

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

DISCIPLINE COMMITTEE

IN THE MATTER OF: A proposed Settlement Agreement between the Professional Conduct Committee of the Chartered Professional Accountants of Ontario and **ABDUL H. MOOSA, CPA, CGA**.

TO: Abdul H. Moosa, CPA, CGA

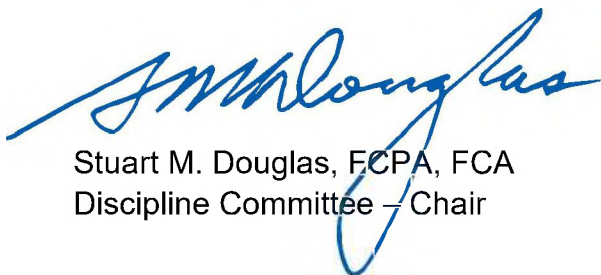
AND TO: The Professional Conduct Committee

DECISION MADE JUNE 29, 2020

DECISION

After considering the submissions of the parties and the proposed Settlement Agreement itself, the Panel hereby approves the Settlement Agreement, dated May 20, 2020.

DATED at Toronto, this 29th day of June 2020.



Stuart M. Douglas, FCPA, FCA
Discipline Committee – Chair



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

THE CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

IN THE MATTER OF: DRAFT ALLEGATIONS OF PROFESSIONAL MISCONDUCT
AGAINST ABDUL H. MOOSA, CPA, CGA, A MEMBER OF
CPA ONTARIO, BEFORE THE DISCIPLINE COMMITTEE

SETTLEMENT AGREEMENT

Made pursuant to Section 34 (3) (c) of the *Chartered Professional Accountants of Ontario Act, 2017* and to CPAO Regulation 6-2, s.19

Introduction

1. The Professional Conduct Committee ("PCC") has approved draft Allegations against Abdul H. Moosa, CPA, CGA. The draft Allegations are attached **TAB 1**.
2. Moosa was registered with the Certified General Accountants' Association of Alberta ("CGAA") on December 1, 1984. Moosa Professional Corporation Certified General Accountant ("the firm") was registered as a professional accounting firm with the CGAA on February 6, 2006. The firm registration was suspended by the CGAA in 2008 and 2009 due to an administrative issue while Mr. Moosa completed a required course.
3. The firm registration was restricted to the preparation of compilation financial statements and tax returns. The firm was never registered to perform assurance engagements.
4. On July 15, 2015, CGAA merged with other accounting bodies to become a part of Chartered Professional Accountants Alberta (CPA Alberta"). At that time Moosa became a CPA, CGA in Alberta.
5. Moosa became a CPA, CGA in Ontario on October 20, 2015 through transfer from CPA Alberta.

6. The draft Allegations pertain to the professional conduct of Moosa during the period November 1, 2009 through April 30, 2018. On February 6, 2019 Moosa signed a Sanction Agreement **TAB 2** which was accepted by the Complaints Inquiry Committee of CPA Alberta on February 12, 2019.
7. In the Sanction Agreement Moosa admitted to the allegations of professional misconduct that had been made against him. There were four discrete areas of professional misconduct to which Moosa agreed.
8. *First:* Moosa conducted aspects of a professional accounting practice while not properly registered as a professional accounting firm with CPA Alberta (or the CGA Alberta predecessor organization) by issuing audit and review engagement reports at a time that he was restricted from conducting assurance engagements.
9. *Second:* Moosa failed to sustain professional competence in all the functions or areas in which he was providing professional services and failed to adequately supervise employees who provided professional services.
10. *Third:* Moosa failed to provide professional services to his clients with integrity and due care.
11. *Fourth:* Moosa misled CGA Alberta practice reviewers by not being forthcoming with respect to assurance engagements that he performed while being restricted from doing so and he failed to co-operate and be forthcoming with the investigator appointed by CPA Alberta to investigate his conduct.
12. It is agreed by Moosa that the facts contained in the Sanction Agreement **TAB 2** are an accurate recital of the facts in support of the draft Allegations attached **TAB 1**. The facts referred to in this Settlement Agreement are a summary of the facts contained in the Sanction Agreement. The PCC and Moosa agree to and rely upon all of the facts in the Sanction Agreement in support of the Allegations at **TAB 1**.
13. It is acknowledged by Moosa that his professional conduct while an Alberta CGA, and an Alberta CPA, CGA directly affects the good reputation of the CPA Ontario profession.

Allegation 1 - Abdul H. Moosa, on or about February 6, 2019, failed to conduct himself in a manner that would maintain the good reputation of the profession and its ability to serve the public interest contrary to Rule 201.1 of the Code of Professional Conduct as amended from time to time, in that he made admissions of professional misconduct, which took place in the period August 1, 2009 through April 30, 2018, in a sanction agreement approved and accepted by the Complaints Inquiry Committee of the Chartered Professional Accountants of Alberta dated February 12, 2019 including admissions that:

A. He conducted aspects of a professional accounting practice while not properly registered as a professional accounting firm with CGA Alberta or CPA Alberta by issuing audit and review engagement reports at a time that he was restricted from conducting assurance engagements

14. During the period August 2009 through February 2014 Moosa was not qualified, nor entitled, to sign or associate himself with assurance engagements and, in fact, Moosa has never been qualified to issue assurance reports.
15. Notwithstanding his lack of qualifications, he performed review engagements and released review engagement reports for “RF Ltd.” for the years ended December 31, 2010 through 2013 inclusive. An example of the “RF Ltd.” Financial statements is found at **TAB 3**.
16. In addition, Moosa performed nine audit engagements and released nine audit opinions with respect to the financial statements of five clients during the period March 2011 through June 2013 for nine separate year ends. An example of the audited financial statements Moosa prepared for the “AANIW” as at March 31, 2013, is found at **TAB 4**.
17. The details of each of the assurance engagements released by Moosa are found in the Sanction Agreement **TAB 2**.
18. Moosa agrees that by carrying out these assurance engagements and releasing the opinions and review engagement reports attached to them, he did participate in, or knowingly provide services to, a practice, pronouncement or act that would be of a nature

to discredit the profession contrary to Rule 101 of the CGA Code of Ethical Principles and Rules of Conduct.

B. He failed to sustain professional competence in all the functions or areas in which he was providing professional services

19. There are numerous examples of Moosa failing to sustain professional competence in areas in which he was providing professional services, some of which are detailed below. It is agreed that he neglected to sign or date the Audit report that he issued for the “APHA” for the period ended March 31, 2012 **TAB 5**.

Para. a)

20. Moosa issued a Review Engagement reports for “RF Ltd.” for the years ended December 31, 2013 **TAB 3** and December 31, 2012 **TAB 6** in which he did not provide adequate disclosure related to the economic dependence the company had on one client as 98% of their revenue was attributable to that client. The financial statements for “RF Ltd.” for both the December 31, 2012 and December 31, 2013 year ends that Moosa prepared did not disclose the economic dependence in the notes to the financial statements.

Para. b)

21. A review of the working paper files maintained by Moosa showed material deficiencies with respect to:

i. Filing of Goods and Services Tax (GST) returns

22. For the period January 1, 2012 to June 30, 2014, Moosa filed Goods and Services Tax (GST) returns for 1187*** Alberta Ltd. (1187) claiming that the royalty income earned in the 1187 was zero-rated and no GST was owing. In 2015, the CRA reassessed the GST returns for 1187 for the period January 1, 2012 to June 30, 2014 and determined that the income earned in 1187 was not zero-rated and goods and services taxes were owing on that income earned. The amount of GST and arrears interest owing by 1187 for the period

July 31, 2012 to March 31, 2014 was approximately \$47,000. Moosa agrees that this is a deficiency.

ii. *Qualifications to claim the small business deduction on corporate tax returns*

23. 1187 - For the fiscal years ended July 31, 2012 and July 31, 2013, Moosa filed corporate tax returns claiming the small business deduction for the royalty income earned in 1187. In 2015, the Canada Revenue Agency (CRA) reassessed the corporate tax returns for 1187 for the July 31, 2012 and July 31 2013 year ends and determined that the income earned in 1187 was from a "specified investment business" and was not eligible for the small business deduction.
24. The amount of tax and arrears interest owing by 1187 for the July 31, 2012 taxation year was \$60,055.37. The amount of tax and arrears interest owing by 1187 for the July 31, 2013 taxation year was \$94,015.62.
25. "CE Ltd." - Moosa filed the corporate tax return for the year ended December 31, 2013 claiming the small business deduction for the income earned by "CE Ltd." related to rental income and investment income. In 2015, the CRA reassessed the corporate tax returns for "CE Ltd." for the December 31, 2013 year end and determined that the income earned in "CE Ltd." was from a "specified investment business" and was not eligible for the small business deduction. The amount of tax and arrears interest owing by "CE Ltd." for the December 31, 2013 taxation year was \$2,093.94.
26. Moosa agrees that neither 1187*** Alberta Ltd. nor "CE Ltd." were eligible for the small business deduction that he had claimed on their behalf.

iii. *advice in the areas of deductibility of life insurance premiums as a business expense; deductibility of family vacations as a business expense*

27. "TSG Ltd." - this client of Moosa purchased a life insurance policy from Manulife Financial on the life of "MT". The annual premiums of \$20,072 were fully expensed as a business

expense of "TSG Ltd." by Moosa for the years 2010 to 2013, including the portion of the premium that was used to increase the cash surrender value.

28. 1261*** Alberta Ltd. (1261) - this client of Moosa purchased a life insurance policy from The Canada Life Assurance Co. on the life of "WT". The revocable beneficiary was 1261. The annual premiums of \$6,546 were fully expensed as a business expense of 1261 by Moosa for the years 2008 to 2013, including the portion of the premium that was non-deductible.
29. Moosa agrees that it was inappropriate to fully expense life insurance premiums as described above.
30. Moosa also agrees that, in a number of instances, he inappropriately advised clients that it was permissible to deduct family vacations as a business expense.

iv. completion of "rollovers" pursuant to section 85 of the Income Tax Act

31. 1766*** Alberta Ltd. – "LT", and his siblings and residents of Thailand "NDK" and "MYK" sold Canadian property to 1766*** on December 12, 2013 pursuant to section 85 of the *Income Tax Act*. Moosa and a tax lawyer consulted on this transaction.
32. The tax lawyer prepared the legal documents and Moosa was responsible for filing the related tax forms, a T2062 – Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property. This form was required to be filed by December 22, 2013. It was not filed by Moosa.
33. Moosa was also required to file a T2057 – Election on disposition of property by a taxpayer to a taxable Canadian corporation on or before April 30, 2014. It was not filed by Moosa. In addition, the related T1 – Income Tax and Benefit Return(s) and T2 – Corporation Income Tax Return were not filed on time by Moosa.
34. 1598*** Alberta Ltd. – "LM" and "JM" sold shares of "PC" to 1598*** on August 25, 2011. Moosa and a tax lawyer consulted on this transaction. The tax lawyer prepared the legal

documents and Moosa was to file the related tax forms including a T2057 – Election on disposition of property by a taxpayer to a taxable Canadian corporation. The form was not filed by Moosa.

35. Moosa agrees that he failed to file the required tax forms on behalf of his clients on time or at all.

C. He misled the CGA Alberta practice reviewer(s) in that he was not forthcoming with respect to the assurance engagements that he performed while he was restricted from doing so

36. As a member of CPA Alberta, Moosa was subject to the requirements of practice inspection. Practice reviews were conducted on January 2010, December 2010, December 2011 and January 2013. During a practice review conducted on March 7, 2017 and April 17, 2018, the practice review department of CPA Alberta became aware of assurance engagements that Moosa was involved with during 2010, 2011 and 2013.
37. On November 22, 2009, Moosa confirmed in the Practice Management Questionnaire (the Questionnaire) prepared for the purposes of a practice review of his practice “that, to the best of [his] knowledge, the information provided in the completed Practice Management Questionnaire (which includes Sections 3 thru 5) is true and accurate”. This statement was untrue.
38. In the Questionnaire, on the page entitled “Public Accounting Firm Information Summary”, Moosa identified himself as the designated member for the firm. On the same page, in response to the following query “Last Reported Number of Files that firm has, in the following categories:”, Moosa indicated that the firm had:
- ☐ Audits – 0;
 - ☐ Reviews – 0;
 - ☐ Compilations – 105;
 - ☐ Personal Tax – 325;
 - ☐ Corporate Tax – 105; and

☐ Spec Audits – 0;

39. On a following page, the following questions were answered “Yes” by Moosa:

- ☐ Information on the “FirmProfile” worksheet has been confirmed; and
- ☐ Number of Files shown for the firm in each category is correct.

40. Similarly, in the course of the other practice reviews in 2010, 2011 and 2013, Moosa advised the practice reviewers that he had not performed any audit or review engagements during the relevant periods. This was untrue as he had carried out audit and review engagements.

41. The fact that Moosa filed false and misleading forms caused the Practice Review Committee to make a motion to forward a complaint against Moosa related to the non-disclosure of the assurance engagements during the practice review process.

D. He failed to conduct himself with integrity and due care and maintain the good reputation of the profession in that he was not forthcoming in his communications with Tony Ratcliffe, the investigator appointed by CPA Alberta to investigate his conduct, in respect of the services he performed for:

a. “VRA Inc.”; and

b. “RF Ltd.”

42. “VRA Inc.” is located in Newfoundland and has been a client of Moosa for more than 10 years. “VRA Inc.” did not want to continue with Moosa’s firm when it was sold to “AS” in 2014. They wanted to continue with Moosa or, in the alternative, would retain a new accountant in Newfoundland.

43. On March 26, 2014, “SF” of “VRA Inc.” prepared a letter that advised that they would not transfer their file to the purchaser of Moosa’s practice and that all their files are to remain with Moosa. “SF” went on to state that, in the interim, while Moosa remains at the

accounting firm, the firm can continue to “process “VRA Inc.” information up to but no later than December 2014.”

44. After Moosa completed his contract services for the accounting firm that was sold to “AS”, he continued to provide accounting services to “VRA Inc.”.
45. On October 27, 2017, during an interview with the CPA Alberta Investigator, Tony Ratcliffe Moosa said that he had advised “VRA Inc.” that, due to his issues with “AS” subsequent to the sale of his accounting firm, he could not complete the year end compilation engagement for “VRA Inc.” This was untrue.
46. In fact Moosa continued to be the accountant and prepare the year-end financial statements for “VRA Inc.” as late as March 2018 and since August 2017, when Moosa’s registration was temporarily suspended by CPA Alberta. Moosa “advised on payroll deductions and the HST amounts to be remitted”.
47. “RF Ltd.” - On October 27, 2017, Moosa told Ratcliffe that, with respect to his client, “RF Ltd.” he had completed compilation engagements “generally” since 2009; and “the review was only one year” because at one time the bank required a review engagement because of a loan. This was untrue.
48. In fact, Review Engagements were performed for “RF Ltd.” for at least 4 years – for the December 31, 2010 to December 31, 2014 year ends and, for at least 2012 and 2013, ATB Financial relied on the reviewed financial statements of “RF Ltd.” due to outstanding loans on a revolving line of credit at the year-end dates.
49. Moosa agrees that the statements he provided to the investigator appointed to investigate his conduct described above were untrue, and that as a result he had failed to conduct himself with integrity and due care and maintain the good reputation of the profession.

E. He failed to provide professional services to his clients with integrity and due care in that he:

a. was late with, or failed to submit, filings to the Canada Revenue Agency;

b. submitted filings that did not meet the requirements of the Income Tax Act; and

c. gave improper and/or deficient tax advice

50. “DP Investments Ltd.”, “B Investments”, “VDP” and “CDP” were clients of Moosa.
51. In 2010, “VDP” and “CDP” were contemplating a divorce and Moosa contacted “MB” a tax lawyer, for some tax planning advice to assist “VDP” and “CDP” in separating their assets. “MB” produced a tax planning letter in which a plan was suggested. After meeting with Moosa and “VDP”, the documentation to effect the transaction was produced and delivered to Moosa.
52. Along with the list of documents provided to Moosa the lawyer clarified for Moosa his responsibilities with respect to completing the transaction and recording it in the books and records of the corporations. One of the forms delivered to Moosa was the T2054 – Election for a Capital Dividend under Section 83(2) form for the repurchase of “VDP”’s common shares in “DP Investments Ltd.” Moosa was responsible for filing this form with CRA.
53. Moosa did not file that form after the transaction was completed as he was required to do.
54. In 2012, Moosa did further work for “DP Investments Ltd.” including compiling the July 31, 2011 financial statements and filing a corporate tax return. These financial statements recorded the share redemption of “VDP”’s common shares in “DP Investments Ltd.” for \$168,000 and a \$16,000 dividend was declared. The related T5 – Statement of Investment Income was required to be filed by Moosa but he did not file the form.

F. He failed to cooperate with the conduct process of CPA Alberta in that he did not respond to communications from Ratcliffe, which required a response and did not provide information to Ratcliffe that he advised he would provide

55. On November 7, 2017, following the October 27, 2017 interview of Moosa conducted by the CPA Alberta investigator Mr. Ratcliffe, Moosa provided documentation to Mr. Ratcliffe that he and Mr. Ratcliffe discussed during the course of the interview. Moosa told Mr.

Ratcliffe that there were more documents that he was putting together and that he would provide those to Mr. Ratcliffe shortly.

56. The promised information was not provided by Moosa and so Mr. Ratcliffe contacted Moosa by email on January 14, 2018 to follow up. There was no response. Mr. Ratcliffe phoned Moosa on January 18, 2018 regarding the same matter and left a voice message asking that Moosa call him.
57. Moosa called Mr. Ratcliffe on January 19, 2018 and advised that, due to a family situation, he had not been home for two months. He advised that he would review what he was going to send and provide it by January 23, 2018. Mr. Ratcliffe did not receive any information from Mr. Moosa by January 23, 2018, so he sent an email and left a voice message for Mr. Moosa on February 1, 2018 to follow up. Moosa did not respond.
58. Mr. Ratcliffe sent another email on February 14, 2018 and received an automatic reply that Moosa was away from February 9-19, 2018 and that he would reply to emails upon his return. When Mr. Ratcliffe received no information from Moosa by March 23, 2018 he sent an email and left a voice message for Moosa. Mr. Ratcliffe received another automatic reply that advised Mr. Moosa was away from March 22 to April 2, 2018 and would reply to emails upon his return.
59. Moosa finally called Mr. Ratcliffe on April 3, 2018, agreed to a further conversation with Mr. Ratcliffe and agreed to call later in the week. By April 9, 2018, the date of Mr. Ratcliffe's report, Moosa had not called. No further conversations had been conducted between Mr. Ratcliffe and Moosa and no further information was received from Moosa.

G. He failed to establish, maintain or uphold appropriate practices, policies, or procedures designed to ensure that employees or contractors who are associated with Abdul Moosa Professional Corporation CGA or who provide professional services on behalf of Abdul Moosa Professional Corporation CGA comply with the Code of Ethical Principles and Rules of Professional Conduct of CGA Alberta, in that the work of employee, "AM", was not adequately supervised

60. “AM” was employed by Moosa from on or about 2007 until the accounting firm was sold in 2014.
61. Throughout his employment as a Staff Accountant and Senior Staff Accountant with Moosa, “AM” was a student of accounting and his work was overseen by the only designated accountant employed at Moosa’s firm, Moosa himself.
62. When the Moosa firm was sold in 2014, “AM” continued to work for the purchaser of the accounting firm, “AS”. “AM” identified a number of processes implemented by “AS” upon the purchase of the accounting practice that were not in place when Moosa owned the practice, such as:
- a. Reconciliations of shareholder loan balances to ensure that shareholder loans did not remain in a debit balance and thereby expose the business owners to unintended tax consequences;
 - b. Analysis of passive income in corporations to determine what income was eligible for the small business deduction; and
 - c. Ensuring that the necessary tax filings required in order to accomplish tax planning done by the lawyers of the clients, such as transfers of property pursuant to Section 85 of the *Income Tax Act*, were completed when required.
63. The processes that were not in place while Moosa was operating the accounting firm led to failures to meet the required standards of practice, some of which are detailed above. In addition, Moosa agrees that by failing to put in place appropriate practices, policies, or procedures such as those implemented by the successor accountant, there resulted a failure to ensure that his employee “AM” was properly supervised.

Acknowledgement

64. It is agreed that, in entering into a sanction agreement approved and accepted by the Complaints Inquiry Committee of the Chartered Professional Accountants of Alberta dated February 12, 2019, Moosa admitted to professional misconduct that demonstrates a failure to conduct himself in a manner that would maintain the good reputation of the

profession and its ability to serve the public interest contrary to Rule 201.1 of the Code of Professional Conduct.

65. It is acknowledged that Moosa has received an opportunity to access independent legal advice in relation to this Settlement Agreement.

Terms of Settlement

66. Moosa and the Professional Conduct Committee agree to the following Terms of Settlement:
- a) Revocation of membership in CPA Ontario;
 - b) Notice of the terms of this Settlement is to be published in the manner set out in CPAO Regulation 6-2, including newspaper publicity with costs of same to be borne by Moosa;
 - c) A payment by way of costs in the amount of \$3,500; and
 - d) Moosa will be allowed 18 months from the time the Discipline Committee accepts this Settlement Agreement to pay the costs referred to herein.
67. The Professional Conduct Committee and Moosa expressly consent and authorize the Registrar to take any actions associated with revocation of Moosa's membership in CPA Ontario as prescribed and agreed to herein.
68. The Professional Conduct Committee and Moosa expressly authorize and consent to CPA Ontario:
- (i) Providing notice of the terms of this Settlement to all CPA Ontario Members and all provincial CPA bodies; and
 - (ii) Publishing notice of the terms of this Settlement in a newspaper distributed in the geographic area where Moosa lives, i.e. the *Stouffville Sun-Tribune* and Moosa agrees to bear the costs of this publicity.
69. Should the Discipline Committee accept this Settlement Agreement, Moosa agrees to waive his right to a full hearing, judicial review or appeal of the matter subject to the



Settlement Agreement. Upon the member fulfilling the requirements of this Settlement Agreement, the draft allegations approved by the Professional Conduct Committee and dated April 2020, shall be forever stayed.

70. If for any reason this Settlement Agreement is not approved by the Discipline Committee, then:
- a) This Settlement Agreement and its terms, including all Settlement Negotiations between the Professional Conduct Committee and Moosa leading up to its presentation to the Discipline Committee, shall be without prejudice to the Professional Conduct Committee and Moosa; and
 - b) The Professional Conduct Committee and Moosa shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations, or negotiating a new Settlement Agreement, unaffected by this Settlement Agreement or the Settlement Negotiations.

Disclosure of Settlement Agreement

71. This Settlement Agreement and its terms will be treated as confidential by the Professional Conduct Committee and Moosa, until approved by the Discipline Committee, and forever if for any reason whatsoever this Settlement Agreement is not approved by the Discipline Committee, except with the written consent of the Professional Conduct Committee and Moosa, or, as may be required by law.
72. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Discipline Committee.

All of which is agreed to for the purpose of this proceeding alone this 20 day of May 2020.

A handwritten signature in blue ink, appearing to read "Julia McNabb".

Julia McNabb, J.D.
On behalf of
The Professional Conduct Committee

A handwritten signature in blue ink, appearing to read "Abdul H. Moosa".

Abdul H. Moosa, CPA, CGA
on his own behalf