

A large, abstract graphic on the right side of the cover, consisting of a large blue circle and two overlapping light blue semi-circles. A small dark blue circle is positioned at the bottom of the light blue semi-circles, partially overlapping the text.

Regulatory Report

2024

Our Mandate

The CPA profession is a provincial responsibility, which is established through provincial legislation.

CPA Ontario is the regulatory body responsible for overseeing CPAs and accounting firms in Ontario.

Like our provincial, territorial, and Bermudian (PTB) counterparts across Canada, the critical work we do protects the public, advances the profession and enables CPAs to lead business and society forward in the province and across the country.

CPA Ontario delivers on these significant responsibilities that government has entrusted us to:



Govern and regulate CPAs and accounting firms in Ontario

which includes compliance, enforcement and disciplinary processes.



Educate and assess CPA students

by delivering a world-class professional education program.



Ensure the CPA pipeline meets market demands

through recruitment activities within Post Secondary Institutions and high schools, and by supporting new entrants to Canada.



Grant CPA designations and public accounting licences

while maintaining the rigour and high standards that set the profession apart.



Enhance the skill and knowledge of CPAs

through professional development and thought leadership.



Support standard setting

within Canada and at the international level.



Enable mobility

across Canada and internationally.



Work with our provincial, territorial and Bermudian CPA counterparts

to facilitate common entry to the profession and the portability of the designation.



Our Purpose

We **PROTECT**
the public.

We **ADVANCE**
the profession.

We **ENABLE** CPAs to
lead business and
society forward.

Our Values

How we do things is just as important as what we do.

Our values guide the way we work and the decisions that we make. They reflect who we are as an organization and what we believe is right. Our values align with our purpose and enable us to deliver our strategy in a way that we can all be proud of.

These values embody how we aspire to behave in all situations with each other, our members and students, and other stakeholders. They set the expectations we have of each other.

We act with INTEGRITY

We always do the right thing and take accountability for our decisions and work.

We are THOUGHTFUL

We are considerate in the way we make decisions, and how we engage with the public, employers, our members, students, and colleagues.

We work TOGETHER

We are a supportive and inclusive team and empower each other to achieve our personal and professional goals.

We make an IMPACT

We strive to make a meaningful difference to our stakeholders and the profession, delivering results with excellence.

We are FORWARD-THINKING

We are curious, innovative, and data-driven, and ensure our work benefits business and society.

Our Strategic Priorities

Our strategy defines our priorities as an organization and guides the work that we do.

Our strategy is designed to meet the needs of today's complex business environment while responding to the trends and forces reshaping our profession and the economy at large.

Our five strategic pillars focus our efforts. Everything we do supports these pillars and ensures that our work helps us achieve our purpose.

PROTECT the public interest by ensuring our members, students and employees maintain the highest standards of integrity.

ADVANCE the profession by developing CPAs who can lead in an ever-evolving world.

BUILD a robust pipeline of high calibre individuals.

CREATE a strong brand and demand for CPAs.

CULTIVATE an environment that enables our people to thrive together.



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A Message from the Executive Vice-President, Regulatory & Standards

Trust.

It's the foundation that our economy is built on. A foundation that has never been more important as the world evolves and evolves quickly, transformed by emerging technologies and the growing importance of sustainability assurance and reporting.

But no matter how the world changes, the need for that trust, provided through the work of CPAs, will always remain. Trust that must be earned, built up and maintained. It is earned and built through technical rigour and competence and maintained through an unwavering commitment to professional ethics and high standards, as entrenched in the CPA Code of Professional Conduct and the Student Code.

As the world grows more complex, regulators must remain vigilant in identifying risks and responding to them. We can never lose sight of the professional ethics, standards and commitment to quality that are at the core of the profession.

This smart, proactive approach and focus on our core principles is why we undertook a review of public accounting firms that conduct audits of reporting issuers in 2023 and released the results

of that review. [Upholding High Standards to Protect the Public: Managing Audit Quality 2023](#) identified areas of risk that if left unaddressed, could present a threat to audit quality, including governance and decision-making, ethics, talent and technology, working papers and monitoring.

It is our expectation that firms use these identified risks and best practices to inform their own review of their quality management systems. The findings have also helped inform our Practice Inspection team's new Enhanced Quality Management Review (EQMR) program, which not only assesses the design and implementation of a firm's relevant controls and processes, but also tests the effectiveness of those controls.

The EQMR is another example of CPA Ontario's proactive approach to regulation, as is our continued efforts to engage with members on the importance of maintaining the standards of the profession while providing guidance and advice. Professional Advisory Services fielded questions and helped members navigate standards and ethical dilemmas, while our popular Meet Your Regulator series continued last year with a session on Practice Inspection, providing important insight on areas where firms can continue to improve.

Engagement is essential in this environment, especially given the speed at which standards are changing. This past March, the Canadian

Sustainability Standards Board issued a draft of the Canadian Sustainability Disclosure Standards, and the U.S. Securities and Exchange Commission has released its Climate Disclosure Rule, both of which may impact Ontario CPAs working in Canada and the U.S.

With the pace of sustainability standards continuing to increase to meet the needs of the marketplace, CPA Ontario is providing members with training, thought leadership and the experience and insights of leaders in the sustainability field. Our recently launched knowledge hub, [Sustainability Simplified](#) provides CPAs at every stage of their sustainability journey with the resources they need.

Providing CPAs with guidance and support so they can continue to drive business and society forward is an important part of our regulatory function and helps protect the public. But when professional and ethical standards are not met by members and students, we take the necessary measures to fully investigate alleged misconduct. And, where necessary, our independent Discipline Committee is empowered through legislation to hold them to account.

Our discipline process meets three important goals: protection of the public, accountability, and deterrence. But just as important is consistency, fairness, and transparency, which is why we

communicate disciplinary actions and settlement agreements to members. The public can access a full record of discipline actions and settlements on our [website](#). When ordered by the Discipline Committee, outcomes are also published in the media, through newspaper notices.

Members have told us upholding the profession's standards is their highest priority. They recognize, as CPAs, the trust that the public places in our profession. With that trust comes the responsibility of ethical practice, a commitment to quality, and the expectation of excellence. Even in these transformative times, our duty to uphold those standards and protect the public will never waver.



JANET GILLIES, CPA, CA
Executive Vice-President, Regulatory & Standards



The Regulatory Continuum

CPA Ontario's regulatory duties involve the continuum of advising, compliance, inspecting, investigating, enforcing and imposing discipline if members, students or firms fall short of professional standards. We are in a transformative time, but no matter how the business landscape changes our comprehensive oversight will remain.

Protection of the public is at the core of what we do at CPA Ontario.

1

Professional Advisory Services

Education | Advisement | Guidance

2

Registrar's Office

Admission & Licensing | Registering Firms | Monitoring Compliance

3

Public Accounting

Oversight | Maintaining Standards

4


Practice Inspection

Member Inspection | Firm Inspection

5

Disciplinary Process

Standards Enforcement | Investigations & Prosecutions



Guiding CPAs Through a Changing Landscape

Professional Advisory Services

In a dynamic business and regulatory landscape, CPA Ontario provides members with the guidance they need to feel confident in their decision-making.

With upcoming mandatory sustainability reporting standards, concerns around audit quality and the rapid acceleration of the use of technologies like artificial intelligence, it has never been more important for CPAs to be engaged and informed.

Whether facing an ethical dilemma, looking to start a practice or in need of direction on a technical matter, members, students, and firms can reach out to Professional Advisory Services (PAS). This complimentary, confidential service helps members navigate the world of accounting and assurance standards, regulations, practice management and the CPA Code of Professional Conduct (the Code).

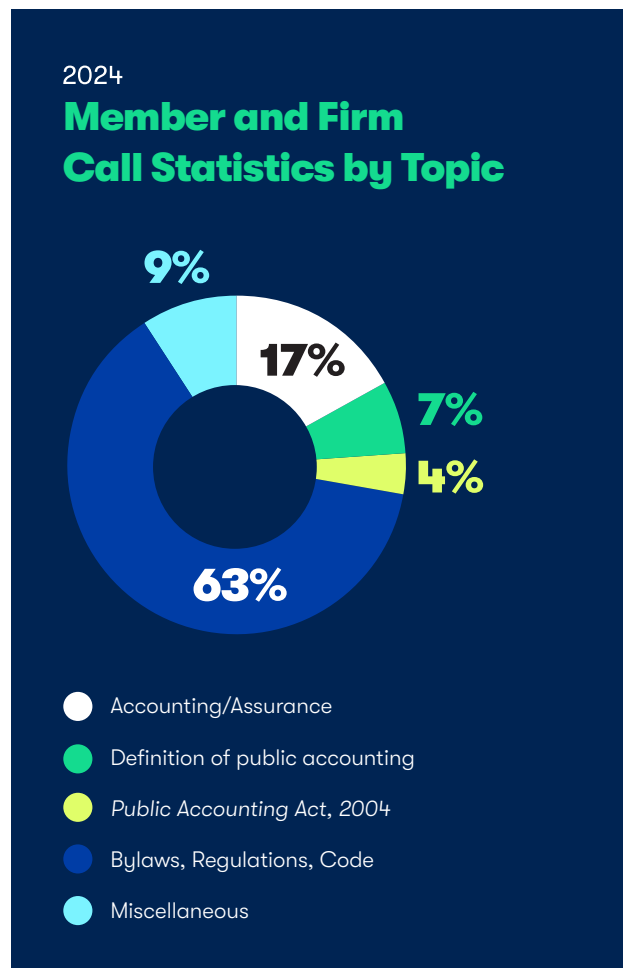
As part of our mandate, CPA Ontario proactively communicates changes that may impact bylaws, regulations, and professional standards to members and students through the [Regulatory Standard newsletter](#), and the [Guidance on Compliance Knowledge Hub](#).

An important tool to help members stay informed, the Knowledge Hub is updated on a weekly basis and covers topics including Accounting and Assurance Standards, Ethics, Tax and Practice Management, and Emerging Trends and Technologies.

In the past year, we responded to over 3,600 inquiries from members and students, with the majority related to the CPA Ontario

Bylaws, Regulations, accounting and assurance standards, and the Code. With a consistent 24-hour turnaround time on all inquiries, members have reported an over 90% satisfaction rate with PAS.

By providing members with an avenue through which to ask questions and seek advice, CPA Ontario can help identify and resolve issues before they can become a potential threat to the public.



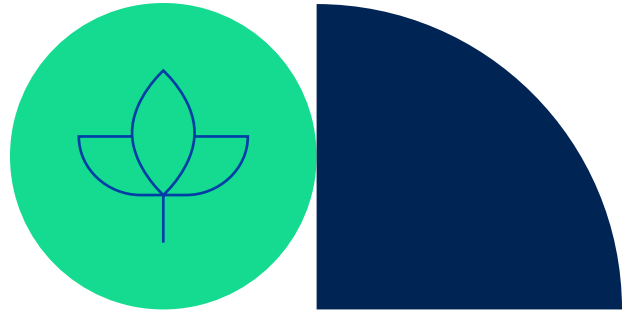
Bringing the Ontario Voice to International Standard Setting

As home to Canada's largest stock exchange, and over 40% of the country's CPAs, the perspectives of CPA Ontario members on international standards need to be heard. Through roundtables of members with the relevant expertise, CPAs from Ontario provided input on several international exposure drafts, including:

- The International Auditing and Assurance Standards Board (IAASB) **International Standards on Sustainability Assurance (ISSA) 5000** exposure draft
- The International Ethics Standards Board for Accountants **International Ethics Standard for Sustainability Assurance (IESSA)**.
- IAASB's International Standard on Going Concern exposure draft, the **International Auditing Standard (ISA) 570**.
- IAASB's International Standard on Fraud, **International Auditing Standard (ISA) 240**.

CPA Ontario represented the profession on the world stage by responding to the International Sustainability Standards Board (ISSB) consultation on agenda priorities. CPA Ontario also participated in discussions at the International Financial Reporting (IFRS) Sustainability Symposium in New York on jurisdictional uptake of sustainability standards and building capacity to support those standards.

These activities ensure that the important perspectives of Ontario's CPAs are considered as these standards continue to evolve.



SUSTAINABILITY SIMPLIFIED

Sustainability information is becoming as important as financial information in the eyes of many investors and capital providers.

Recognizing the need for high-quality, consistent, and comparable disclosures, standard-setters and regulators are moving quickly to adopt common sets of standards for sustainability reporting and assurance.

Why CPAs Should Care About Sustainability

With the core competencies of risk assessment, professional skepticism, problem solving and decision making, CPAs are in the best position to support sustainability reporting and assurance with respect to:



Corporate governance and strategy



Identification, evaluation and management of risks and opportunities



Designing and improving processes and systems of internal controls



Financial planning and forecasting information reporting

This year, CPA Ontario launched a series of initiatives to support members in their sustainability journeys, no matter how far along they may be.

Through [Sustainability Simplified](#), CPAs can educate themselves on the importance of sustainability for the profession, and find concise information on reporting standards, regulations, assurance and ethics.

The launch of Sustainability Simplified included a [free seminar](#) for members to provide them with a baseline on what sustainability means for CPAs and the status of sustainability developments, both in Canada and globally. Over 550 members attended.

A recording of the full seminar, along with answers to member questions, is available on the Sustainability Simplified [website](#). This resource is being regularly updated with timely developments in reporting standards and regulations, including information on how these changes could impact CPAs in Ontario.

For example, in March 2024 there were several major developments in reporting. The U.S. Securities and Exchange Commission (SEC) released its long-awaited Climate Disclosure Rule. Meanwhile, the ISSB and the European Financial Reporting Advisory Group (EFRAG) announced that they have agreed on guidance on the interoperability of their climate-related disclosure requirements.

These developments have the potential to impact Canadian CPAs operating in cross-border or global businesses, and summaries on the SEC Rule have been published on the Sustainability Simplified website.

Closer to home, the Canadian Sustainability Disclosure Standards (CSDS) were issued by the Canadian Sustainability Standards Board (CSSB) for public consultation. This was a major milestone in the race to mandatory sustainability standards in Canada. CPA Ontario provided input to the CSSB on the CSDS prior to the closing of the commentary period in June 2024.

Through Sustainability Simplified, CPA Ontario will continue to provide members with the resources they need to support Canadian businesses and organizations on their sustainability journeys.

Sustainability Strategic Advisory Committee

CPA Ontario's membership includes some of Canada's leading experts in sustainability ethics, reporting and assurance.

To tap into this depth and breadth of talent, CPA Ontario formed the **Sustainability Strategic Advisory Committee**.

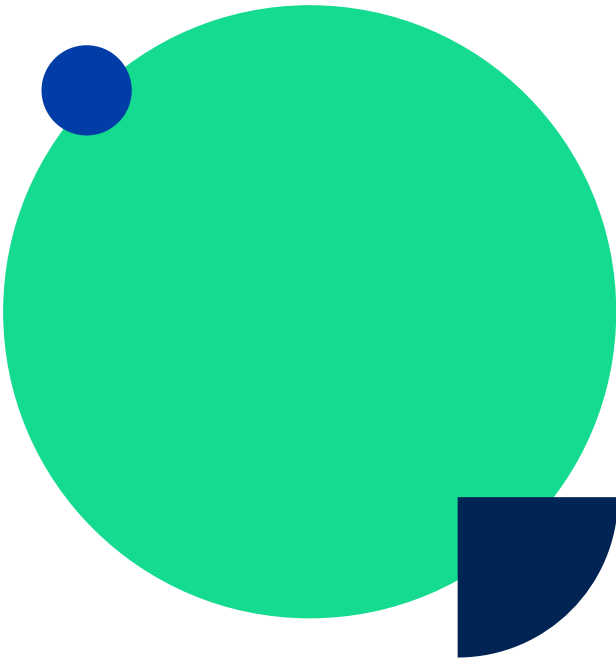
With specialists representing a diversity of professional backgrounds, including public practice, industry, consulting, high-growth firms, boards and academia, this Committee will help inform how we keep members engaged and informed as sustainability standards continue to evolve.

SUPPORTING MEMBERS WITH SMALL AND MEDIUM PRACTICES

Approximately 10% of Ontario CPAs work for small and medium practices, and they play a vital role in the Ontario economy. And with that unique position comes important perspective to the future of the profession, while at the same time necessitating the provision of additional support to help them fulfill their obligations and uphold the standards of the profession.

Through the Small and Medium Practices Advisory Committee (SMPAC), CPA Ontario works with small and medium practices to hear their viewpoints and perspectives on where the profession is today, and where it is headed. An important part of those discussions are the opportunities faced by small and medium practices, and the tailored resources they need to seize those opportunities. The efforts of our SMPAC continue to advance initiatives that advise on the success of small and medium practices across Ontario.

In the year ahead, CPA Ontario will continue to engage with CPAs from small and medium practices on their role in the profession, and the supports that are available to them and how to help them continue their essential work in the province.



What Members Said About Professional Advisory Services

“It’s important to get the advice and support from CPA Ontario when dealing with a challenging professional situation at a workplace. I am **very grateful** for having this professional advisory service available.”

“The advisor was knowledgeable and **provided an objective view of both sides of the question I had posed** and their information was helpful for me to determine my best course of action.”

“The interaction was **nothing less than positive**. The Advisor provided timely feedback and was able to discuss the issues in detail. Much appreciated.”



Safeguarding the Integrity of the Profession

The Registrar's Office

Promoting technical rigour and excellence, enforcing compliance with regulatory and professional obligations and supporting the labour mobility for CPAs both across the country and internationally falls under the mandate of the Registrar's Office.

Working in tandem with the broader Regulatory and Standards team, the Registrar's Office is responsible for:

- Admission to the profession
- Licensing members as public accountants
- Registering firms
- Maintaining the public register and directories of members, firms and licensees
- Addressing fitness to practice matters

This past year, the Registrar's Office continued its work in maintaining a strong foundation for the profession through its focus on reinforcing compliance, maintaining a strong pipeline of CPAs for Ontario, and upholding good character requirements.

Admission Numbers

Student	77%
Provincial Transfer	11%
Direct admission under international agreements	9%
Memorandum of Understanding international agreements	3%

103,178

CPA ONTARIO MEMBERS

4,026

PAL LICENSEES

7,806

FIRMS

19,709

CPA ONTARIO STUDENTS

1,105

CERTIFICATES OF AUTHORIZATION

REINFORCING COMPLIANCE

As part of its role in reinforcing professional obligations to meet the requirements set out in the CPA Ontario regulations and by-laws, CPA Ontario conducts regular audits of specific compliance areas, including:



Continuing Professional Development (CPD) hours



Minimum professional liability insurance requirements



Eligibility for reductions or exemptions from Annual Membership Dues (AMD)

CONTINUING PROFESSIONAL DEVELOPMENT

Whether in the C-suite, members of audit committees or public accounting licence holders, CPAs play a critical role in Canada’s capital markets and economic prosperity. Given this leadership position, it is the responsibility of every CPA to maintain high levels of technical expertise.

Faced with rapid transformation in new areas of practice, like AI and sustainability, and the need to continue building on core competencies in accounting and professional ethics, a commitment to continuous learning is both a regulatory requirement and a professional necessity.

Both members and firms are reminded of their obligations for ensuring that CPD meets the requirements set out in the [CPA Code of Professional Conduct](#) and [CPA Ontario Regulation 7-1](#). Under Regulation 7-1, members must complete at least 120 hours of CPD in every rolling three-year period.

To qualify as CPD, it must be relevant to professional responsibilities and competencies as a CPA and contain significant intellectual or practical content. Members are reminded of their responsibility to ensure the CPD undertaken complies with these high standards. At least 50% of CPD hours must be verifiable, and members are

required to keep records and supporting documents of these activities for at least five years.

For members applying for or renewing a Public Accounting Licence (PAL), CPD must pertain to activities directly related to the competencies needed to engage in the practice of public accounting and comply with the international technical competence and ethics standards identified in International Education Standard (IES) 8.

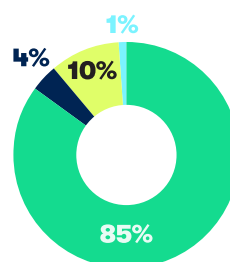
As an accountability measure, CPA Ontario conducts annual audits of compliance for members and for PAL holders. This past year, almost 3,000 members were selected for audit, including 10% of PAL holders in Ontario, selected from a cross-section of firms. Through an enhanced risk-based approach to auditing compliance with CPD requirements, areas of concern were identified, which required further follow-up by the Registrar’s Office.

CPA Ontario also completed an additional review of PAL holders authorized to audit reporting issuers in parallel to our focused review of audit quality. For reported results under the review of audit quality and next steps taken to support and reinforce compliance with PAL Holder CPD, please see [page 20](#).

CPD Audit Results

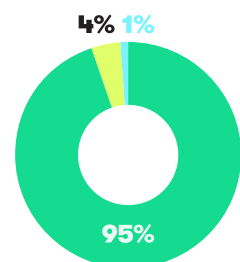
F24

CPD 22



F23

CPD 21



● Compliance

● Other regulatory action*

● Guidance Provided

● Suspensions

*Other regulatory action includes completion of additional verifiable CPD hours to rectify deficiencies identified through the audit, and ensure they were meeting the set standard.

Members are subject to administrative action when they prove unable or unwilling to meet their professional obligations. Membership suspension, revocation and the loss of their public accounting licence are among the potential outcomes if a member refuses to comply with core obligations, such as Annual Membership Dues (AMD), Continuing Professional Development (CPD) or professional liability insurance (PLI).

Suspensions, Revocations and Deregistrations

	2024	2023
Members		
Suspensions	603	635
Revocations	438	523
Licensees		
Suspensions	10	8
Firms		
Suspensions	0	11
Deregistrations	22	26

Professional Liability Insurance (PLI)

Professional liability insurance (PLI) is part of members’ professional obligations and an absolute necessity for protecting the public. CPA Ontario conducts regular audits of firms to check that they are carrying the appropriate coverage.

This year’s review found positive compliance with the requirements and did not result in any membership suspensions. However, we continue to identify firms that have not met their obligation to annually report the details of insurance coverage to CPA Ontario. Failure to report this information may result in the suspension of the firm representative and the firm.

BRINGING TOP TALENT TO ONTARIO

Supporting interprovincial and international labour mobility and bringing exceptional talent to this province to secure a strong pipeline for the profession remains one of our top priorities.

CPA Ontario continues to work with Provincial, Territorial and Bermudian (PTB) counterparts to facilitate mobility, reduce duplication, ease administrative burden and increase regulatory cooperation on compliance matters.

As an open profession, CPA Ontario maintains agreements with many professional accounting bodies around the world. These Mutual Recognition Agreements, Reciprocal Membership Agreements and Memorandums of Understanding are collectively known as “the international agreements.”

Accountants with designations in good standing from professional accounting bodies that meet the criteria laid out in the international agreement are accepted as CPAs, provided they meet good character and residency requirements. For accountants who are members of a professional accounting body that does not have an agreement with CPA Ontario but is a member of the International Federation of Accountants (IFAC), an accelerated pathway to the CPA profession may be open as well.

In 2023, CPA Ontario entered a Memorandum of Understanding with the Chartered Institute of Management Accountants (CIMA), which provided qualifying CIMA members with an accelerated route to the CPA designation.

In its 2022–2023 Annual Report, Ontario’s Office of the Fairness Commissioner (OFC) underscored CPA Ontario’s commitment to ensuring accessible entry to the profession, bolstered by its support for both domestic and international mobility, while upholding rigorous professional standards. The OFC noted that CPA Ontario has practices in place that maintain high quality, timeliness and fairness in assessment and registration decisions.

MUTUAL RECOGNITION AROUND THE WORLD

Helping to make it easier for internationally trained accountants to be admitted to the profession is just one way CPA Ontario is supporting labour mobility across Canada and around the world. Working collaboratively with PTB counterparts to accept these international agreements, CPA Ontario is helping to build international professional networks, support global financial markets, and build a stronger profession.



Accounting body/bodies	Jurisdiction(s)
IMCP Mexico and U.S. State Boards of Accountancy	Mexico & USA
CAANZ	Australia & New Zealand
ICAEW	England & Wales (United Kingdom)
HKICPA	Hong Kong
CA Ireland	Ireland
ICAS	Scotland (United Kingdom)
SAICA	South Africa
ICAZ	Zimbabwe
IEC-IAB	Belgium
CSOEC	France
JICPA	Japan
ICAI	India
ICAP	Pakistan

GOOD CHARACTER

While our rigorous academic requirements and qualifications for the profession are essential for protecting the public, so is our focus on ensuring applicants seeking admission to membership are of good character.

All potential CPAs must, as part of our admission process, demonstrate that they are of good character. In the event there are concerns about an applicant's good character due to criminal record, an instance of academic dishonesty, or the use of misleading or inaccurate information, the Registrar refers the matter to the Admission and Registration Committee (ARC) for a Good Character Hearing. Four matters referred to the ARC resulted in decisions this year, which can be found listed in [Appendix B](#).

Providing Oversight, Upholding High Standards & Driving Audit Quality

Public Accounting

Audit is a pillar within the practice of public accounting and one of the cornerstones of trust in Canada's economy. As such, maintaining strong audit quality is one of CPA Ontario's highest priorities.

This year, we released a focused review into how firms that audit reporting issuers in Ontario manage audit quality. Fifteen firms, which collectively audit over 99% of the reporting issuers in Ontario, were selected for this review, with the purpose of assessing whether quality management policies, procedures and culture practices are upholding both the regulations and the standards of the profession.

The results of this review, published in October, are found in the report [Upholding High Standards to Protect the Public: Managing Audit Quality 2023](#). It identifies five areas of risk that, while not applying to every firm, if left unaddressed could represent a risk to audit quality.

Governance and decision-making

Reinforcing responsibility and accountability for audit quality at the most senior level.

Ethical mindset

Safeguarding the foundation of trust through professional ethics, values and attitudes.

Talent and technology

Investing in people and technology to support consistent delivery of quality audits.

Working papers

Employing tools and controls to maintain and protect the integrity of working papers.

Monitoring activities

Detecting, remediating, and deterring audit quality issues and deficiencies.

In addition to identifying areas of risk, Managing Audit Quality 2023 identified specific issues at four firms. These firms represent audits of less than 1% of reporting issuers. The identified deficiencies prompted a referral to the CPA Ontario Practice Inspection team for additional review.

CPA Ontario will be inspecting firms with the lens of whether they have properly addressed and corrected these deficiencies specifically and, more broadly, that firms have designed and implemented a strong system of quality management. To continue taking proactive steps to reinforce the importance of audit quality, CPA Ontario launched the Enhanced Quality Management Review (EQMR) program. This program emphasizes the importance of managing risks to quality while also considering the findings in Managing Audit Quality 2023.

For more information on the outcomes of the reviews of the four referred firms and the new EQMR program, please see Practice Inspection, [page 28](#).

Overall, this review signaled to the firms what is expected of them, and underscored CPA Ontario's commitment to audit quality. Firms are encouraged to use the findings of this report to inform their own evaluations of their quality management systems to ensure they are meeting the standards of the profession, and the expectations of the public.

PUBLIC ACCOUNTING AND CONTINUING PROFESSIONAL DEVELOPMENT

In addition to the five risks outlined, our focused review of audit quality also uncovered areas of concern on compliance with CPD requirements of International Education Standard (IES) 8 for PAL holders. Two of the four firms referred to Practice Inspection were cases where the parallel review of PAL holders uncovered CPD deficiencies which demonstrated a strong disconnect between what these firms had described as robust learning and development policies, and the findings in our focused review of audit quality. These findings have been further supported through regular CPD audits conducted by the Registrar's Office.

Members applying for a new PAL or renewing their existing PAL must complete the required CPD hours in activities directly related to public accounting and in compliance with [International Education Standard \(IES\) 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements \(Revised\)](#). Failure to meet the requirements of IES 8 will impact PAL eligibility.

The responsibility for complying with these CPD requirements lies with each PAL holder. However, firms should be aware that appropriate CPD is a critical component of the quality management system and pervasive CPD deficiencies call that system into question.

In response to these findings CPA Ontario issued [guidance](#) to help PAL holders remain compliant with the requirements under IES 8.

CPD under IES 8 should be progressive:

“Did I learn something new or build on my previous knowledge as a PAL holder?”

CPD under IES 8 should cover the breadth of the area of practice: “Did my learning align with and cover my public accounting practice?”

CPD under IES 8 should be proportionate to the role: “Did my learning contain sufficient technical content to sustain and advance my competence in public accounting?”



When is a Public Accounting Licence Required in Ontario?

In response to questions from members, CPA Ontario recently made updates to guidance around when a Public Accounting Licence (PAL) is required in Ontario.

A PAL is required in Ontario if you:

- Are the lead engagement person responsible for signing reports or statements:
 - for any assurance engagement relating to a financial statement or any part of a financial statement or any statement attached to a financial statement; or
 - any compilation engagement in respect of which it can be reasonably expected that the services will be relied upon or used by a third party and the prescribed wording for the Compilation Engagement Report is not used
- And the report or statement is issued in Ontario
- Or the work for the engagement is primarily performed in Ontario

The work is primarily performed in Ontario if the engagement is physically performed in Ontario or if the engagement is performed remotely and the client is in Ontario. Factors that may assist in determining whether a client is in Ontario can be found on our [Public Accounting website](#).

PROTECTING THE PUBLIC

Engaging in the practice of public accounting without holding a valid Ontario PAL is prohibited under the *Public Accounting Act, 2004*. CPA Ontario's Investigations & Prosecutions team investigates, and in appropriate cases, prosecutes individuals and firms who are not licensed but practice as public accountants in Ontario. For more information, please see Investigations and Prosecutions on [page 33](#).

The Public Accounting Standards Committee

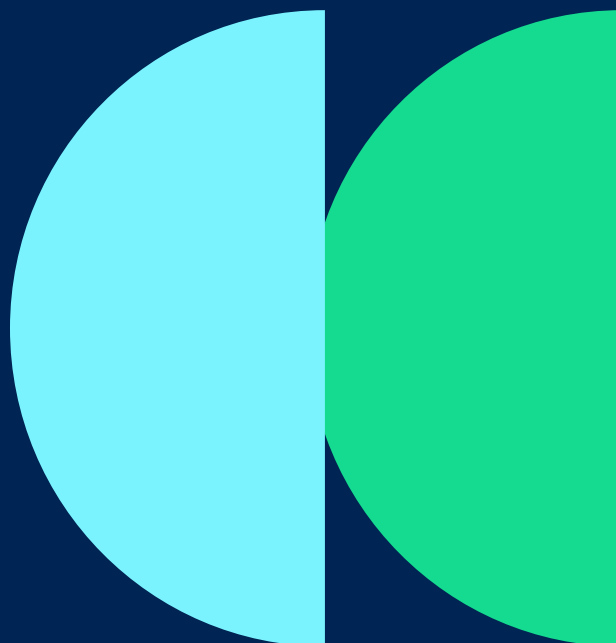
The Public Accounting Standards Committee (PASC) maintains the Public Accounting Standards that guide the regulation of licensed public accountants by CPA Ontario, as well as any other instruments relating to the Public Accounting Standards.

The PASC reviews, provides advice, and recommends the creation or adoption of any proposed amendments to the Public Accounting Standards to the CPA Ontario Council.

At the end of last year, as recommended by the PASC, CPA Ontario Council approved amendments to:

- Regulation 17-1 Public Accounting Licensing;
- Regulation 9-1/9-2 Student Registration; Obligations and Standing Appendix B – Practical Experience Requirements;
- Pre-licensing Experience Requirements in Section 4 of the Public Accounting Standards.

These amendments eased restrictions on interprovincial labour mobility while maintaining CPA Ontario's commitment to the highest standards for licensure. This year, these changes were implemented and the PASC continued its work to identify further opportunities to promote harmonization, support labour mobility and reduce the regulatory burden without introducing risk to public protection.



Further information on public accounting licensure is included in CPA Ontario's [Annual Supplemental Report on Public Accounting](#).



Evaluating Quality & Reinforcing Professional Standards

Practice Inspection

Practice Inspection assesses practitioners who perform assurance, compilation and other specified engagements to determine if their work is complying with professional standards.

CPA Ontario's approach is to examine both the quality management systems of firms and completed engagement files to identify instances where firms fall short, providing a more complete picture of the overall quality of their work.

If firms are found to be non-compliant with professional standards, it is the role of the Practice Inspection Committee (PIC) to determine if remedial action is required, which could include referral to the Professional Conduct Committee (PCC) for possible disciplinary action.

Practice Inspection Committee

The Practice Inspection Committee is made up of experienced volunteer members of the profession appointed by Council.

The Committee is responsible for administering the practice inspection program and for determining the outcome of inspections.

With ongoing challenges in the adoption of Canadian Standards on Quality Management

(CSQMs) in addition to the results of the [focused review on audit quality](#), the Practice Inspection team launched an Enhanced Quality Management Review (EQMR) program. An extension of our proactive approach to regulation, the EQMR assesses and tests the design and implementation of quality management controls and processes. Three firms were subject to the EQMR program in its initial year, and the program will continue to expand in the years ahead.

For more information on the Enhanced Quality Management Review program, see [page 27](#).

Meet Your Regulator

Practice Inspection proved to be one of the most popular topics in the CPA Ontario Meet Your Regulator series. This free professional development session covered a wide range of topics, with an emphasis on CSQM and the Canadian Standard on Related Services (CSRS) 4200, given the ongoing challenges some firms face with the implementation of these standards.

Meet Your Regulator on Practice Inspection also covered what firms can expect when undergoing an inspection, as well as insights into why some firms are reinspected or referred to the PCC.

More than **2,200 members** registered for the session and the recording of this session is available on demand for members on the CPA Ontario website.

RESULTS OF ASSURANCE PRACTICE INSPECTIONS

Findings Definitions

All findings in a practice inspection are classified in one of three categories:

Reportable deficiency
A finding that is a material departure from Professional Standards.

Significant reportable deficiency
A reportable deficiency that is important to the quality of the work performed to support the report or the usefulness of the financial statements.

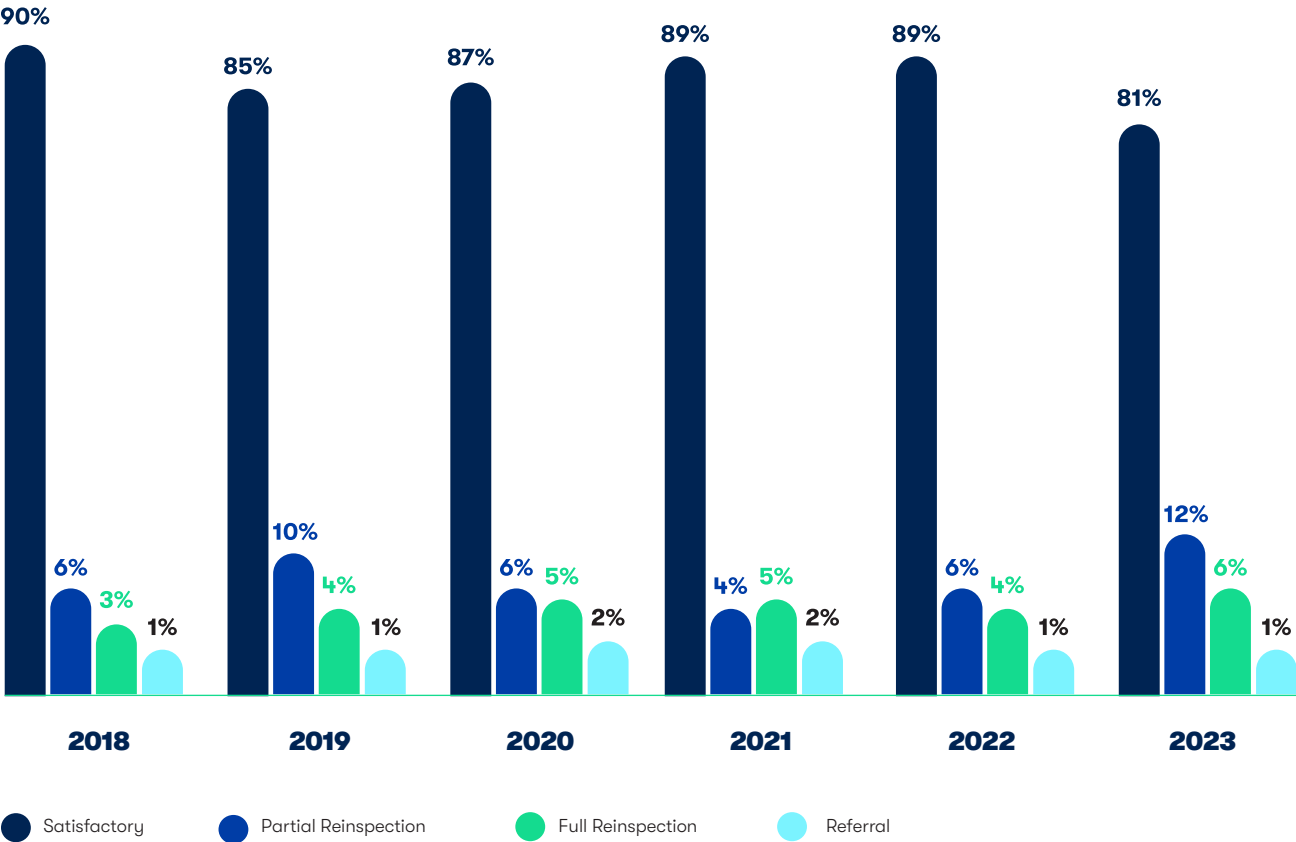
Non-reportable matter
A matter that is an immaterial departure from Professional Standards.

CPA Ontario inspects firms a minimum of once every three years. Last year, we inspected or reinspected 1,180 firms, of which 412 provide assurance services and 768 provide compilation services but do not perform assurance engagements.

In 2023, approximately 81% of inspected assurance firms had satisfactory inspection results while the remaining 19% had reportable deficiencies of such significance that they were subject to remedial action. This marks a decline from 2022, when 11% of inspected assurance firms had reportable deficiencies requiring action.

Full reinspection was required for 6% of firms in 2023, an increase from 4% in 2022. There was also an increase in the number of partial reinspections in 2023, doubling to 12% in 2023 from 6% in 2022. This increase was due, in part, to the number of assurance firms who were not successful in the implementation of CSRS 4200, Compilation Engagements.

Trends in Inspections of Assurance Firms



In the next inspection year, reinspections will focus on the implementation of relevant accounting, assurance and compilation standards and changes to the firm's system of quality management to ensure they have brought their processes up to the standards.

RESULTS OF ASSURANCE PRACTICE REINSPCTIONS

In most instances, firms will be required to undergo a reinspection rather than immediate referral to the PCC, providing them with the opportunity to bring their work up to standard.

Inspection Outcome Definitions

Satisfactory

No further action was required or the firm provided an acceptable action plan

Partial reinspection

Certain components of the firm are subject to reinspection such as a focus on a certain partner or accounting or assurance framework

Full reinspection

All components of the firm are subject to reinspection

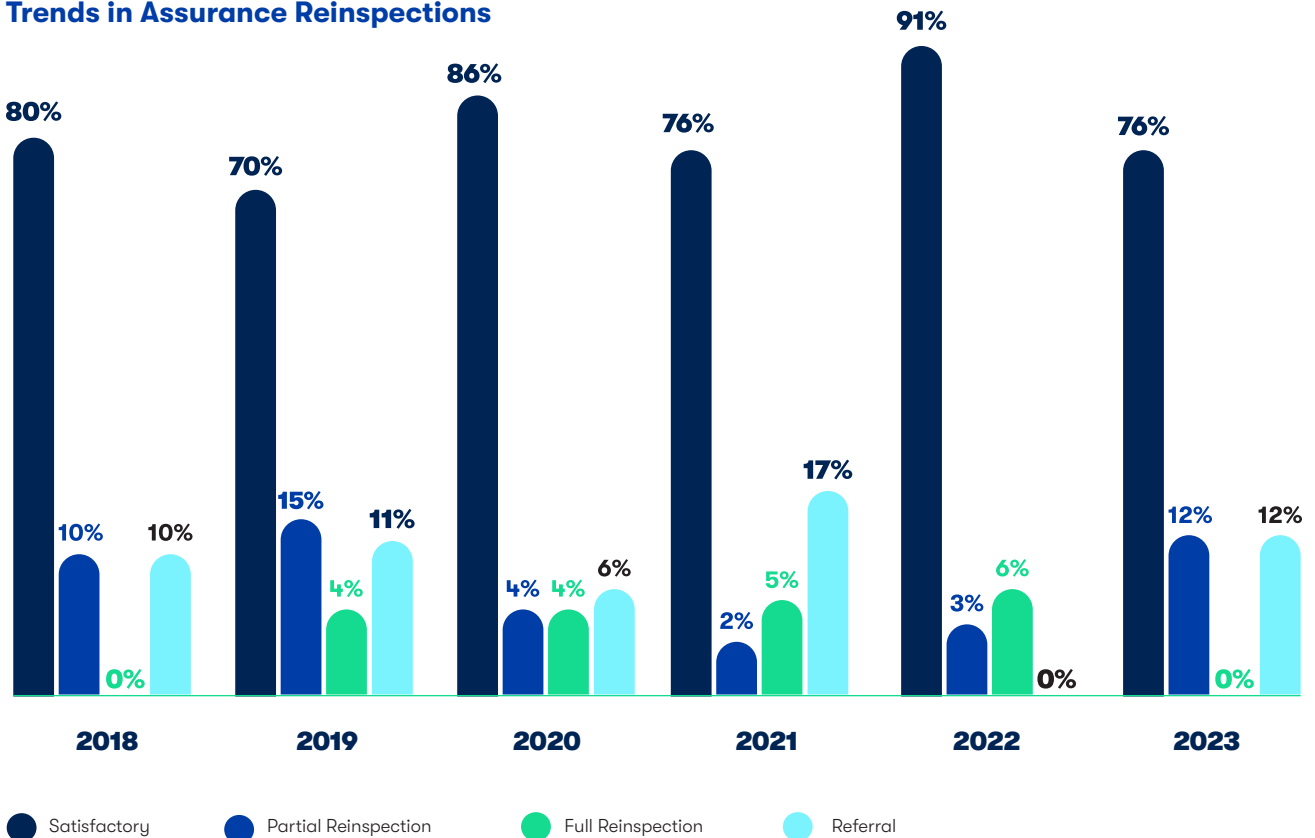
Referral

The firm is referred to the PCC, who will perform an independent investigation to determine whether disciplinary actions are warranted

Historically, the reinspection process has been very successful, with satisfactory outcomes over the past six years ranging from **70% to 91%**.

Most firms take the reinspection process as an opportunity to undertake timely and appropriate corrective action and improve the quality of their work. When firms do not demonstrate sufficient improvement in quality following the reinspection process, they are referred to the PCC for investigation to determine if disciplinary action is necessary.

Trends in Assurance Reinspections



NATIONAL FIRM RESULTS

During the 2023 inspection year, we inspected 252 engagement files issued by Ontario’s national accounting firms¹.

Significant reportable deficiencies were identified in 28% of inspected files, compared to 23% in 2022 and 39% in 2021. These inspections resulted in two firms requiring reinspection in 2023, compared with one in 2022 and none in 2021. There were no instances identified in which the deficiencies would adversely affect the opinion on these engagements to the extent that a referral to PCC would be warranted.

However, these deficiencies are an important signifier of the quality of the work being performed and underscore the need for these firms to do more to enhance engagement quality.

Through the EQMR, we will be monitoring the work of the national firms and recommend that firms perform a thorough assessment of the quality management system (QMS), developing action plans for reducing deficiencies, improving quality and meeting the standards.

RESULTS OF COMPILATION-ONLY INSPECTIONS

We remain concerned with the inspection results for firms that only perform compilations. Historically, under the previous standard (section 9200), 99% of inspections concluded with satisfactory results. However, over the past several years, our inspection results have made it clear that practitioners are facing challenges with the adoption of CSRS 4200, the new standard which took effect in 2021.

Early adopters of this standard were inspected in 2021, while 2022 inspections included inspections under both the old and new standards. As of 2023, all inspections were performed under the new standard and of the 768 firms that we inspected, only 81% resulted in satisfactory results. This represents a significant decline in results from the previous standard.

With CSRS 4200 now the standard for all firms performing compilations, members are reminded that their work will be evaluated against this standard, and they must take the appropriate measures to adopt this standard and improve the quality of their work.

Deficiencies Driving Unsatisfactory Compliance Inspection Results

Unsatisfactory results fall into one of three categories:



Lack of awareness and failure to adopt the new standard in any way



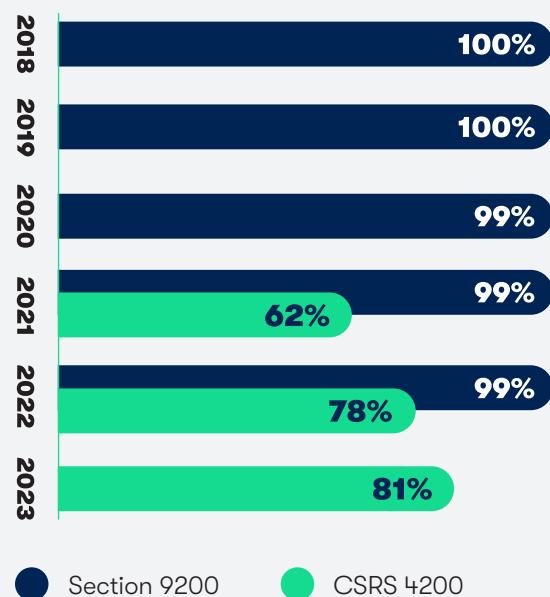
Missing or misleading basis of accounting disclosures



Insufficient documentation with respect to the client’s business, operations, accounting systems and the basis of accounting applied

Trends in Inspections of Compilation-Only Firms

% of inspections with Satisfactory results



1. BDO Canada LLP, Deloitte LLP, Ernst & Young LLP, Grant Thornton LLP, KPMG LLP, MNP LLP, PricewaterhouseCoopers LLP

REFERRALS

Nature of Referrals to PCC

	2023	2022	2021	2020	2019	2018
Inadequate professional standards	3	2	9	11	4	5
Modification/backdating of working papers	4	1	4	1	0	0
Both professional standards and modification/backdating	1	1	0	0	1	0
Licensing issues	4	0	1	1	1	0
TOTAL REFERRALS	12	4	14	13	6	5

In total, 12 firms were referred to the PCC in 2023. Four firms were referred for failing to demonstrate sufficient improvement in the quality of their work following a reinspection, while the remaining firms were referred to the PCC for specific matters.

The referrals to PCC included five firms where there was possible modification and backdating of documents to make them appear as if they had been prepared on or before the date of the corresponding report. In every instance, the allegations related to individuals and may not be considered pervasive, and none related to Reporting Issuer engagements.

Backdating is a serious issue that presents a risk to the public and the reputation of the profession by obscuring when and what work was performed and reviewed. As cited in our focused review of audit quality, backdating creates questions about the accuracy and timeliness of documentation and the overall quality of the audit.

Backdating is a clear violation of the CPA Code of Professional Conduct and is never acceptable.

ENHANCED QUALITY MANAGEMENT REVIEWS

This past year, CPA Ontario built on its proactive approach to monitoring audit quality performance through the start of the Enhanced Quality Management Review (EQMR) program. Informed by the findings of our focused review, the EQMR emphasizes the importance of managing risks to quality management, taking into account the five areas reported in [Upholding High Standards to Protect the Public: Managing Audit Quality 2023](#).

The program aligns with CSQM 1 and 2, evaluating firms based on the elements of those standards, which became effective for assurance practitioners in 2022. These standards are risk-based, requiring practitioners to understand the risks relating to their practice, while requiring firms to develop processes to mitigate those risks.

The EQMR program is designed to assess the design and implementation of relevant controls and processes, while also testing the effectiveness of those controls. Firms are selected for an Enhanced

Quality Management Review based on their risk profile, including their size, types of engagements and the nature of their client industries.

The EQMR program was piloted with three firms in 2023, and plans are underway to expand the program to nine firms in 2024. Deficiencies in the quality management system were identified in each of the three firms this year, and one firm will be subject to reinspection in 2024 due to the number of deficiencies identified.

Regardless of the outcome of their review, every firm inspected through the EQMR is issued a Quality Management Review Report, outlining the findings of the review and remedial actions the firm needs to take to improve their controls and processes.

Firms that are not currently subject to EQMR program are reminded that they are still expected to comply with CSQM 1 and 2. As part of a firm's regular cyclical inspection, Practice Inspection will be undertaking targeted inspection activities of selected controls in the coming year.

Due to the findings in [CPA Ontario's focused review of audit quality](#), four firms were referred to the Practice Inspection team for targeted review of specific policies and procedures. Of those four referrals, one firm ceased to provide assurance services while another is exiting the Reporting Issuer market, thus reducing their risk profile.

In addition, further concerns with the system of quality of management were identified for the two remaining firms referred to practice inspection through our [focused review of audit quality](#). They will be subject to the full EQMR program in the coming year.

As of December 15, 2023, firms that perform only compilation services were also required to implement the new quality management standard. As the prior standard, the Canadian Standard on Quality Control (CSQC), excluded these firms, there is concern that these practitioners will struggle with adopting CSQM 1 and 2 and may result in the need for more reinspections in the future.

Practitioners should enroll in relevant professional development courses to refresh their skills with respect to both the compilation and quality management standards. CPA Ontario will continue to monitor firm progress through the inspection process and recommend remedial action when necessary.

CPA Ontario members are expected to perform to the highest standards of the profession in their engagements. As standards continue to evolve, it is the responsibility of all CPAs in Ontario to ensure that they are taking the necessary steps to adapt to new standards as they come into effect.

Deficiencies Identified in EQMR

Deficiencies identified in firms' quality management systems through the EQMR include:



Late assembly or archiving of engagement files



Inadequate monitoring of sufficiency of continuing professional development



Inadequate evaluation of the qualifications of independent monitors

TOP TEN

Significant Reportable Deficiencies Identified in Audit Engagements

- 1 Substantive audit procedures performed not sufficiently documented, most commonly in the areas of revenue, payroll and other expenses
 - 2 Journal entries not tested
 - 3 Subsequent events procedures not completed up to the date of the report
 - 4 Written representation from management not appropriately dated
 - 5 No evaluation of which types of revenue, transactions or assertions gave rise to fraud risk
 - 6 No assessment of inherent risk for identified risks of material misstatement at the assertion level
 - 7 Audit sampling procedures inadequate
 - 8 Insufficient procedures performed to identify subsequent events
 - 9 Auditor's report not compliant with requirements
 - 10 Insufficient documentation of risk assessment procedures with respect to obtaining an understanding of the entity's information system and communication
-

TOP TEN

Significant Reportable Deficiencies Identified in Review Engagements

- 1 Inquiry and analytical procedures not sufficiently documented, most commonly in the areas of revenue, related party balances and classification of preferred shares
- 2 Date of written representation not near as practicable to date of report
- 3 Lack of documentation of individuals performing and reviewing the work, including the date of completion and review
- 4 Identification of areas of potential material misstatements not documented
- 5 Documentation of understanding of the entity insufficient
- 6 Understanding of entity's accounting systems and records not adequately documented
- 7 Engagement letter not obtained prior to performing the engagement
- 8 Engagement letter not obtained
- 9 Practitioner's opinion missing required items
- 10 Required inquiries of management not completed

Maintaining the Public Trust

OVERVIEW OF CPA ONTARIO'S DISCIPLINARY PROCESS



Intake and Assessment staff review complaints received, gather facts from the relevant parties and provide the following direction.



- No breach found — file closed.
- Refer to Professional Conduct Committee (PCC).
- Refer to Vice-President, Investigations and Prosecutions to appoint investigator. Investigator reports findings to the PCC.

DISCIPLINE COMMITTEE



PCC reviews complaints and provides the following direction.



- No breach found — file closed.
- Possible breach — guidance and advice, or admonishment, provided to member, student or firm to assist them and then file closed.
- Appoint investigator to gather additional facts. Professional Conduct Committee reviews the investigator report and may instruct Investigations and Prosecutions staff to prepare allegations of misconduct and go to Discipline Committee, or it may close the file or provide guidance or admonishment to the member, student or firm.

Discipline Committee holds a contested or settlement hearing.

Maintaining Accountability to the Public

Standards Enforcement

When the public has concerns regarding the conduct of a CPA Ontario member, student or firm, Standards Enforcement is the conduit for bringing those concerns to the attention of the Professional Conduct Committee.

CPA Ontario's handling of complaints is critical to maintaining public trust. Assessments of complaints are made around three main considerations:

- Does CPA Ontario have jurisdiction over the subject of the complaint?
- Would the alleged misconduct demonstrate a potential failure by the member, student or firm to meet the standards of the profession?
- Was there a breach of the standards of the profession?

Standards Enforcement acts as unbiased fact finders to gather information from the parties to a complaint, and CPA Ontario members, students and firms are required to co-operate with CPA Ontario's regulatory process. Failure to co-operate in the complaints process could result in formal allegations of professional misconduct and a hearing before the Discipline Committee.

Members, firms and students should receive timely due process and the public expects efficient, effective regulation of the profession. Standards Enforcement holds itself accountable to three public facing KPIs, including acknowledging complaints within 24 hours, initial review of files within the first 30 days, and issuing a decision within an average of eight months.

Standards Enforcement met all its KPIs over the previous year. Of note, the average time to decision was 6.4 months, exceeding both the target of eight months and the prior year timeline despite a 26% increase in complaint volume over the previous year.

As the role of CPAs evolves, the nature of complaints received by Standards Enforcement is expected to evolve with it. Standards Enforcement continues to build the subject matter expertise on topics ranging from cyber security to sustainability standards to ensure that it can respond to any public complaint with the necessary expertise and insight.

The Professional Conduct Committee

Comprised of experienced volunteer members of the profession and public representatives appointed by CPA Ontario Council, the Professional Conduct Committee is charged with the responsibility for administering the CPA Code of Professional Conduct and the Student Code.

The PCC is investigative, not adjudicative, and any conclusions reached by the PCC, including any guidance or admonishment provided to the respondent, are based on information obtained through the investigative process that has not been tested in a formal hearing.



Protecting the Public and the Reputation of the Profession

Investigations and Prosecutions

The Investigations and Prosecutions team investigates and litigates cases involving violations of the CPA Code of Professional Conduct and prosecutes non-members under the *Provincial Offences Act* in court for the misuse of the CPA designation or other unauthorized practice.

CPA Ontario continued to bring investigations to the PCC for consideration expeditiously. Consistent with prior years, we met our target of concluding 85% of investigations within an average closure of five months.

This year, 45 investigations were completed, of which 10% were closed, 30% were closed with guidance or admonishment from the PCC, and 60% were referred to the Discipline Committee.

TRIBUNAL SANCTIONS

Sanctioning professional misconduct is critical to protecting the public, promoting confidence in the profession, deterring others from engaging in misconduct, and maintaining high ethical standards.

As part of our disciplinary process, 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. A requirement to repay costs is not a penalty or sanction.

During the past year, 33 discipline/settlement cases were completed. A significant increase in the overall

finances and costs this year stems from two settlements with firms in which fines totalled \$1.9M and costs totalled \$1.15M. In both settlements, the conduct at issue was the firm's failure to establish, maintain, and uphold appropriate policies and procedures to ensure that: firm services were performed in accordance with generally accepted standards of practice of the profession; and in the conduct of the practice, the members who are associated with the firm complied with the CPA Ontario Code of Professional Conduct. The conduct in both cases tied to the firms' audit practices. One related to backdating audit working papers, and the other to answer sharing during mandatory internal training assessments, including training on accounting and auditing standards, audit strategy, planning procedures and documentation, and independence, among others.

Almost half of the discipline/settlement proceedings were associated with assurance standards and audit quality, including the settlements noted above. In addition to fines, proceedings associated with professional standards resulted in eight practice restrictions, and three revocations of membership.

TRIBUNAL OUTCOMES

	FY24*	FY23	FY22
Number of Proceedings Concluded	33	17	20

SANCTIONS

Fines	\$2,415,000	\$322,500	\$452,500
Suspensions	5	2	4
Revocations	12	7	5
Practice Restrictions	9	6	5

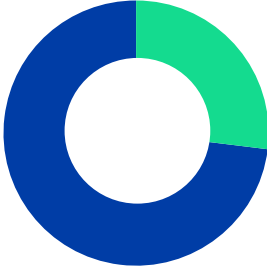
COSTS ORDERED

	\$1,793,020	\$237,955	\$513,470
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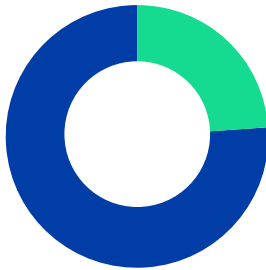
Nature of Cases



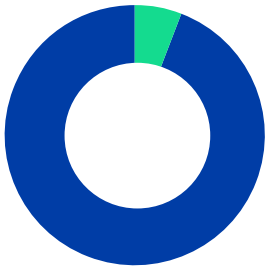
Professional standards and competence, including audit quality
43%



Profession's reputation
27%



Non-cooperation
24%



Firm Policies and Procedures
6%

*Contributing to the increase in overall fines and costs in FY24 were significant outcomes from settlements with two firms.

COURT PROCEEDINGS – UNAUTHORIZED PRACTICE

CPA Ontario reached a \$1.2 million out of court settlement with US.-based Marcum LLP, resolving its investigation and prosecution of offences under the *Chartered Professional Accountants of Ontario Act, 2017*, and the *Public Accounting Act, 2004*. The settlement resolved allegations of multiple instances of partners of the firm engaging in public accounting work in Ontario without appropriate registration and licensing.

Unregistered and unlicensed foreign accounting firms operating in Ontario do so without our critical regulatory oversight that ensures public protection and confidence in public accounting. As part of this resolution, Marcum LLP paid CDN \$1 million to the Government of Ontario and CDN \$200,000 to CPA Ontario in respect of its investigation and prosecution costs.

In addition, CPA Ontario concluded the prosecution of five individuals in provincial court for various registration and licensing offences, resulting in total fines of \$88,000. In four cases, two-year probation orders were also obtained.

Appendix A

Appendix A

Summary of Disciplinary Actions

SCOTT D. BATES (2014, Newmarket)

Suspended CPA, CA

Rule: Rule 104.2 – Requirement to co-operate

Conduct: The Member, between July 1, 2023 and August 31, 2023, failed to cooperate with the regulatory process of CPA Ontario in that they failed to promptly reply in writing to communications from the Standards Enforcement department of CPA Ontario to which a written reply was specifically required.

Finding: On January 25, 2024, the Member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: \$5,000 fine
Order to cooperate
Notice to all members of CPA Ontario, all provincial bodies, and the public

Costs: \$4,100
[Discipline File](#)

As a result of the Member's failure to comply with the Order, his membership was suspended effective March 1, 2024. Subsequent to year-end, his membership was revoked.

MIHONRON M. CAMARA (2007, Toronto)

Revoked CPA, CGA

Rule: Rule 104.2 – Requirement to cooperate

Conduct: Between March 24, 2023 and May 10, 2023, the Member failed to cooperate with the regulatory process of CPA Ontario in that he failed or refused to promptly produce documents when required to do so by CPA Ontario.

Finding: On September 6, 2023, the Member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$10,000 fine
Order to cooperate with the Professional Conduct Committee
Notice to all members of CPA Ontario, all provincial CPA bodies, and the public

Costs: \$10,900
[Discipline File](#)

As a result of the Member's failure to comply with the Order, his membership was revoked effective October 20, 2023

CHRISTOPHER L. COOK (2009, Ilderton)

Revoked CPA, CA

Rule: Rule 104.2 – Failure to cooperate with the regulatory process of CPA Ontario

Conduct: Between August 2, 2022 and January 11, 2023, the member failed to cooperate with the regulatory process of CPA Ontario by failing to reply promptly in writing to communications from the Standards Enforcement department of CPA Ontario, to which a written reply was specifically required.

Finding: On May 18, 2023, the member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$5,000 fine
Notice to all members of CPA Ontario, all provincial CPA bodies and the public

Costs: \$2,200
[Discipline File](#)

As a result of the Member’s failure to comply with the Order, his membership was revoked effective September 26, 2023.

KHA DINH DANG, CPA, CA (2005, Mississauga)

Settlement Agreement

Conduct: The Member failed to perform his professional services in accordance with the generally accepted standards of practice of the profession while engaged to perform reviews and audits of financial statements of multiple clients.

Terms: On December 11, 2023, the following settlement terms were approved:

\$7,500 fine
Surrender of Public Accounting Licence
Practice Restriction
Notice to all members of CPA Ontario, Public Accounting Standards Committee, all provincial CPA bodies, and the public
Newspaper publication

Costs: \$16,000
[Settlement File](#)

DELOITTE LLP

Settlement Agreement

Conduct: The Firm failed to establish, maintain, and uphold appropriate policies and procedures to ensure that: its services were performed in accordance with generally accepted standards of practice of the profession; and in the conduct of the practice, the members who are associated with the Firm complied with the CPA Ontario Code of Professional Conduct.

Terms: On October 27, 2023, the following settlement terms were approved:

\$900,000 fine

Notice to all members of CPA Ontario, Public Accounting Standards Committee, all provincial CPA bodies, and the public

Newspaper publication

Costs: \$695,000

[Settlement File](#)

PAUL W. EASTERBROOK (2014, Mississauga)

Revoked CPA, CA

Rule: Rule 201.1 – Maintenance of the good reputation of the profession

Conduct: In or about May 2022, the member failed to conduct themselves in a manner which will maintain the good reputation of the profession and serve the public interest in that they sent unprofessional and sexually suggestive electronic messages to a former student of a CPA Ontario Professional Education Program course for which they were the facilitator.

Finding: On May 4, 2023, the member was found to have committed professional misconduct by breaching Rule 201.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$7,500 fine
6 month suspension
Member shall refrain from acting as a facilitator in the CPA Professional Education Program (PEP)
Notice to all members of CPA Ontario, all provincial CPA bodies and the public

Costs: \$14,807
[Discipline File](#)

As a result of the Member's failure to comply with the Order, his membership was revoked effective February 12, 2024.

GARY EDGECOMBE, CPA, CA (1992, Elmvale)

Settlement Agreement

Conduct: The member failed to co-operate with the regulatory processes of CPA Ontario (Rule 104.2) and perform his professional work in accordance with generally accepted standards of the profession (Rules 202 and 206.1)

Terms: On August 17, 2023, the following settlement terms were approved:

- \$15,000 fine
 - Four-month suspension, commencing the fifth month following the approval of the Settlement Agreement
 - Practice restriction
 - Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public
 - Newspaper publication of suspension and practice restriction
-

Costs: \$47,000
[Settlement File](#)

NANCY EWINGS, CPA, CA (1997, Oakville)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession and to conduct themselves in a manner that will maintain the good reputation of the profession and serve the public interest, contrary to Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On March 15, 2024, the following settlement terms were approved:

\$20,000 fine
Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Costs: \$20,000
[Settlement File](#)

ALLAN S. GROSSMAN (1969, Toronto)

Revoked CPA, CA

Rule: Rule 201.1 – Maintenance of the good reputation of the profession

Conduct: The Member was found to have breached the *Securities Act*, as described in the Reasons and Decision of the Ontario Securities Commission Tribunal dated March 28, 2022.

Finding: On October 3, 2023, the Member was found to have committed professional misconduct by breaching Rule 201.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$25,000 fine
Revocation
Notice to all members of CPA Ontario, all provincial CPA bodies, and the public
Newspaper publication

Costs: \$7,697
[Discipline File](#)

RAUF HAMEED (2017, Guelph)

Revoked CPA, CA

Rules: Rule 201.1 – Maintenance of the good reputation of the profession
Rule 205 – False or misleading documents and oral representations

Conduct: The Member made or associated with false or misleading statements and representations related to his applications for employment, in that he simultaneously maintained full-time employment with two accounting firms without advising the firms, impersonated another individual to obtain confidential information, and sent over 100 emails to a company, government agencies, officials, and regulators alleging fraud against the company and that the company was engaged in fraud.

Finding: On September 26, 2023, the Panel was satisfied that Allegations 1, 2, 3, 5, and 6 were proven and constituted breaches of Rules 201.1 and 205 of the Code of Professional Conduct. The Member was found to have committed professional misconduct. The Panel concluded that Allegation 4 was not proven.

Sanction: Reprimand
\$20,000 fine
Revocation
Notice to all members of CPA Ontario, all provincial CPA bodies,
and the public
Newspaper publication

Costs: \$58,750
[Discipline File](#)

WILLIAM L. HILSON (1999, Toronto)

Suspended CPA, CA

Rule: Rule 201.1 – Maintenance of the good reputation of the profession

Conduct: While acting as the Chief Commercial Officer of a company, the Member failed to maintain the good reputation of the profession and its ability to serve the public interest by failing to take appropriate steps to address the recognition of revenue in the interim financial statements for the third quarter in 2019.

Finding: On January 18, 2024, the Member was found to have committed professional misconduct by breaching Rule 201.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$25,000 fine
6 month suspension
Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Costs: \$5,000
[Discipline File](#)

MICHAEL G. HOLLOWAY, CPA, CA (1988, BRAMPTON)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession contrary to Rule 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On February 23, 2024, the following settlement terms were approved:

- \$10,000 fine
- Surrender of Public Accounting Licence
- Practice Restriction
- Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public
- Newspaper Publication

Costs: \$15,000
[Settlement File](#)

GONGSHU (GRACE) HUANG, CPA, CGA (2005, Oakville)

Rule: Rule 104.2 – Failure to cooperate with the regulatory process of CPA Ontario

Conduct: Between May 20, 2022 and January 11, 2023, the member failed to cooperate with the regulatory process of CPA Ontario by failing to reply promptly in writing to communications from the Standards Enforcement department of CPA Ontario, to which a written reply was specifically required.

Finding: On May 25, 2023, the member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$5,000 fine
Notice to all members of CPA Ontario, all provincial CPA bodies, and the public

Costs: \$3,000
[Discipline File](#)

MICHAEL IANNONE (1984, Stouffville)

Revoked CPA, CA

Rule: Rule 104.2 – Failure to cooperate with the regulatory process of CPA Ontario

Conduct: Between September 20, 2022 and February 8, 2023, the member failed to cooperate with the regulatory process of CPA Ontario by failing to reply promptly in writing to communications from the Standards Enforcement Department of CPA Ontario, to which a written reply was specifically required.

Finding: On June 15, 2023, the member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$5,000 fine
Notice to all members of CPA Ontario, all provincial CPA bodies, and the public

Costs: \$2,928
[Discipline File](#)

As a result of the Member’s failure to comply with the Order, his membership was revoked effective September 27, 2023.

KAREN JAKUBOS, CPA, CGA (2011, Wasaga Beach)

Settlement Agreement

Conduct: The member acted as the engagement partner for the review of financial statements without a Public Accounting Licence, failed to co-operate with the regulatory processes of CPA Ontario, failed to carry out her professional services with integrity, objectivity, and due care, and failed to perform her professional work in accordance with generally accepted standards of the profession.

Terms: On August 17, 2023, the following settlement terms were approved:

\$20,000 fine

Four-month suspension

Practice restriction

Barred from ever holding a Public Accounting Licence

Notice to all members of CPA Ontario, the Public Accounting Standards

Committee, all provincial CPA bodies, and the public

Newspaper publication of suspension and practice restriction

Costs: \$47,000

[Settlement File](#)

MIHAJLO (MIKE) KANGRGA (1998, Etobicoke)

Revoked CPA, CA

Rule: Rule 104.2 – Failure to cooperate with the regulatory process of CPA Ontario

Conduct: Between November 18, 2022 to May 26, 2023, the Member failed to cooperate with the regulatory process of CPA Ontario in that he failed to promptly reply in writing to communications from CPA Ontario to which a written reply was specifically required.

Finding: On September 20, 2023, the Member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$5,000 fine
Order to cooperate with the Professional Conduct Committee
Notice to all members of CPA Ontario, all provincial CPA bodies, and the public

Costs: \$4,300
[Discipline File](#)

As a result of the Member’s failure to comply with the Order, his membership was revoked effective October 11, 2023.

SUNNY S. KHOSLA (2012, Ottawa)

Revoked CPA, CA

Rules: Rule 201.1 – Maintenance of the good reputation of the profession
Rule 205 – False or misleading documents and oral representations

Conduct: The Member, from January 1, 2018 to August 13, 2020, while Chief Financial Officer, failed to act in a manner which will maintain the good reputation of the profession and serve the public interest and associated himself with statements which he knew or should have known were false or misleading.

Finding: On November 20, 2023, the Member was found to have committed professional misconduct by breaching Rules 201.1 and 205 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$40,000 fine
Revocation
Notice to all members of CPA Ontario, all provincial bodies and the public
Newspaper publication

Costs: \$17,000
[Discipline File](#)

STACY LEVAC, CPA, CA (2005, Ottawa)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession and to conduct themselves in a manner that will maintain the good reputation of the profession and serve the public interest, contrary to Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On March 15, 2024, the following settlement terms were approved:

\$20,000 fine

Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Costs: \$20,000
[Settlement File](#)

STEVEN LAWRENSON, CPA, CA (1994, Kitchener)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession and to conduct themselves in a manner that will maintain the good reputation of the profession and serve the public interest, contrary to Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On March 15, 2024, the following settlement terms were approved:

\$20,000 fine

Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Costs: \$20,000
[Settlement File](#)

JOHN E.A. IAN MIDDLETON CPA, CA (1974 [QC], 1986 [ON] Whitby)

Rule: Rule 104.2 – Failure to cooperate with the regulatory process of CPA Ontario

Conduct: Between September 28, 2022 and January 11, 2023, the member failed to cooperate with the regulatory process of CPA Ontario by failing to reply promptly in writing to communications from the Standards Enforcement department of CPA Ontario, to which a written reply was specifically required.

Finding: On May 16, 2023, the member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$5,000 fine
Cooperation with the Professional Conduct Committee
Notice to all members of CPA Ontario, all provincial CPA bodies and the public

Costs: \$3,200
[Discipline File](#)

PRICEWATERHOUSECOOPERS LLP

Settlement Agreement

Conduct: The Firm failed to establish, maintain, and uphold appropriate policies and procedures to ensure that: its services were performed in accordance with generally accepted standards of practice of the profession; and in the conduct of the practice, the members who are associated with the Firm complied with the CPA Ontario Code of Professional Conduct.

Terms: On December 11, 2023, the following settlement terms were approved:

\$1,000,000 fine
Notice to all members of CPA Ontario, Public Accounting Standards Committee, all provincial CPA bodies, and the public
Newspaper publication

Costs: \$455,000
[Settlement File](#)

RATAN RALLIARAM, CPA, CA (1999, Mississauga)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession and to conduct themselves in a manner that will maintain the good reputation of the profession and serve the public interest, contrary to Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On March 15, 2024, the following settlement terms were approved:

\$20,000 fine

Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Costs: \$20,000

[Settlement File](#)

MERVYN RAMOS, CPA, CA (1995, Oakville)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession and to conduct themselves in a manner that will maintain the good reputation of the profession and serve the public interest, contrary to Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On March 15, 2024, the following settlement terms were approved:

\$20,000 fine

Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Costs: \$20,000
[Settlement File](#)

GARY A. ROZON, CPA, CMA (2014, Nepean)

Rules: Rule 101 – Compliance with governing legislation, bylaws, regulations, and the CPA Ontario Code of Professional Conduct
Rule 203 – Professional competence
Rule 206.1 – Compliance with professional standards
Rule 218 – Retention of documentation and working papers
Rule 409 – Practice of public accounting in corporate form

Conduct: The Member engaged in the practice of public accounting or provided accounting services to the public without registering a firm with CPA Ontario, practiced public accounting through an improperly registered corporation, failed to sustain professional competence while conducting Elections Canada audits, did not consistently retain files related to Elections Canada audits for at least five years from the date of the auditor’s report, and failed to perform his professional services in accordance with generally accepted standards of practice of the profession while engaged to perform two audits.

Finding: On November 6, 2023, the Member was found to have committed professional misconduct by breaching Rules 101, 203, 206.1, 218 and 409 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$20,000 fine
Practice restriction
Notice to all members of CPA Ontario, all provincial bodies, and Elections Canada and the public
Newspaper publication

Costs: \$44,137
[Discipline File](#)

HEDRA L. SAPARNO (2014, Stittsville)

Revoked CPA, CMA

Rules: Rule 101.1(b) – Compliance with governing legislation, bylaws, regulations and the CPA Ontario Code of Professional Conduct
Rule 201.1 – Maintenance of the good reputation of the profession
Rule 206.1 - Compliance with professional standards

Conduct: The Member, a senior manager, prepared and issued financial statements in 52 audits and three reviews on behalf of 21 clients without a valid Public Accounting Licence. While engaged to perform assurance services on the Finalized Statements, the Member failed to conduct himself in a manner which will maintain the good reputation of the profession and serve the public interest and failed to perform his professional services in accordance with generally accepted standards of practice of the profession.

Finding: On November 24, 2023, the Member was found to have committed professional misconduct by breaching Rules 101.1(b), 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$30,000 fine
Revocation
Notice to all members of CPA Ontario, all provincial bodies, and the public
Newspaper publication

Costs: \$30,000
[Discipline File](#)

MICHAEL E. SPITTERS (2016, London)

Revoked CPA, CA

Rules: Rule 104.2 – Requirement to co-operate
Rule 201.1 – Maintenance of the good reputation of the profession

Conduct: Between July 1, 2020 and January 31, 2022, the Member misappropriated approximately \$33,219 from his employer and from August 1, 2022 to February 28, 2023, failed to cooperate with the regulatory process of CPA Ontario.

Finding: On August 30, 2023, the Member was found to have committed professional misconduct by breaching Rules 104.2 and 201.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$30,000 fine
Revocation
Notice to all members of CPA Ontario, all provincial bodies, and the public
Newspaper publication

Costs: \$80,000
[Discipline File](#)

SHAMSUDDIN TEJANI (2001, Markham)

Revoked CPA, CA

Rules: Rule 201.1 – Maintenance of the good reputation of the profession
Rule 206.1 – Compliance with professional standards

Conduct: The Member issued ten assurance engagement reports without advising the supervisor of their existence or obtaining supervisor sign-off as was required pursuant to a Supervision Agreement and failed to perform his professional services in accordance with generally accepted standards of practice of the profession while engaged to perform audits of financial statements.

Finding: On September 22, 2023, the Member was found to have committed professional misconduct by breaching Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$12,500 fine
Revocation
Notice to all members of CPA Ontario, all provincial bodies, and the public
Newspaper publication

Costs: \$15,000
[Discipline File](#)

CARLO VIOLA, CPA, CA (1997, Woodbridge)

Rule: Rule 206.1 – Compliance with professional standards

Conduct: The Member, while engaged to perform an audit of “MCC” from February 8, 2021 to February 27, 2021, review engagement of “PEI”, from May 30, 2021 to June 24, 2021, and an audit engagement of “PFI”, failed to perform his professional services in accordance with generally accepted standards of practice of the profession.

Finding: On November 28, 2023, the Member was found to have committed professional misconduct by breaching Rule 206.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$25,000 fine
Practice restriction
Supervised Practice for a period of 18 months
Reinvestigation
Notice to all members of CPA Ontario, all provincial bodies, and the public
Newspaper publication

Costs: \$32,000
[Discipline File](#)

FREDERICK L.T. WATKIN, CPA, CA (2005, Brampton)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession contrary to Rule 206.1 the CPA Ontario Code of Professional Conduct.

Terms: On March 27, 2024, the following settlement terms were approved:

- \$7,500 fine
 - Surrender of Public Accounting Licence
 - Practice Restriction
 - Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public
 - Newspaper Publication
-

Costs: \$23,000
[Settlement File](#)

JOSEPH E. WATTIE (1984, Nepean)

Revoked CPA, CA

Rules: Rule 201.1 – Maintenance of the good reputation of the profession
Rule 206.1 – Compliance with professional standards

Conduct: The Member, a partner, from May 1, 2018 to December 31, 2021, while engaged to perform 52 audits and three review engagements on behalf of 21 clients, failed to conduct himself in a manner which will maintain the good reputation of the profession and serve the public interest; and from May 1, 2018, to February 1, 2022, failed to perform his professional services in accordance with generally accepted standards of practice of the profession.

Finding: On November 14, 2023, the Member was found to have committed professional misconduct by breaching Rules 201.1 and 206.1 of the CPA Ontario Code of Professional Conduct.

Sanction: Reprimand
\$50,000 fine
Revocation
Notice to all members of CPA Ontario, all provincial bodies, and the public
Newspaper publication

Costs: \$30,000
[Discipline File](#)

GARY J. WESTFALL, CPA, CA (1971, Brampton)

Settlement Agreement

Conduct: The Member failed to perform their professional services in accordance with the generally accepted standards of practice of profession contrary to Rule 206.1 of the CPA Ontario Code of Professional Conduct.

Terms: On February 23, 2024, the following settlement terms were approved:

\$10,000 fine

Surrender of Public Accounting Licence

Practice Restriction

Notice to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and the public

Newspaper Publication

Costs: \$16,000

[Settlement File](#)

JOE YALKEZIAN (2014, Cobourg)

Suspended CPA, CGA

Settlement Agreement

Conduct: The Member failed to act in a manner which will maintain the good reputation of the profession and serve the public interest; the Member also failed to promptly notify CPA Ontario that he was subject to a disciplinary process and had entered into a settlement agreement with another professional regulatory body, contrary to the CPA Ontario Code of Professional Conduct.

Sanction: On January 10, 2024, the following settlement terms were approved:

Written Reprimand
\$15,000 fine
12 month suspension
Notice to all members of CPA Ontario, Public Accounting Standards Committee, all provincial CPA bodies, and the public
Newspaper publication

Costs: \$10,000
[Settlement File](#)

DAVID A. YOUNG, CPA, CA (1985, Waterloo)

Rule: Rule 104.2 – Requirement to co-operate

Conduct: The Member, between June 12, 2023 and September 13, 2023, failed to cooperate with the regulatory process of CPA Ontario in that they failed to promptly reply in writing to communications from the Standards Enforcement department of CPA Ontario to which a written reply was specifically required.

Finding: On January 24, 2024, the Member was found to have committed professional misconduct by breaching Rule 104.2 of the CPA Ontario Code of Professional Conduct.

Sanction: \$5,000 fine
Order to cooperate
Notice to all members of CPA Ontario, all provincial bodies, and the public

Costs: \$4,000
[Discipline File](#)

Appendix B

Appendix B

Summary of Good Character Matters

If the Registrar is not satisfied that an applicant for registration as a student or admission to membership has provided evidence of good character, or where an assessment of the applicant's credibility is required, the matter is referred to the Admission and Registration Committee for an oral hearing. The Public Accounting Licensing Board may also refer a person seeking a licence for a good character hearing.

A.K.

Reason for referral: Conviction of simple assault under the Criminal Code and nondisclosure of the conviction while they were registered as a student with CPA Ontario.

Outcome: On March 16, 2023, the tribunal found the Applicant to be of good character as the misconduct constituted an impulsive, singular, one-time event, not reflective of a pattern of misconduct; the Applicant was remorseful and had engaged in various rehabilitative efforts; and there was a sufficient passage of time since the misconduct. The tribunal directed the Registrar to admit the Applicant as a member of CPA Ontario, upon them providing proof satisfactory to the Registrar of successful completion of a CPA recognized course or courses, acceptable to the Registrar, of not less than a total of seven and a half hours related to the ethical obligations of a Chartered Professional Accountant.

[Good Character File](#)

A.A

Reason for referral: Suspension of Ontario College of Pharmacists certificate of registration pursuant to proceedings arising from the Applicant's theft of narcotics from the pharmacy she was employed with.

Outcome: On July 12, 2023, the tribunal found the Applicant to be of good character, as despite the serious nature of the misconduct, there was no evidence that the Applicant had engaged in any subsequent misconduct, there was a sufficient passage of time since the misconduct, the Applicant was remorseful, had developed a robust support system, and provided an undertaking to the Registrar to undergo an independent medical examination at their own cost prior to submitting an application for membership. The tribunal directed the Registrar to register the Applicant as a student of CPA Ontario.

[Good Character File](#)

J.F.

Reason for referral: Found to have committed three academic offenses of unauthorized collaboration in relation to four assignments during an introductory course at the University of Waterloo.

Outcome: On May 30, 2023, the tribunal found that the Applicant failed to establish that they were of good character at the time of the hearing and their application for registration as a student with CPA Ontario was refused. The tribunal ordered that the Applicant may reapply for registration as a student with CPA Ontario two years from the date of the Order.

[Good Character File](#)

Z.S.

Reason for referral: Convictions under sections 253(1)(b) and 259 of the Criminal Code (driving while under the influence of alcohol and operating a vehicle while disqualified)

Outcome: On February 2, 2024, the Panel found that the Applicant had demonstrated that they were of good character, that they were genuinely remorseful and fully and freely admitted their wrongdoing to their employer, in their application to CPA Ontario and at the hearing, and directed the Registrar to register the Applicant as a student with CPA Ontario.

[Good Character File](#)
