



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: Razi U. Khan, CPA, CA

AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee of CPA Ontario hereby makes the following Allegations of professional misconduct against Razi U. Khan, CPA, CA, a member of CPA Ontario:

1. THAT, the said Razi U. Khan, in or about the period March 1, 2016 through April 30, 2016, accepted an engagement to review the financial statements of BCCS as at December 31, 2015, where replacing another member, firm or other professional ("predecessor"), without taking reasonable steps to communicate with such predecessor and enquire whether there are any circumstances that should be taken into account which might influence the decision whether or not to accept the engagement contrary to Rule 302.1 of the Chartered Professional Accountants Code of Professional Conduct.
2. THAT, the said Razi U. Khan, in or about the period March 1, 2018 through March 31, 2018, accepted an engagement to review the financial statements of BT as at December 31, 2017, where replacing another member, firm or other professional ("predecessor"), without taking reasonable steps to communicate with such predecessor and enquire whether there are any circumstances that should be taken into account which might influence the decision whether or not to accept the engagement contrary to Rule 302.1 of the Chartered Professional Accountants Code of Professional Conduct.

3. THAT, the said Razi U. Khan, in or about the period March 1, 2016 through April 30, 2016, while engaged to review the financial statements of BCCS as at December 31, 2015, failed to perform his professional services in accordance with generally accepted standards of practice of the profession contrary to Rule 206.1 of the Chartered Professional Accountants Code of Professional Conduct in that he failed to:
- a) disclose in the review engagement report that the comparative amounts shown in the financial statements were reported on by another public accountant;
 - b) document whether the comparative figures were subject to audit, review or a compilation engagement;
 - c) disclose in the negative assurance paragraph in the review report that the information in the financial statements is in accordance with generally accepted accounting principles;
 - d) disclose in the notes to the financial statements that the financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations;
 - e) ensure that the financial statements contained an accounting policy note with respect to the recognition of contributions either by the deferral method or the restricted fund method;
 - f) obtain a management representation letter on or after the date of the report but before its release;
 - g) ensure that note five to the financial statements accurately disclosed credit risk since the note on its face is contradictory;
 - h) ensure that the assurance work was adequately planned, properly supervised and appropriately reviewed and that sufficient appropriate evidence has been obtained to support the conclusions reached and the content of the review engagement report;
 - i) document in the working paper files that the inquiry, analytical procedures and discussion performed to establish plausibility were performed regarding cash cut off procedures, sales cut off procedures, comparison of balance sheet items - cash and deferred revenue, comparison of revenue, comparison of expenses – increase in sales of \$12K, decrease in other expenses of \$8K, plausibility of HST;
 - j) complete a sufficient and appropriate review of the financial statements prior to signing the review engagement report dated April 7, 2016.

4. THAT, the said Razi U. Khan, in or about the period February 1, 2018 through March 31, 2018, while engaged to review the financial statements of TAAA as at March 31, 2017, failed to perform his professional services in accordance with generally accepted standards of practice of the profession contrary to Rule 206.1 of the Chartered Professional Accountants Code of Professional Conduct in that he failed to:
- a) attach to the financial statements the review engagement report required by section 8100 of the standards and instead attached a review engagement report under the new CSRE Standard which was not yet in effect;
 - b) ensure that the report referred to Canadian accounting standards for not for profit organizations;
 - c) obtain a management representation letter on or after the date of the report but before its release;
 - d) ensure that the assurance work was adequately planned, properly supervised and appropriately reviewed and that sufficient appropriate evidence has been obtained to support the conclusions reached and the content of the review engagement report;
 - e) document in the working paper files that the inquiry, analytical procedures and discussion performed to establish plausibility were performed regarding cash cut off procedures, sales cut off procedures, comparison of balance sheet items - cash and deferred revenue, comparison of revenue, comparison of expenses – increase in office expenses of \$10K and plausibility of HST;
 - f) ensure that the terms of engagement were agreed to on a timely basis prior to commencing the engagement.

5. THAT, the said Razi U. Khan, in or about the period March 1, 2018 through March 31, 2018, while engaged to review the financial statements of BT as at December 31, 2017, failed to perform his professional services in accordance with generally accepted standards of practice of the profession contrary to Rule 206.1 of the Chartered Professional Accountants Code of Professional Conduct in that he failed to:
- a) disclose in an "other matter paragraph" of the review engagement report that the comparative amounts shown in the financial statements were reported on by another public accountant;
 - b) disclose that not all the assets, liabilities, revenues and expenses of the owner are disclosed and that the business is not subject to tax because its income is taxed directly to its owner;
 - c) disclose in a note to the financial statements exposure to risk, how that exposure arises and any change in risk from the previous period;
 - d) document in the working paper files an assessment of materiality;
 - e) obtain sufficient appropriate evidence with respect to opening balances to determine whether there are misstatements that materially affect the current period's financial statements when performing an initial review;
 - f) obtain an engagement letter prior to performing engagement;
 - g) obtain a management representation letter as near as practicable to, but not after, the date of the report;
 - h) document inquiry and analytical procedures performed regarding: Cash cut off procedures; Sales cut off procedures; Accounts payable and accrued liabilities; Comparison of revenue increase of 11%; Comparison of expenses decrease of 28%; HST.

Dated at Toronto, Ontario, this 25th day of January 2019.

A handwritten signature in black ink, appearing to read 'A. J. Sokic', is written over a solid horizontal line.

A. J. SOKIC, CPA, CA, CHAIR
PROFESSIONAL CONDUCT COMMITTEE

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

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **RAZI ULLAH KHAN**, a member of the Chartered Professional Accountants of Ontario, under **Rule 302.1** and **Rule 206.1** of the CPA Code of Professional Conduct, as amended.

TO: Mr. Razi Ullah Khan

AND TO: The Professional Conduct Committee

DECISION AND ORDER MADE JUNE 27, 2019

DECISION

The Panel was satisfied that the Allegations were proven and constituted a breach of Rule 302.1 and Rule 206.1 of the CPA Code of Professional Conduct. The Panel determined that, having breached these rules, Mr. Razi Ullah Khan ("Mr. Khan") has committed professional misconduct.

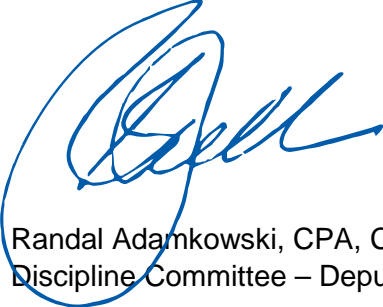
ORDER

The Tribunal orders the following:

1. Mr. Khan be reprimanded in writing by the Chair of the hearing.
2. Mr. Khan shall pay a fine of \$5,000 to the Chartered Professional Accountants of Ontario ("CPA Ontario") by June 27, 2021.
3. Mr. Khan shall, within 30 days of the date of the Decision and Order, enter into a Supervision Agreement approved by the Director of Standards Enforcement (the "Director") with a Supervisor approved by the Director from outside of Mr. Khan's practice who will review all assurance work undertaken by Mr. Khan for a period of 24 months. The 24-month supervisory period will commence with the first assurance work undertaken by Mr. Khan.
4. The Professional Conduct Committee will re-investigate Mr. Khan following the period of supervised practice with the costs of the re-investigation, up to \$3,500, to be borne by Mr. Khan.
5. Mr. Khan is required to complete, by paying for and attending in their entirety within 24 months from the date this Decision and Order is made, the following professional development courses or their replacement course (or the successor courses):

- i. Review Engagements- file review;
 - ii. Review Engagements - application of the standard;
 - iii. Review Engagements - Overview of CSRE 2400; and,
 - iv. ASPE Disclosure and Presentation.
6. Notice of this Decision and Order, disclosing Mr. Khan's name, is to be given in the form and manner determined by the Tribunal:
 - a) to all members of CPA Ontario;
 - b) to all provincial bodies;
 - c) Public Accountants' Counciland shall be made available to the public.
7. In the event Mr. Khan fails to comply with any of the requirements of this Order, he shall be suspended from membership in CPA Ontario until such time as he does comply, provided that he complies within 90 days from the date of his suspension. In the event he does not comply within 90 days of suspension, Mr. Khan's membership in CPA Ontario shall be revoked, and notice of the revocation of his membership, disclosing his name, shall be given in the manner specified above, and in a newspaper in the geographical area of practice. All costs associated with this publication shall be borne by Mr. Khan, and shall be in addition to any other costs ordered by the tribunal.
8. In the event that the Director finds Mr. Khan's choice of supervisor unacceptable, or there is any other issue relating to the supervised practice plan about which Mr. Khan and the Director cannot agree, either Mr. Khan or the Professional Conduct Committee may give notice of the disagreement to the Chair of the Discipline Committee, who may move to have that aspect of the order reconsidered in accordance with Regulation 6-2, section 24.
9. Mr. Khan shall pay costs of \$16,000 to CPA Ontario by June 27, 2021.

DATED at Toronto this 2nd day of July, 2019



Randal Adamkowski, CPA, CA
Discipline Committee – Deputy Chair

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

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **RAZI ULLAH KHAN**, a member of the Chartered Professional Accountants of Ontario, under **Rule 302.1** and **Rule 206.1** of the CPA Code of Professional Conduct, as amended.

BETWEEN:

**Chartered Professional Accountants of Ontario
Professional Conduct Committee**

-and-

Razi Ullah Khan

APPEARANCES:

For the Professional Conduct Committee: Paul Farley, Counsel

For Mr. Khan: Self-Represented

Heard: June 27, 2019

Decision and Order effective: June 27, 2019

Release of written reasons: September 17, 2019

REASONS FOR THE DECISION AND ORDER MADE JUNE 27, 2019

I. OVERVIEW

- [1] This hearing was held to determine whether the Allegations that Mr. Khan had failed to take reasonable steps to communicate with a predecessor accountant when he assumed two review engagements and that he had failed to provide professional services in accordance with generally accepted standards of the profession related to three review engagements were established and amounted to professional misconduct.
- [2] Mr. Khan obtained his CA designation in the United Kingdom in 1969, and in Canada in 1970. Shortly thereafter, he moved to Saudi Arabia where he was employed by a company for 28 years. In 2000, Mr. Khan relocated to Mississauga, Ontario, where he has practised as a sole practitioner ever since.
- [3] Mr. Khan had a small accounting practice comprising approximately seven review engagements and seven notice to reader engagements, along with providing

bookkeeping and personal tax preparation services. At the time of the hearing, he was 79 years old.

- [4] In August 2014, Mr. Khan was the subject of a routine practice inspection. Due to certain deficiencies being identified during that inspection, his practice was re-inspected in January 2016. Due to deficiencies identified during the reinspection he was subject to a further re-inspection in August 2017. The report from that re-inspection was released by the Practice Inspection Committee in December 2017. The Practice Inspection Committee then referred Mr. Khan to the Professional Conduct Committee (“PCC”). The Allegations before the Panel arose from that referral.
- [5] One file reviewed through practice inspection was the subject of two of the Allegations advanced by the PCC. The other two files were selected by the investigator during the investigation undertaken by the PCC.
- [6] The onus was on the PCC to show on a balance of probabilities that Mr. Khan’s conduct breached Rule 302.1 and Rule 206.1 of the CPA Code of Professional Conduct and constituted professional misconduct.

II. PRELIMINARY ISSUES

- [7] Mr. Khan attended the hearing and confirmed to the Panel that he did not wish to have the assistance of counsel. At the outset of the hearing, Mr. Khan admitted the Allegations against him.

III. ISSUES

- [8] The Panel identified the following issues arising from the Allegations:
- A. Did the evidence establish, on a balance of probabilities, the facts on which the particulars of the Allegations by the PCC were based?
 - B. If the Allegations by the PCC were established on the evidence on a balance of probabilities, did those Allegations constitute professional misconduct?

IV. DECISION

- [9] The Panel found that the PCC presented clear, cogent, and convincing evidence that established, on a balance of probabilities, the facts upon which the Allegations were based. In particular, Mr. Khan had failed to communicate with the predecessor accountant when he assumed two review engagements, and he failed to maintain generally accepted standards of the profession in three review engagements.
- [10] The Panel was satisfied that the facts proven by the PCC relating to the Allegations constituted breaches of Rule 302.1 and Rule 206.1 of the CPA Code of Professional Conduct. The Panel found that having breached these sections, Mr. Khan had

committed professional misconduct.

V. REASONS FOR THE DECISION

Findings regarding Conduct of Mr. Khan

- [11] Much of the evidence was presented to the Panel by way of an Agreed Statement of Facts, signed April 19, 2019 (Exhibit 1). These agreed facts were supplemented by the evidence of the investigator, Dirk Joustra, CPA, CA, who was accepted by the Panel as an expert in assurance work, including assurance work for not-for-profit clients. Mr. Khan did not dispute any of the facts, including the evidence of Mr. Joustra.
- [12] The five Allegations related to three review engagements for three different clients, BCCS, BT and TAAA, with respect to fiscal years ending December 31, 2015 (BCCS), December 31, 2017 (BT), and March 31, 2017 (TAAA).
- [13] For two of the engagements (BCCS and BT), Mr. Khan was retained to replace another accountant to perform the review engagements. Mr. Khan did not contact either of the predecessor accountants before performing these review engagements.
- [14] There were numerous deficiencies identified, and admitted, in each of the three review engagements, such that these files prepared by Mr. Khan did not comply with various provisions of the CPA Canada Handbook. The Agreed Statement of Facts identified these deficiencies and cross-referenced them to the relevant provisions of the CPA Canada Handbook.
- [15] With respect to the review performed for BCCS for the year ended December 31, 2015, Mr. Khan failed to make a number of disclosures in the notes, including that the comparative figures were prepared by another accountant, that the information in the statements was prepared in accordance with generally accepted accounting principles, and that the statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations, which BCCS was.
- [16] In relation to the BCCS review engagement, Mr. Khan failed to obtain a management representation letter dated before the release of the report and failed to ensure that one of the notes to the financial statements, which was contradictory on its face, accurately disclosed credit risk. He failed to adequately plan and execute the assurance work, as reflected by the fact that all checklists were initialed by Mr. Khan after the date of the review engagement report. Mr. Khan also failed to document in his working paper file, in addition to completing checklists, the required inquiry, analytical procedures, and discussion to establish plausibility for several items, including comparison of balance sheet items and HST.
- [17] With respect to the review performed for TAAA for the year ended March 31, 2017, Mr. Khan failed to attach the review engagement report as required by standards in effect at the time, and failed to ensure that the report referred to Canadian accounting standards for not-for-profit organizations, which TAAA was. Mr. Khan also failed to obtain a management representation letter dated before the release of the report.

- [18] In relation to the TAAA review engagement, as with the BCCS engagement, Mr. Khan failed to adequately plan and execute the assurance work, as reflected by the fact that all checklists were initialed by Mr. Khan after the date of the review engagement report. Mr. Khan also failed to document in his working paper file, in addition to completing checklists, the required inquiry, analytical procedures, and discussion to establish plausibility for several items, including comparison of balance sheet items, revenue, expenses and HST. He also failed to confirm agreement on the terms of the engagement before starting the engagement.
- [19] With respect to the review performed for BT for the year ended December 31, 2017, Mr. Khan failed to make a number of disclosures in the notes, including that the comparative figures were prepared by another accountant, that not all of the assets, liabilities, revenues, and expenses of the owner were disclosed, that the business was not subject to tax because the income was taxed directly in the hands of the owner, and the exposure to risk and uncertainties.
- [20] Also in relation to the BT review engagement, Mr. Khan failed to document an assessment of materiality or any evidence to allow him to assess whether the opening balances were materially overstated. He also failed to obtain both a management representation letter and an engagement letter in a timely manner. Finally, Mr. Khan failed to document in his working paper file, in addition to completing checklists, the required inquiry and analytical procedures to establish plausibility for several items, including changes in revenue and expenses.
- [21] Mr. Joustra stated that, in his experience, the Practice Inspection Committee provided comments to a member at the conclusion of a practice inspection or re-inspection. As noted, the BCCS file had been reviewed by the Practice Inspection Committee. In addition, two of the files that were the subject of the Allegations had been reviewed by other CPA, CAs, who had provided Mr. Khan with comments that were not dissimilar from the comments given by the Practice Inspection Committee. However, Mr. Khan had not subsequently taken these comments into account in his handling of the files.
- [22] The Panel was satisfied that the undisputed evidence in the Agreed Statement of Facts and from Mr. Joustra clearly and cogently demonstrated that the facts set out in the Allegations were established on a balance of probabilities.

Finding of Professional Misconduct

- [23] The Panel concluded that the Allegations, having been proven on the evidence, constituted breaches of Rule 302.1 and Rule 206.1 of the CPA Code of Professional Conduct. Rule 302.1 established a clear obligation on a member to inquire of the predecessor accountant when he assumed an engagement. The absence of any evidence of inquiries by Mr. Khan established a breach of the Rule.
- [24] The language of Rule 206.1 requires a member to perform professional services in accordance with generally accepted standards of practice of the profession. In turn, those standards are set out in detail in the CPA Canada Handbook. In this instance, the provisions of the Assurance and Accounting sections were specifically relevant. The

evidence demonstrated that Mr. Khan had not maintained these standards in a number of ways in the three review engagements. As a result, he did not maintain the generally accepted standards of practice of the profession and breached Rule 206.1.

- [25] Before the Panel, Mr. Khan submitted that, when he first started in private practice, he did not really know all of the standards, but he eventually became aware of them. He said that there were notes in his files that showed he had opportunities to learn as he worked through engagements. He had also undertaken professional development courses so that he could continue to learn. However, despite these opportunities, he had not corrected his practice. Mr. Khan suggested to the Panel that if he had been aware of the consequences of not correcting these matters, he might have made greater efforts to correct them. While the Panel appreciated Mr. Khan's candor and his interest in improving his standard of practice, these good intentions did not detract from one key fact: despite being advised of the deficiencies and being given an opportunity to correct them, he had not done so. Despite three practice reviews, and one investigation by PCC, significant deficiencies, in breach of the standards, remained.
- [26] The Panel was satisfied on a balance of probabilities that, having breached these two Rules, Mr. Khan had committed professional misconduct. Mr. Khan admitted this conclusion at the outset of the hearing. In the Panel's view, he was right to do so.

VI. DECISION ON SANCTION

- [27] After considering the evidence and the submissions of counsel for the PCC, the Panel ordered that Mr. Khan receive a written reprimand, pay a \$5,000 fine, and enter a supervision agreement within 30 days with a Supervisor approved by the Director of Standards Enforcement from outside of Mr. Khan's practice who will review all assurance work undertaken by Mr. Khan for a period of 24 months. The Panel also ordered that the PCC would re-investigate Mr. Khan after the completion of the period of supervision, with \$3,500 of the costs of the re-investigation to be borne by him. Further, the Panel ordered that Mr. Khan complete four specified professional development courses relating to review engagements within a 24-month period. The Panel ordered publication of the decision to all members, all other provincial bodies, and the Public Accountants' Council, and that the decision be available to the public.
- [28] The Panel also set out terms that would apply if Mr. Khan did not comply with the terms of the Panel's order. These would require his suspension if he failed to comply with a term, and then, if he did not comply for 90 days after being suspended, his membership would be revoked.

VII. REASONS FOR DECISION ON SANCTION

- [29] Counsel for the PCC advised that the position on sanction was a joint submission of the parties, except with respect to the amounts to be assessed for a fine and costs. The Joint Submission, signed on the same date as the Agreed Statement of Facts, April 19, 2019, was tendered in evidence before the Panel at the Panel's request.

Request for an Adjournment

- [30] At the outset of the sanction portion of the hearing, Mr. Khan expressed concern that he did not have documentary evidence with him regarding his financial position and that he did not know how to put evidence regarding his financial position before the Panel. After a lengthy exchange with the Chair of the Panel, Mr. Khan requested an adjournment.
- [31] The Panel deliberated on Mr. Khan's request and denied it on the basis that Mr. Khan had had several months to prepare material and he had been aware that the issue of his ability to pay would be an issue at the hearing. In the Panel's view, Mr. Khan's failure to prepare in those circumstances did not justify an adjournment. He had ample opportunity to prepare and had not availed himself of it. The hearing needed to proceed. However, to permit Mr. Khan a reasonable opportunity to state his case, the Chair explained to Mr. Khan the different ways in which he could provide evidence to the Panel, including his own oral testimony. The Panel then recessed for more than an hour to allow Mr. Khan an opportunity to prepare his oral evidence and/or submissions, and to gather any documentary evidence that he had available to him.

Evidence Regarding Mr. Khan's Ability to Pay

- [32] After the recess, Mr. Khan gave evidence regarding his financial circumstances, supplementing his oral testimony with a print-out of his household expenses from his cell phone (Exhibit 4). Mr. Khan noted that he had not prepared this document especially for this hearing, but that the document included figures that were "more or less" actual amounts of his income and expenses, although some were estimated. The listed expenses consumed most, but not all, of the income stated by Mr. Khan.
- [33] The parties agreed that Mr. Khan's annual gross income from his practice was approximately \$45,000 to \$47,000. Mr. Khan indicated that he had a net business income of \$2,500 per month. He also had pension income from various sources and the rental income from a townhouse. He owned the townhouse, free of any mortgages or encumbrances. He also had a tax free savings account.

Consideration of the Joint Submission

- [34] During his submissions on sanction, Mr. Khan raised a question as to the terms of the joint submission that he had entered. Mr. Khan acknowledged signing the Joint Submission on Sanction (Exhibit 6). The Panel reviewed the written Joint Submission on Sanction and was satisfied that Mr. Khan had signed it and was aware of its terms. Mr. Khan conceded this after a further exchange with the Panel. In the Panel's view, Mr. Khan understood the issues involved in the joint submission and what had been agreed upon; however, he believed that he might be able to renegotiate the terms. He was not. To the extent that other terms may have been discussed between the parties before the final document was signed, the Panel was satisfied that it could not properly consider those other terms and had to consider the joint submission that was placed before it.
- [35] The joint submission before the Panel focused on the rehabilitation of Mr. Khan as a member by emphasizing an improvement in his skills so that he could provide

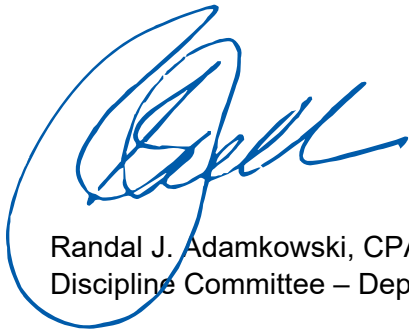
professional services in the future in accordance with the generally accepted standards of the profession. The Joint Submission sought a written reprimand of Mr. Khan, the payment of a fine, a supervision agreement requiring the review of Mr. Khan's assurance work by an approved member for a period of 24 months, and a reinvestigation after that period with a portion of the costs to be borne by Mr. Khan. In addition, the joint submission required Mr. Khan to complete four specified professional development courses relating to review engagements within a 24 month period.

- [36] In explaining the joint submission, counsel for the PCC noted that the fact that there had been a practice inspection and two re-inspections, without the problems being subsequently addressed prior to the involvement of PCC, was an aggravating factor. The existence of numerous deficiencies was also an aggravating factor. On the other hand, the absence of a discipline history and Mr. Khan's acceptance of responsibility were significant mitigating factors. His acceptance of responsibility was seen in the fact that Mr. Khan had cooperated with the process, including signing an agreed statement of facts and admitting professional misconduct.
- [37] The law is clear that an adjudicative tribunal should give significant deference to a joint submission advanced by the parties. In general, the Panel should accept the joint submission unless it is contrary to the public interest or outside the reasonable range of sanctions imposed in similar cases. The cases that the PCC provided to the Panel demonstrated that the joint submission fell squarely within the range of sanctions imposed in cases with similar misconduct. Accordingly, the Panel was obliged to give deference to the joint submission in imposing sanction and adopted the joint submission as the appropriate sanction. The only issue that was left open was the amount of the fine and the contribution to the costs of re-investigation.
- [38] Counsel for the PCC submitted that the fine should be \$5,000, as this was the lowest fine that could be imposed that would have a deterrent value, and not be seen simply as a licence fee for substandard work. It was also submitted that Mr. Khan would pay the costs of the re-investigation up to an amount of \$3,500, which counsel for the PCC described as a "token amount" that would not cover the actual costs.
- [39] The Panel found the evidence of Mr. Khan with respect to his financial circumstances to be generally credible and was satisfied that he tried to be as accurate as possible with the details of his affairs. However, even accepting this evidence, it was clear that Mr. Khan had significant unencumbered assets as well as cashflow, and an ability to earn an income. Consequently, the Panel was not satisfied that Mr. Khan's evidence demonstrated that he was unable to pay any reasonable order made against him involving the payment of money.
- [40] For these reasons, the Panel adopted the joint submission and included the financial terms, namely the \$5,000 fine and the \$3,500 contribution to a re-investigation by the PCC, as proposed by the PCC. These amounts were also within the range reflected in previous cases. To the extent that these amounts fell toward the lower end of the range, the Panel was satisfied that this was appropriate given Mr. Khan's age and the limited extent of his practice.

VIII. COSTS

- [41] The PCC sought an order requiring Mr. Khan to pay one-half of the cost of the investigation and prosecution of this matter. Counsel for the PCC noted that the PCC typically sought an order for payment of two-thirds of the actual costs, but, given Mr. Khan's age and his limited practice, the PCC was only seeking an order for half of the costs in this proceeding.
- [42] The costs outline submitted by the PCC (Exhibit 5) indicated that the total costs incurred for the hearing of the application and the investigation were \$32,047.77. Counsel to the PCC proposed an order for \$16,000, being one-half of that amount.
- [43] Mr. Khan made only limited submissions with respect to costs. In essence, his position was that he had limited resources available to him, based on the evidence he provided, and his belief that the profession should assist older members, who had been a part of the profession for a long time, as he had been.
- [44] In the Panel's view, the concession by the PCC with respect to costs struck the appropriate balance between Mr. Khan's personal circumstances and the need for members who are found to have committed professional misconduct to reimburse CPA Ontario, and thereby the profession, for part of the costs of the investigation and discipline hearing caused by their misconduct. As noted above, Mr. Khan had assets and was not so impecunious that a lesser costs award could be justified.
- [45] The Panel was satisfied that \$16,000, payable within two years, was an appropriate order as to costs.

Dated at Toronto this 17th day of September, 2019



Randal J. Adamkowski, CPA, CA
Discipline Committee – Deputy Chair

Members of the Panel

Veronica Green-Dimitroff, CPA, CMA
David Handley (Public Representative)
David L. Knight, FCPA, FCA
Salim Somani, CPA, CA, LPA

Independent Legal Counsel

Glenn Stuart
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