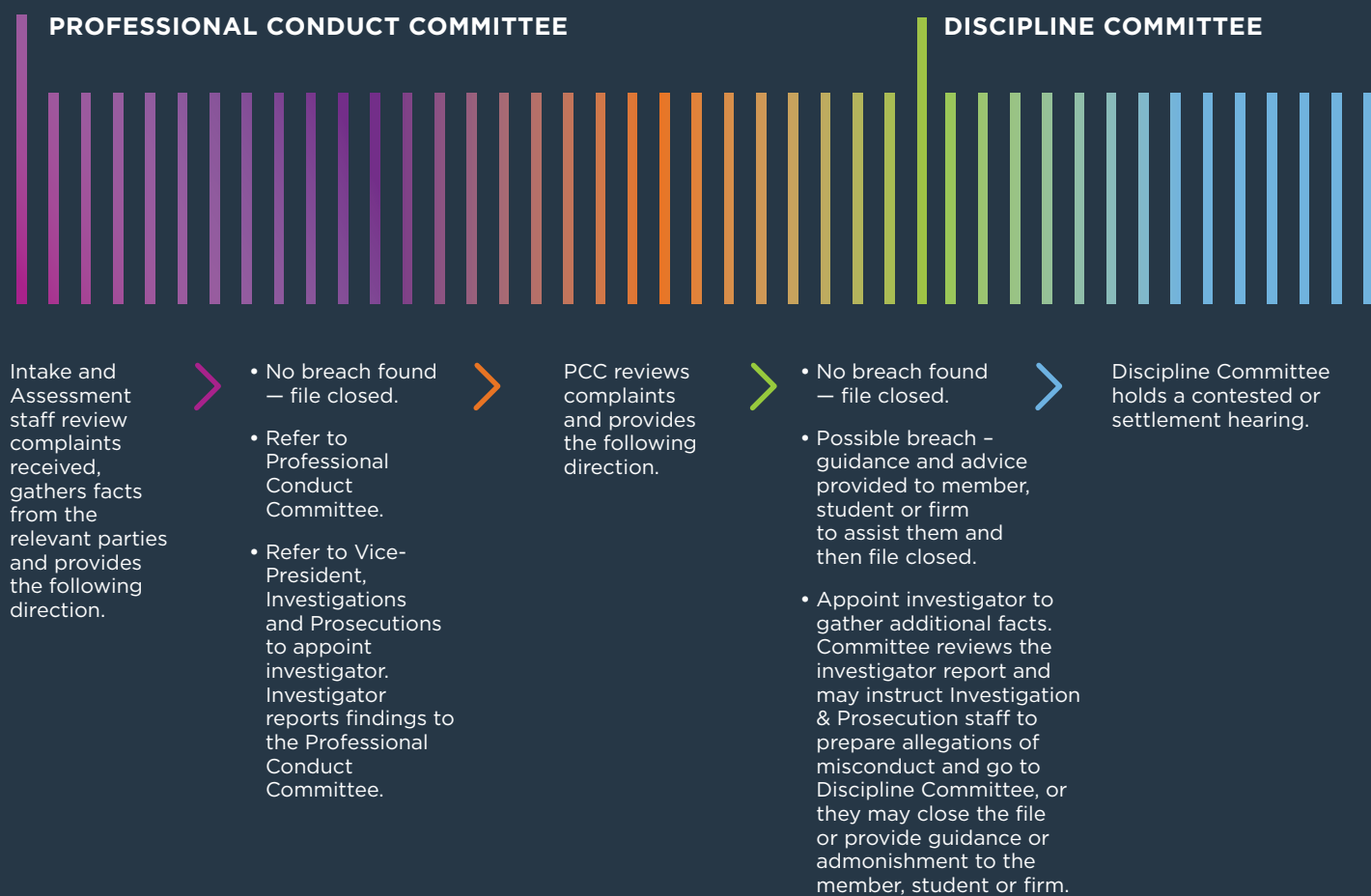
A key step in enhancing our inspection process will be data collection of key risk factors. CPA Ontario's digital transformation provides us with a better way to collect and manage data. In turn that helps us to identify and track issues that are common across practices and focus our inspections on these key risks.

As a component of our new software, we will continue to explore integrating Artificial Intelligence that will help us perform risk assessments. We are currently in the early stage of development on this software, which focuses on the design of the program. For our 2022 inspection year, we plan to be in a position to implement the software and begin using it to process our collected data and better assess risk for practices throughout the province.

A more detailed summary of this year's practice inspection activities is available in the annual [Focus on Practice Inspection](#) report, published by CPA Ontario to help practitioners ensure they are in compliance with standards and regulations. The report provides an overview of inspection results and trends and critical observations arising from inspections.

# MAINTAINING THE PUBLIC INTEREST

## OVERVIEW OF CPA ONTARIO'S DISCIPLINARY PROCESS



# STANDARDS ENFORCEMENT

Standards Enforcement is responsible for reviewing complaints against members, students and firms.

This year, Standards Enforcement focused heavily on reducing the timeline for processing complaints. Critical misconduct matters led to quicker referrals to investigation and matters without merit led to earlier closures. While it is important that complaints are given due care, it is also important for the public to know that when they have an issue with a CPA member, student or firm, it will be reviewed in a timely manner.

After delegating some of the powers previously held by the PCC to the Director of Standards Enforcement in 2018, and continuing with a risk-based assessment of misconduct, we reduced the average timeline for high-risk files by nearly 10 per cent.

In the upcoming year, Standards Enforcement plans to further reduce timelines by continuing to find and implement efficiencies in the complaints process. New tools and processes are being developed to reduce the time spent on administrative tasks and focus our efforts on completing matters in a more timely manner.

Some complaints are serious enough to require a measure of discipline, but not serious enough to warrant official sanction, which usually includes fines and possible suspension. In these cases, PCC may choose to offer guidance or admonishment to the member, student or firm without publicizing the identities of the individuals involved. This helps them avoid making similar errors in the future without damaging their reputation or business.

We felt members would benefit from understanding more about the types of errors

## DISPOSITION OF COMPLAINTS: 207

CLOSED NO BREACH 114

CLOSED WITH GUIDANCE 45

REFERRED TO INVESTIGATIONS & PROSECUTIONS 48

and situations that commonly lead to guidance being issued so this year we began publishing anonymized guidance bulletins in our quarterly newsletter, The Regulatory Standard.

The bulletins were stripped of any identifying information and provided descriptions of the offending actions and guidance on proper behavior as described in the Code.

## REVIEWER OF COMPLAINTS

Our complaints process is built to ensure fairness to members, students and firms whose conduct comes under review and, most importantly, to protect the public interest. Complainants may request a review of a CPA Ontario disposition of a complaint by the independent Reviewer of Complaints (the Reviewer) within 30 days of the

file's closure. After considering the evidence, the Reviewer may send the matter back to the PCC if they believe that one of three criteria have been met: the procedures outlined in Regulation 15-1 Complaints were not followed; there is reason to believe that a conflict of interest existed with anyone participating in the decision to close the file; or consideration was not given to all the evidence that was available at the time. In FY2020, 19 files were referred to the Reviewer and none were sent back to the PCC for further consideration.

## TOP FIVE REASONS FOR ISSUING GUIDANCE:

- 1** LACK OF DUE CARE IN PERFORMING PROFESSIONAL SERVICES
- 2** FAILURE TO COMPLY WITH GENERALLY ACCEPTED STANDARDS OF PRACTICE
- 3** CONDUCT UNBECOMING OF A PROFESSIONAL
- 4** CLIENT SERVICE ISSUES RELATED TO LACK OF TIMELY RESPONSES AND POOR COMMUNICATION
- 5** FAILURE TO RETURN CLIENT RECORDS

# INVESTIGATIONS AND PROSECUTIONS

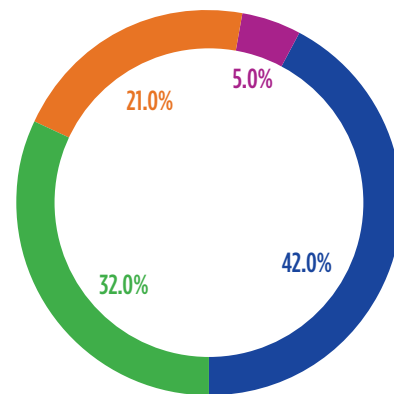
Investigations and Prosecutions investigates and litigates cases involving violations of the CPA Code of Professional Conduct. This division also prosecutes non-members under the *Provincial Offences Act* in court for misuse of the CPA designation or other unauthorized practice to protect the public from harm caused by these individuals.

Investigations and Prosecutions focused this year on reducing the timeline for investigations to be brought to the PCC for consideration. This year we completed 46 investigations, including 37 per cent being closed, 22 per cent being closed with guidance from the PCC and 37 per cent being referred to the Discipline Committee.

## CONCLUDED PROCEEDINGS

### TRIBUNAL FINDINGS

In fiscal 2020, we completed 17 discipline and two appeal hearings, the findings and sanctions of which are set out below.



- NON-CO-OPERATION
- DUE CARE, PRACTICE MANAGEMENT AND CLIENT SERVICE
- PROFESSIONAL STANDARDS AND COMPETENCE
- PROFESSION'S REPUTATION

## TRIBUNAL SANCTIONS

The purpose of sanctioning professional misconduct is to protect members of the public, promote public confidence in the profession, deter members of the profession from engaging in similar misconduct, and to maintain high ethical standards in the profession.

A member under discipline may be ordered to repay to CPA Ontario a portion of the cost of the investigation and discipline proceedings so the financial burden is not borne solely by the membership at large. An order for repayment of costs is not a penalty or sanction.

Number of Proceedings Concluded	19
<b>SANCTIONS</b>	
Fines	\$327,500
Suspensions	2
Revocations	7
Practice Restrictions	3
<b>Costs Ordered</b>	<b>\$501,524</b>

## COURT PROCEEDINGS

CPA Ontario concluded the prosecution of one individual in provincial court for various offences under the *Provincial Offences Act*, the *Act* and the *Public Accounting Act, 2004*. The fine resulting from this prosecution was \$45,000.

# APPENDIX A

## SUMMARY OF DISCIPLINARY ACTIONS

### **Muhammad Ali, CPA, CGA**

Scarborough

#### **CONDUCT**

Between July 1, 2019 and September 12, 2019, the member failed to provide a response or other information when specifically requested to do so by CPA Ontario.

#### **SANCTION**

- Reprimand
- \$5000 fine
- Cooperation with the regulatory processes of CPA Ontario
- \$5564 costs

### **Martin C. Bernholtz, CPA, CA**

Toronto

#### **CONDUCT**

The member failed to sufficiently assess the materiality of information he possessed regarding a company of which he was a director and failed to comply with the company's relevant internal policies, before trading in shares in the company.

#### **SANCTION**

- Reprimand
- \$15,000 fine
- Suspended for six months
- \$6600 costs

## Sheldon Carr

Toronto

### CONDUCT

The member: misappropriated approximately USD \$1,800,000 and CAD \$1,161,000 from an estate while engaged as the accountant and trustee; improperly obtained guarantees from a client; failed to disclose guarantees and fund transfers while engaged to perform a compilation of financial statements; and failed to co-operate with the regulatory process of CPA Ontario.

### SANCTION

- Reprimand
- \$75,000 fine
- Revocation
- Newspaper publication
- \$43,800 costs

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## Amanda M.A. D’Orazio, Former Student

London

### CONDUCT

Between October 7, 2019 and November 5, 2019, the student failed to reply in writing to communications from CPA Ontario to which a written response was specifically required.

### SANCTION

- Reprimand
- \$5000 fine
- Cooperation with the regulatory processes of CPA Ontario
- \$3200 costs
- Deregistered for failure to comply with the Order

## Joseph Wiltshire Fletcher

St. Catharines

### CONDUCT

The member obtained loans totalling approximately \$14.2 million from assurance clients over a seven year period, signed annual declarations with his partnership that he knew were false, and failed to act in a manner that maintained the good reputation of the profession by manipulating client source data that he then included in audit working papers supporting unqualified audit reports that he signed.

### SANCTION

- Reprimand
- \$100,000 fine
- Revocation
- Newspaper publication
- \$44,000 costs

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## Gerald Handsor

Windsor

### CONDUCT

The member compiled financial statements for one client and performed reviews of financial statements for three clients (one for two financial periods), all of which contained deficiencies. The work performed on the client files did not meet the standards of practice of the profession.

### SANCTION

- Reprimand
- \$5000 fine
- Practice restriction to non-assurance engagements
- Newspaper publication of practice restriction
- \$20,000 costs



## Terrence Jewett

Thunder Bay

### CONDUCT

Between June 21, 2019 and November 6, 2019, the member failed to reply in writing to communications from CPA Ontario to which a written reply was specifically required.

### SANCTION

- Reprimand
  - \$3500 fine
  - Cooperation with the regulatory processes of CPA Ontario
  - \$4500 costs
- 

## Marc R. Jewiss

Ancaster

### CONDUCT

The member misappropriated an asset worth approximately \$36,725 from a company in which he had an interest; signed or associated himself with T2 Corporation Income Tax Returns for a company which were filed with Canada Revenue Agency, that he knew or should have known were false or misleading.

### SANCTION

- Reprimand
- \$20,000 fine
- Revocation
- Newspaper publication
- \$65,000 costs
- Membership revoked for failure to comply with the Order

## Razi Ullah Khan

Mississauga

### CONDUCT

The member accepted two engagements to review financial statements without taking reasonable steps to communicate with the predecessor accountant and enquire whether there were any circumstances that should have been taken into account; and compiled financial statements for three clients which contained deficiencies. The work performed on the client files did not meet the standards of practice of the profession.

### SANCTION

- Reprimand
  - \$5000 fine
  - 24-month Supervision Agreement
  - Practice reinspection
  - Professional Development courses
  - \$16,000 costs
  - Membership revoked for failure to comply with the Order
- 

## Michael L.A. Lopez, CPA, CA

Toronto

### CONDUCT

The member was engaged to audit the financial statements of four condominium corporations. The audits contained numerous deficiencies. The member failed to perform his professional services in accordance with generally accepted standards of practice of the profession.

### SETTLEMENT AGREEMENT TERMS

- \$7500 fine
- Professional Development courses
- 24-month Supervision Agreement
- Re-investigation following the supervised practice
- \$15,000 costs

## **Navin Mahendra, CPA, CA**

Richmond Hill

### **CONDUCT**

The member audited financial statements for three clients, which contained deficiencies. The work performed on the client files did not meet the standards of the practice of the profession.

### **SETTLEMENT AGREEMENT TERMS**

- Reprimand
- \$10,000 fine
- Practice restriction to non-assurance engagements
- Newspaper publication of the practice restriction
- \$15,000 costs

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## **Allan Erle McInnis, CPA, CA**

Guelph

### **CONDUCT**

The member's review of the financial statements for four clients contained deficiencies. The member failed to perform his professional services in accordance with generally accepted standards of practice of the profession.

### **SETTLEMENT AGREEMENT TERMS**

- \$5000 fine
- Professional Development courses
- 18-month Supervision Agreement
- Re-investigation following the supervised practice
- \$15,000 costs

## **Brian D. Mulligan, CPA, CA**

Nepean

### **CONDUCT**

The member failed to transfer to his client, at the client's request, all of the client's property and the property of the client's company.

### **SANCTION**

- Reprimand
- \$5000 fine
- Suspended for three months
- Professional Development courses
- Newspaper publication
- \$16,860 costs

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## **David Prentice**

Oakville

### **CONDUCT**

The member, while holding himself out as Executive Vice President of one company and Vice President of another, conducted himself in a manner which contravened the Securities Act, R.S.O. 1990, c. S.5.

### **SANCTION**

- Reprimand
- \$50,000 fine
- Revocation
- Newspaper publication
- \$14,000 costs

## Shari A. Stolpmann, CPA, CA

Waterdown

### CONDUCT

The member reviewed the financial statements of a client and audited financial statements for three clients, all of which contained deficiencies. The work performed on the client files did not meet the standards of practice of the profession.

### SETTLEMENT AGREEMENT TERMS

- Reprimand
  - \$5000 fine
  - Professional Development courses
  - 18-month Supervision Agreement
  - Re-investigation following the supervised practice
  - \$15,000 costs
- 

## Laird William Sweeney

Belwood

### CONDUCT

The member failed to maintain a public accounting licence as required; misrepresented his employment status as retired; performed review engagements without registering his practice; failed to undertake only such work as he was competent to perform; failed to sustain his professional competence; provided a review of financial statements for a client which did not meet the standards of practice of the profession. The member's appeal of the findings was dismissed.

### SANCTION

- Reprimand
- \$7500 fine
  - Ordered in FY2019
- Revocation
- Newspaper publication
- \$13,500 costs (Discipline)
  - Ordered in FY2019
- \$7000 costs (Appeal)
  - Ordered in FY2020

## Stephen W. A. Wall, CPA, CA

Toronto

### CONDUCT

The member performed audits of the financial statements and provided unqualified audit opinions for a client over two financial periods, both of which contained deficiencies. The work performed on the client file did not meet the standards of practice of the profession. The member's appeal of the findings was dismissed. This matter is the subject of an application for judicial review.

### SANCTION

- Reprimand
  - \$125,000 fine
    - Ordered in FY2018
  - Newspaper publication
  - \$1,700,000 costs (Discipline)
    - Ordered in FY2018
  - \$175,000 costs (Appeal)
    - Ordered in FY2020
- 

## Paul Gerard White, CPA, CA

Waterdown

### CONDUCT

The member reviewed financial statements for three clients, one for two consecutive years, which contained deficiencies. The work performed on the client files did not meet the standards of practice of the profession.

### SETTLEMENT AGREEMENT TERMS

- Reprimand
- \$7500 fine
- Professional Development courses
- Practice restriction to non-assurance engagements
- Newspaper publication of the practice restriction
- \$12,000 costs

## **Yun Feng (Carolyn) Zhu**

Toronto

### **CONDUCT**

Between March 8 and July 9, 2019 the member failed to respond to communications from CPA Ontario that specifically required a written response.

### **SANCTION**

- Reprimand
- \$4000 fine
- Cooperation with the regulatory processes of CPA Ontario
- \$8000 costs
- Membership revoked for failure to comply with the Order



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