

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

ADMISSION AND REGISTRATION COMMITTEE

IN THE MATTER OF: A good character hearing into M [REDACTED] A [REDACTED] [REDACTED],
an applicant applying for membership with the Chartered
Professional Accountants of Ontario, under Regulation 7-1:
Admission to Membership, Obligations and Standing, Section
14: Good Character on Admission and Section 15: Credibility on
Admission, as amended.

BETWEEN:

M [REDACTED] A [REDACTED] [REDACTED]

-and-

**REGISTRAR, CHARTERED PROFESSIONAL
ACCOUNTANTS OF ONTARIO**

APPEARANCES:

For the Applicant, M [REDACTED] A [REDACTED] [REDACTED]:	Self-represented
For the Registrar:	Lara Kinkartz, Counsel
Heard:	February 3, 2022
Decision and Order effective:	March 1, 2022
Release of written reasons:	April 1, 2022

REASONS FOR THE DECISIONS MADE APRIL 1, 2022

I. INTRODUCTION

- [1] The Registrar referred the application for membership in the Chartered Professional Accountants of Ontario (“CPA Ontario”) of M██████████ A██████████ (the “Applicant”) to the Admission and Registration Committee (“ARC”). This hearing was held by videoconference to determine two issues:
- (a) the credibility of the Applicant as it related to documents and information that ██████████ provided to CPA Ontario as part of ██████████ admission for membership; and
 - (b) the good character of the Applicant at the time of the hearing.
- [2] For reasons set out below, the Panel found that the Registrar failed to establish on a balance of probabilities that the documents and information that the Applicant provided to CPA Ontario were false or misleading. The Applicant satisfied the Panel that ██████████ was a person of good character at the time of the hearing.

II. FACTS

Background

- [3] On November 7, 2020, the Applicant applied for membership in CPA Ontario. The Applicant was registered as a student under the "Accounting Body Outside Canada - Specified" category, pursuant to the 2017 Memorandum of Understanding ("MOU") between CPA Ontario and the Institute of Chartered Accountants of Pakistan, and section 9.4 of Regulation 9-1.
- [4] At the time of ■ student registration, the Applicant had not obtained the necessary post-designation experience and ■ did not hold a degree from a recognized university as required under the terms of the MOU. As a result, the Applicant was required to either satisfy the Registrar that ■ met the practical experience requirements or that ■ had obtained an exemption from that requirement.

- [5] The Applicant was asked to submit a Practical Experience Certification Form for Internationally Trained Accountants ("ECF") in order to request an exemption from the prescribed practice experience.
- [6] Section 9 – Third-Party Declaration of the ECF is to be signed by a Third Party Verifier who is a senior manager, executive, officer, partner or director at the applicant's place of employment and who has personal knowledge of the applicant's responsibilities and performance there.
- [7] The Applicant submitted the following ECFs to CPA Ontario:
- (a) ECF dated May 11, 2019 pertaining to ■■■ employment at Ernst & Young-Chartered Accountants (Saudi Arabia);
 - (b) ECF dated July 1, 2019 pertaining to ■■■ employment at Abdul Latif Jameel United Finance Company (Saudi Arabia) ("ALJUFC"); and
 - (c) ECF dated February 4, 2020 pertaining to ■■■ employment with ALJUFC (the "Mr. A. ECF").

There was no evidence before the Panel indicating when these ECFs were submitted to CPA Ontario by the Applicant.

- [8] The ECFs from ALJUFC were both signed by Mr. A. who was the Director of Finance for ALJUFC and a designated Chartered Accountant of Pakistan.
- [9] On February 13, 2020 at 4:05 PM, Mr. A. emailed the Applicant and wrote: *"Please share with me the copy of the form you submitted to CPA institute in Canada, as I want to make sure that you have submitted with what we have agreed."*
- [10] The Applicant replied to Mr. A. that same day at 4:11 PM and wrote: *"I didn't send that form and shredded it. I got it signed from someone else. But thanks for this email...."*

- [11] Two days later, Mr. A. contacted CPA Ontario and requested a copy of the form they received from the Applicant (this letter was not produced at the hearing).
- [12] Based on the information contained in the three ECFs listed above, it was determined that the Applicant met the criteria for an exemption from the practice experience requirement. The Applicant was notified of this outcome by email on February 27, 2020.
- [13] CPA Ontario sent a copy of the Mr. A. ECF to him and on March 16, 2020, Mr. A. wrote to CPA Ontario and stated, amongst other things:

“On 04 February 2020: the original form was signed by me after several agreed changes with [the Applicant].

I found the [ECF] form provided to me by the CPA ITA Registration is not the original agreed version I signed.

I also recall that a similar form was signed by me as third party verifier for [the Applicant] early last year, which may have been submitted to CPA Ontario. Since CPA Ontario does not send verification request to the verifier nor [the Applicant] has provided me a copy of the form. Therefore, I have no independent visibility over the first form.

On the grounds above, I would request CPA Ontario to kindly disregard my signatures on the forms submitted by [the Applicant].”

- [14] Mr. A. did not provide evidence at the hearing. The Panel asked the parties if Mr. A. was available to testify and both parties indicated that they had been unsuccessful in their attempts to locate Mr. A. The Applicant recalled that Mr. A. left ALJUFC in 2021. Mr. F., the Chief Financial Officer of Abdul Latif Jameel Company, the parent company of ALJUFC, testified that Mr. A. moved to Australia after he left the company.

- [15] On January 26, 2022, the Applicant provided counsel to the Registrar with an ECF where the Third Party Verifier was Mr. F. (the “Mr. F. ECF”). Mr. F. was a member of the Institute of Chartered Accountants of Pakistan.

The Applicant’s Evidence at the Hearing

- [16] The Applicant testified that ■ was a member of the Institute of Chartered Accountants of Pakistan. ■ joined ALJUFC as a Financial Controller in December 2017.
- [17] The Applicant explained that Mr. A. was the Director of Finance at ALJUFC. The Applicant knew Mr. A. before joining the company because ■ (the Applicant) had previously worked as the external auditor for the company while ■ was employed by Ernst & Young. The Applicant said that ■ had a good working relationship with Mr. A.
- [18] In ■ role as Financial Controller, the Applicant reported to Mr. A. and Mr. A. was responsible for ■ performance reviews and day-to-day supervision. The Applicant testified that ■ also reported to Mr. F. on a less frequent basis on the audit side and with respect to reporting to the bank.
- [19] The Applicant testified that Mr. A. reviewed and signed the July 2019 ECF and the Mr. A. ECF. The Applicant said that the signatures of Mr. A. on these documents were original (not electronic). ■ was cross-examined about whether ■ switched the pages of the ECFs that preceded the signature pages; ■ denied this. ■ said that ■ affixed the company stamp to the ECFs once they were signed by Mr. A. and scanned them and filed them on ■ computer.
- [20] The Applicant testified that after the Mr. A. ECF was signed, Mr. A. contacted ■ and said that some work experience reported in the ECFs related to work that the Applicant had performed for others and was not supervised by Mr. A. The Applicant said that this was the only issue expressed by Mr. A. and that he did not object to the content of the ECFs however Mr. A. told ■ not to submit the signed forms to CPA Ontario.

- [21] Given the concerns of Mr. A., however, the Applicant testified that ■ went to Mr. F. and asked him to review and approve the ECF. The Applicant said that Mr. F. then signed this ECF (which contained the same information as the Mr. A. ECF) and the Applicant then downloaded the Mr. F. ECF into ■ computer.
- [22] The Applicant testified that when ■ submitted the ECFs to CPA Ontario, ■ mistakenly sent the Mr. A. ECF to CPA Ontario rather than the Mr. F. ECF. ■ said ■ believed that ■ had shredded the Mr. A. ECF.
- [23] The Applicant was asked about ■ email exchange with Mr. A. ■ said that when Mr. A. emailed ■ and asked for a copy of what ■ had sent to CPA Ontario, ■ genuinely believed that ■ had shredded the Mr. A. ECF and submitted the Mr. F. ECF. Believing that the only version on ■ computer was from Mr. F., the Applicant said that ■ saw no reason to send that document to Mr. A.
- [24] On cross-examination, the Applicant testified that the ECFs signed by Mr. A. were accurate and that Mr. A., who was a Chartered Accountant, was always careful about putting his signature on documents.
- [25] The Applicant testified that after this mistake, ■ adopted a different method for identifying copies of the same or similar documents in ■ electronic files, namely ■ would refer to them as “version 1” and “version 2” etc. ■ said that the biggest take-away from this incident was to make sure of the accuracy of whatever document you are signing. In particular, ■ regretted that ■ told Mr. A. that ■ had not sent the Mr. A. ECF to CPA Ontario when in fact ■ had done this mistakenly. ■ said that ■ should have checked to ensure that there was no misunderstanding.

Evidence of CFO of ALJUFC

- [26] Mr. F. was a Member of the Institute of Chartered Accountants of Pakistan and the CFO of the parent company of ALJUFC. Mr. F. testified that although he did not personally supervise the Applicant, he reviewed ■ work on a regular basis.

- [27] Mr. F. testified that about two years ago, the Applicant had approached him to sign the ECF. The Applicant told him that Mr. A. was not comfortable approving the ECF for work that the Applicant performed under the supervision of Mr. F. Mr. F. said that that Applicant showed him a paper copy of the Mr. A. ECF and he noted that the information in that ECF was that same as the ECF that he signed.
- [28] Counsel for the Registrar noted that the footers for the Mr. A. ECF and the Mr. F. ECF were different, including revision dates on the forms. Mr. F. could not explain why this was the case but testified that the content of the two ECFs was the same.
- [29] On cross-examination, counsel for the Registrar asked Mr. F. if he believed that Mr. A. would sign something that was not accurate. He said that Mr. A. was a good accountant, and he would not sign a document that he had not carefully reviewed. Mr. F. agreed that the March 16, 2020 email from Mr. A. to CPA Ontario was “*very strange*”, but he was unable to provide any further information or an explanation.

III. ISSUES IN THIS HEARING

- [30] The issues in this hearing were as follows:
- (a) Did the Applicant provide information or a document to CPA Ontario that was false or misleading?
 - (b) If not, did the evidence provided by the Applicant demonstrate on a balance of probabilities that ■ was of good character at the time of the hearing?

IV. DECISIONS

- [31] The Panel found that the Registrar failed to establish on a balance of probabilities that the Applicant had breached section 6.2 of Regulation 7-1.
- [32] The Panel found that the Applicant established on a balance of probabilities that ■ was of good character at the time of the hearing.

- [33] For reasons set out below, the Panel did not grant the Applicant admission to membership in CPA Ontario because the parties agreed in the Agreed Statement of Facts that the Registrar needed to assess the Applicant's satisfaction of the practical experience requirement.

V. REASONS FOR DECISIONS

Did the Registrar establish that the Applicant provided information or a document that was false or misleading?

- [34] Under section 6.2 of Regulation 7-1, the Registrar must not admit to membership in CPA Ontario any applicant "*who provides information or a document that is false or misleading.*"
- [35] If the Registrar finds that an evaluation of an application for membership requires an assessment of the applicant's credibility, the Registrar must refer the matter to an oral hearing before the ARC (section 15 of Regulation 7-1).
- [36] Where the applicant does not admit that they have provided false or misleading information to CPA Ontario (and where there is no prior finding of a court or a tribunal on that point), the onus is on the Registrar to establish on a balance of probabilities that the information or document is false or misleading (*Birman v LSUC*, 2005 ONLHP 6 and *Stevens v LSUC*, 2005 ONLSHP 15).
- [37] Counsel for the Registrar submitted that the Applicant provided a form to CPA Ontario that was inaccurate in that it contained information to which ■ supervisor, Mr. A., did not agree to attest. She argued that the ECF was material to the assessment of the Applicant's application for admission to membership. Counsel provided the Panel with caselaw from the Law Society of Ontario that considered whether a regulator should refuse admission to the profession because the Applicant provided a false or misleading statement in their application for admission. One line of cases found that the application should be refused if the false or misleading information was material to the assessment of the application

(*Vincent v LSUC*, 2010 ONLSHP 51). The other line of cases found that the misrepresentation to the regulator must be made deliberately or knowingly (*Levenson v LSUC*, 2009 ONLSHP 98). Counsel argued that the question for the Panel was whether the Applicant had knowingly submitted false or misleading information to CPA Ontario. In considering the evidence with respect to this issue, the Registrar reminded the Panel of the considerations in determining credibility, particularly when some of the evidence, such as the evidence from Mr. A., was hearsay.

- [38] The Panel found that the threshold issue for its consideration was whether the Registrar established on a balance of probabilities that the Mr. A. ECF was “false or misleading.” The Panel found that while there were many unanswered questions as to why Mr. A. emailed CPA Ontario and wrote that he wanted to withdraw the ECFs that bore his signature and why the Applicant only submitted the Mr. F. ECF at the eleventh hour, the Registrar failed to establish that the ECFs signed by Mr. A. were false or misleading. It was therefore moot to consider if the Applicant deliberately or knowingly submitted the ECFs signed by Mr. A.
- [39] The Panel carefully reviewed the oral evidence of Mr. A. and Mr. F. as well as the emails dated February 13, 2020 and March 16, 2020. The Panel found as follows:
- (a) The content of the Mr. A. ECF and the Mr. F. ECF were identical. While the footers of the two forms were different, they did not impact on the content of the documents;
 - (b) The Applicant and Mr. F., who are both CPAs in good standing in Pakistan, testified under oath that the contents of the Mr. A. ECF and the Mr. F. ECF were accurate;
 - (c) In his email dated March 20, 2020, Mr. A. did not state that the contents of the ECF that bore his signature were inaccurate, false or misleading; he stated that was not the “*original agreed version I signed.*”;

(d) Both the Applicant and Mr. F. testified that Mr. A. would not likely have signed a document without carefully reviewing it and if the information contained therein was untrue; and

(e) Mr. A. did not testify at the hearing and did not provide evidence beyond his email correspondence with CPA Ontario. The Panel was unable to meaningfully evaluate or confirm the statements made in Mr. A.'s correspondence.

[40] The Applicant admitted that ■ submitted the Mr. A. ECF in error. Despite this, the Panel noted that Mr. A. was the person to whom the Applicant reported and he appears to have been in a position to attest to the information contained in that document as a Third Party Verifier. Mr. A. was not present at the hearing to explain why he did not want the ECFs that bore his signature to be relied upon by CPA Ontario. Although this was concerning, it would have been inappropriate for the Panel to speculate further as to Mr. A.'s reasoning.

[41] The Panel appreciated the concerns of the Registrar and was puzzled about why the Applicant only produced the Mr. F. ECF on the eve of the hearing. That said, the evidence provided under oath at the hearing by the Applicant and Mr. F., who were both Chartered Accountants of Pakistan, was consistent and their versions of events did not directly conflict with the email dated March 20, 2020.

[42] In conclusion, the Panel found that the Registrar failed to establish on a balance of probabilities that the Mr. A. ECF was false and misleading. To be clear, the Panel made no finding with respect to the accuracy of any of the ECFs submitted to CPA Ontario by the Applicant. This issue was not before the Panel, as it had been in *X.L. v. Registrar, Chartered Professional Accounts of Ontario* (December 16, 2020).

Did the Applicant establish that [REDACTED] was of good character at the time of the hearing?

Good Character Requirement in Regulations

- [43] Once an applicant has completed the other qualifications for admission to membership in CPA Ontario, they are required to provide evidence satisfactory to the Registrar that they are a person of good character (subsubsection 3.4 of Regulation 7-1). Where the Registrar is not satisfied with the evidence provided by the applicant about their good character, the Registrar shall refer the matter to an oral hearing before the ARC (section 14 of Regulation 7-1).
- [44] It is well established that when a matter has been referred to the ARC for a good character hearing, the onus is on the applicant to establish their good character. The standard of proof is a balance of probabilities, which means that the applicant must establish that it is “more likely than not” that they are a person of good character. The ARC must assess the applicant’s character as of the time of the hearing.

What is Good Character?

- [45] “Good character” is not defined in the CPA Ontario Regulations. The following definition of good character made in a Law Society of Ontario decision, *Law Society of Upper Canada v Preya*, 2000 CanLII 14383, has been adopted by the Panels of the ARC:

“[Good character consists of] that combination of qualities or features distinguishing one person from another. Good character connotes moral or ethical strength, distinguishable as an amalgam of virtuous attributes or traits which undoubtedly include, among others, integrity, candour, empathy and honesty.”

- [46] The purpose of the good character requirement is threefold:

(a) to protect members of the public who retain accounting professionals;

- (b) to ensure that the accounting profession maintains a reputation for high professional and ethical standards; and
- (c) to demonstrate that CPA Ontario is able to effectively regulate Chartered Professional Accountants (“CPAs”).

Factors Determining Good Character

[47] It is well established that in reviewing the evidence about an applicant’s character, the Panel must consider the following factors:

- (a) The nature and duration of the applicant’s misconduct;
- (b) Whether the applicant is remorseful;
- (c) What rehabilitative efforts, if any, the applicant has taken and the success of such efforts;
- (d) The applicant’s conduct since the misconduct; and
- (e) The passage of time since the misconduct.

Analysis

Nature and Duration of Misconduct

[48] The only evidence of misconduct in this hearing was that:

- (a) the Applicant provided an ECF to CPA Ontario after the Third Party Verifier, Mr. A., told ■■■ that he was no longer comfortable having this ECF submitted; and
- (b) the Applicant sent an email to Mr. A. stating that ■■■ had not sent the Mr. A. ECF to CPA Ontario and that ■■■ had shredded this document.

- [49] The Applicant admitted that ■ had inadvertently sent the Mr. A. ECF to CPA Ontario and that ■ was careless when ■ responded to Mr. A.'s email and provided misinformation to Mr. A.
- [50] The Panel found that the careful management of documents is important for CPAs. Similarly, when a CPA provide assurances to others, they should not be made without diligent review to ensure accuracy. When a CPA is careless in the manner exhibited by the Applicant, they can lose the trust of those with whom they work. It was clear from Mr. A.'s email to CPA Ontario that he lost faith in the Applicant as a result of the misinformation provided to him in the Applicant's February 13, 2020 email.
- [51] The Panel considered whether the evidence clearly established that the Applicant sent the February ECF to CPA Ontario despite Mr. A.'s request that ■ not do so. The Panel accepted the evidence of the Applicant that this was an inadvertent error on his part. There was no evidence to the contrary and given that the Applicant had an identical ECF signed by Mr. F., there would be no reason for ■ to intentionally send the Mr. A. ECF to CPA Ontario.
- [52] The Panel found that the misconduct of the Applicant was in providing misinformation to Mr. A. in the February 13, 2020 email. The Panel noted that the Applicant responded to Mr. A. approximately six minutes after it was sent. This was unfortunate, but it was not indicative of a serious breach of ethics nor was there evidence of a pattern of behaviour that would impact poorly on the reputation of the Applicant or on CPAs generally.

Whether Applicant is Remorseful

- [53] The Panel found that the Applicant expressed regret for ■ mistakes in this matter. As Mr. A. could not be located after the incidents were reported to CPA Ontario, the Applicant could not be expected to apologize to Mr. A.

Rehabilitation Efforts and the Success of Such Efforts

[54] As set out above, the Applicant testified that these events reminded ■■■ of the importance of careful communications as well as improved document management.

Applicant's Conduct Since the Misconduct

[55] There was no evidence of any misconduct on the part of the Applicant since the incident.

The Passage of Time Since the Misconduct

[56] The events at issue were within the past two years. Given the Panel's views about the seriousness of the misconduct, the Panel found that there was a sufficient amount of time to assess the character of the Applicant.

Conclusion

[57] In conclusion, the Panel found that the Registrar failed to establish on a balance of probabilities that the Applicant breached section 6.2 of Regulation 7-1. The Panel found that the Applicant established on a balance of probabilities that ■■■ was of good character at the time of the hearing.

[58] In the Agreed Statement of Facts, the parties agreed that if the Panel found that the ECFs signed by Mr. A. should not be relied upon by CPA Ontario, they would no longer be counted towards the Applicant's prescribed practice experience requirement. The Panel accepted that Mr. A. withdrew his approval of the ECFs that bore his signature, and that Mr. F.'s signed and accepted ECF covered only a portion of the Applicant's practice experience. As a result, at the time of the hearing, the Panel concluded that the Applicant had not yet met all of the requirements for admission to membership and the Panel was unable to admit the Applicant to membership in accordance with Regulation 7-1.

Dated this 1st day of April, 2022

A handwritten signature in black ink, appearing to be 'J. Blanken', with a long horizontal flourish extending to the right.

John Blanken, CPA, CA, LPA
Admission and Registration Committee – Chair

Members of the Panel

Charlie Baek, CPA, CMA, MBA
Margot Howard, Public Representative
Barbara Ramsay, Public Representative
Seemant Thakkar, CPA, CMA, CGA, LPA

Independent Legal Counsel

Susan J. Heakes