

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

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **GARETT HAZELWOOD, CPA, CGA**, under **Rules 101.1 (b), 104 and 206.1** of the CPA Code of Professional Conduct and Allegations against **GARETT HAZELWOOD, CPA, CGA**, under **Rule 104.2** of the CPA Code of Professional Conduct.

BETWEEN:

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

-and-

Garett Hazelwood

APPEARANCES:

For the Professional Conduct Committee: Kelvin Kucey, Counsel

For Garrett Hazelwood: Present
James Lane, Counsel

Heard: July 25, 2024

Decision and Order effective: July 25, 2024

Release of written reasons: October 2, 2024

REASONS FOR THE DECISION AND ORDER MADE JULY 25, 2024

I. OVERVIEW

- [1] The Professional Conduct Committee (PCC) of the Chartered Professional Accountants of Ontario (CPA Ontario) made Allegations that Garrett Hazelwood (the Member) acted as an engagement partner for the review of financial statements without a valid Public Accounting Licence (PAL), failed to cooperate with the regulatory processes of CPA Ontario, and failed to perform his professional services in accordance with generally accepted standards of practice of the profession.
- [2] The Member executed an Agreed Statement of Facts (ASF) in which he admitted the Allegations. The PCC and the Member made a joint submission on sanction and costs, which was accepted by the Panel.

II. THE COMPLAINTS AND THE INVESTIGATIONS

- [3] The Member obtained his Certified General Accountant designation in 2005. In January 2020, he and Karen Jakubos, CPA, CGA (Jakubos) created the practice of H.J. Advisors Professional Corporation (HJAPC) through the purchase and merger of pre-existing accounting practices, including the sole proprietorship of Gary Edgecombe, CPA, CA (Edgecombe) located in Elmvale, Ontario. The Member was the managing partner of HJAPC and worked out of the Port Perry office. Jakubos and Edgecombe worked out of the Elmvale office.
- [4] On October 22, 2020, CPA Ontario granted HJAPC a Certificate of Authorization to practice public accounting. Edgecombe was the only CPA at HJAPC with a valid PAL; neither the Member nor Jakubos ever held a PAL.
- [5] As of October 22, 2022, the Member's professional practice at HJAPC consisted primarily of compilation and tax engagements and he provided limited assurance services, with four review engagement clients.
- [6] In September 2021, the first Practice Inspection (PI) of Edgecombe's assurance practice was conducted as part of the newly formed HJAPC. Among the review engagements selected for the PI was SSI, for the year ended June 30, 2020 (SSI 2020). In January 2022, the Practice Inspection Committee (PIC) advised the PCC of its conclusion that Edgecombe's failure to maintain his professional standards was sufficiently serious to reflect adversely on his professional competence and HJAPC's organizational competence to provide assurance services to the public. In addition to significant standards deficiencies with respect to SSI 2020, the PIC identified apparent backdating of review engagement working paper documentation, the failure to lock down engagement files and evidence that the Member and Jakubos may be providing public accounting services without a PAL.
- [7] Following the complaint of the PIC to the PCC, an investigator was appointed to investigate Edgecombe's professional conduct. As a result of the Edgecombe investigation, the PCC filed Allegations of professional misconduct against him, and directed an investigation into the conduct of Jakubos.
- [8] As a result of the Jakubos investigation, the PCC filed Allegations of professional misconduct against her, and directed an investigation into the conduct of the Member.
- [9] Following the Member's withdrawal from his investigation in April 2023, the investigation was concluded and the PCC filed Allegations of professional misconduct against him dated June 1, 2023.
- [10] In July 2023, [Edgecombe](#) and [Jakubos](#) entered into separate Settlement Agreements with the PCC, which were approved by the Discipline Committee on August 17, 2023. Edgecombe acknowledged in his Settlement Agreement that he was held out to CPA Ontario as the engagement partner for SSI 2020, but that he abrogated some of his lead engagement partner responsibilities to the Member.

- [11] On December 23, 2023, CPA Ontario's Standards Enforcement (SE) division received a complaint from DL, a former client of the Member. After multiple attempts by SE staff to obtain a response from the Member, the PCC filed another Allegation against him, dated May 8, 2024, for failing to cooperate with the investigation.

III. THE ALLEGATIONS

- [12] On July 15, 2024, the PCC amended the original June 1, 2023 Allegations of professional misconduct against the Member. These amended Allegations (D-23-015) include five allegations.
- [13] First, the PCC alleged that the Member's conduct in acting as the *de facto* engagement partner for the review of SSI 2020, without a valid PAL, was contrary to ss. 2(1)1 and 3 of the *Public Accounting Act*, 2004 and contrary to Rule 101.1(b) of the CPA Code of Professional Conduct (Code).
- [14] Second, the PCC alleged that the Member failed to cooperate contrary to Rule 104 of the Code in the period from June 1, 2020, to December 31, 2022, as HJAPC's designated CPA Ontario PI contact. Specifically, the PCC alleged that he assisted in the modification or backdating of working papers relating to SSI 2020 in advance of the PI of that engagement, and that he failed to ensure that his engagement role with SSI 2020 was transparently presented to the investigators.
- [15] Third, the PCC alleged that the Member failed to cooperate in the period from February 1, 2023 to May 26, 2023 contrary to Rule 104 of the Code, in that: he refused, after preliminary contact, to meet with the PCC's investigators, unilaterally withdrawing from the process; he failed to respond to inquiries regarding his role in entities separate from HJAPC; and he failed to provide specific documents requested by PCC investigators.
- [16] Fourth, the PCC alleged that the Member, while improperly acting as the engagement partner for the SSI 2020 review, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Code. There are seven particulars specified in this Allegation.
- [17] Fifth, the PCC alleged that the Member, while improperly acting as the engagement partner for the SSI 2020 review, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to HJAPC's Quality Assurance Manual (QAM) and Rule 206.1 of the Code. There are three particulars specified in this Allegation.
- [18] The PCC filed an additional Allegation of professional misconduct (D-24-012) against the Member dated May 8, 2024, relating to his failure to cooperate with the regulatory process of CPA Ontario from February 15, 2024, to May 8, 2024, contrary to Rule 104 of the Code. This Allegation pertains to the complaint of DL, which is unrelated to the above Allegations (D-23-015).

IV. PRELIMINARY ISSUES

- [19] Pursuant to Rule 6 of the *Rules of Practice and Procedure*, the parties, on consent, moved to combine the two proceedings, D-23-015 and D-24-012, and have them heard at the same time. The Panel granted the motion.

V. ISSUES

- [20] 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 Allegations by the PCC were based?
 - B. If these facts were established on the evidence on a balance of probabilities, did these facts constitute professional misconduct?

VI. DECISION

- [21] The Panel found that the evidence established, on a balance of probabilities, the facts on which the Allegations by the PCC were based.
- [22] The Panel was satisfied that the facts alleged constituted breaches of Rule 101.1(b), Rule 104, and Rule 206.1 of the Code, and having breached these Rules, the Member had committed professional misconduct.

VII. REASONS FOR THE DECISION ON MISCONDUCT

Findings Regarding the Conduct of the Member

- [23] The Panel admitted the ASF as Exhibit 1, and the associated Document Brief as Exhibit 2. The following section summarizes the facts agreed by the Member in the ASF as they relate to each Allegation.

Allegation 1 – Acting as a *de facto* engagement partner without a PAL

- [24] The *Public Accounting Act, 2004* provides in section 3 that a person who is engaged in the practice of public accounting shall be licensed in accordance with the Act. Rule 101.1(b) of the Code provides that all members shall comply with, among other things, the legislation, bylaws, and regulations of CPA Ontario.
- [25] Of the three CPAs who worked at HJAPC, Edgecombe was the only PAL holder and was therefore the only CPA entitled to sign and issue an Independent Practitioner's Review Report (Review Report).
- [26] The Member signed the engagement letter for SSI 2020 and, after receiving oral authorization from Edgecombe, signed the SSI 2020 Review Report, without documenting Edgecombe's action. The Member initially represented to the investigators that Edgecombe had signed the SSI 2020 Review Report, but eventually conceded that he signed it under the HJAPC title.

- [27] The Member's role in the SSI 2020 review engagement included: signing the engagement letter, issuing the planning letter prepared by Jakubos; answering questions from HJAPC's file preparer; performing a file review, acting as HJAPC's contact in most in-person client meetings, and signing the Review Report.
- [28] Edgecombe's purported lead engagement partner role on SSI 2020 was limited to a secondary review of minimal working papers.
- [29] The Member admits that he inappropriately performed most of the traditional duties of an engagement partner for SSI 2020 without a valid PAL.

Allegation 2 – Failure to Cooperate (August 1, 2021 - December 31, 2022)

- [30] The Member admits the Allegation that he participated in, directed and assisted HJAPC's purported engagement partner (Edgecombe) for the SSI 2020 review engagement to modify or backdate working papers approximately nine months after the date of the Review Report in advance of a September 17, 2021 PI review of that engagement.
- [31] The Member signed the Review Report for SSI 2020, which was dated December 18, 2020. The working papers show backdated dates of October 27, 2020, and October 27, 2020, with an archive (or lockdown) date of September 14, 2021.
- [32] The CaseWare SSI 2020 summary of review dates for Edgecombe and Jakubos indicates a sign-off on October 29, 2020, following a review, but the history properties show the "reviewed by" date was input on September 13, 2021, not October 29, 2020.
- [33] File documents, including the T183 (tax e-filing authorization form) and the client representation letter were re-signed after December 18, 2020, to replace the originals that had purportedly gone missing.
- [34] The SSI 2020 T183, one of the client forms that was signed by the client in December 2020, was re-printed on August 27, 2021 with the Member's knowledge.
- [35] The Member admits that he participated with Edgecombe and Jakubos in obtaining client signatures on documents after the expiry of the lockdown period in advance of the September 17, 2021 inspection of HJAPC's assurance practice and that HJAPC engaged in a program of improper modification of working papers after the December 18, 2020 release of the Review Report for SSI 2020, in an effort to cover up standards shortfalls in the engagement.
- [36] The Member also admits the Allegation that as HJAPC's managing partner, he failed to ensure that his engagement role with SSI 2020 was transparently presented to the investigators.
- [37] The Canadian Standard on Quality Control 1 (CSQC 1) defines the engagement partner as the partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.
- [38] The Member, Edgecombe and Jakubos initially represented to CPA Ontario that Edgecombe was the engagement partner for SSI 2020.

- [39] Notwithstanding this representation, the Member signed the engagement letter for the 2020 year-end and the 2020 Review Report, sent the planning letters to the client, answered questions from the file preparer, performed the file reviews, attended the client's offices and acted as the sole firm contact for client communications.
- [40] In contrast, Edgecombe had no communication with the client, only performing a second review of the Review Report and the financial statements.
- [41] No working paper checklists for client acceptance or continuance, planning, performing procedures, evaluating evidence, forming a conclusion and issuing the report were appropriately prepared.
- [42] The Member admits that he performed the customary functions of a lead engagement partner of a financial statement review for SSI 2020 absent any oversight from Edgecombe and that he attempted to mislead the investigators regarding his role.

Allegation 3 – Failure to Cooperate (February 1, 2023 - May 26, 2023)

- [43] The Member admits to the first particular of this Allegation, that after preliminary contact, he refused to meet with the PCC's investigators, unilaterally withdrawing from the process.
- [44] Specifically, the Member initially participated in the investigation, completing investigation interviews and delivering a volume of material requested by the investigator. However, in March 2023, citing health concerns, he sought to delay the investigation. Notwithstanding his health concerns, the Member continued to operate his accounting practice without interruption.
- [45] In response to a request from the investigator, the Member eventually produced a medical note from his general practitioner that stated that the Member was experiencing symptoms that could be cardiac in nature and had been referred for an assessment. The Member requested the adjournment of a meeting with the PCC on that basis, but the request was denied.
- [46] The Member then attended the meeting on May 10, 2023, without having answered all of the investigator's questions of him. The Member later received and disclosed to the PCC a report of medical diagnosis indicating that the symptoms he was experiencing were mental and not cardiac in nature.
- [47] The Member admits that he unilaterally withdrew from the PCC's investigation but failed to provide adequate medical support for this position.
- [48] The Member also admits to the second and third particulars of this Allegation, that he failed to respond to inquiries regarding Garrett Hazelwood Sole Proprietorship (GHSP) and Kalibrate Corp. (Kalibrate), and that he failed to provide a list of specific documents requested by PCC investigators, most of which relate to these entities.
- [49] The investigators requested information and documentation regarding HJAPC and the Member's related corporations and business undertakings. The Member responded by providing some of the material requested but provided no further documentation after his request to delay the investigation due to his health concerns.

- [50] As of the date of the ASF the Member had not disclosed all of the requested documentation.

Allegation 4 – Failure to meet standards of practice of the profession

- [51] The Member admits that, while improperly acting as the engagement partner for SSI 2020, he failed to perform his professional services in accordance with generally accepted standards of practice for the profession.
- [52] SSI's principal business activities included the manufacturing and installation of fixed furniture for the North American market. SSI required reviewed financial statements for its bank. Materiality was determined to be \$50,000.

Particular 4(a)

- [53] The first particular is that the Member failed to take responsibility for the overall quality of the review engagement and for the direction, supervision, planning and performance of the review engagement in compliance with professional standards and applicable legal and regulatory requirements.
- [54] The Canadian Standard on Review Engagements (CSRE) 2400.23 requires the engagement partner to take overall responsibility for:
- (a) Managing and achieving quality on each review engagement to which that partner is assigned and being sufficiently and appropriately involved throughout the engagement; and
 - (b) The direction, supervision, planning and performance of the review engagement in compliance with professional standards and applicable legal and regulatory requirements.
- [55] Contrary to the file documentation and the representations made by the Member and others at HJAPC to PI, to SE and to the investigators, the Member, rather than Edgecombe, was extensively involved with this review engagement. The Member fulfilled a majority of the responsibilities that were performed which would be expected of an engagement partner, despite the fact that he did not carry a PAL. The Member was responsible for most of the correspondence and meetings with the client, he signed the engagement letter, the representation letter from management was addressed to him, and he signed the Review Report for the financial statements.
- [56] The Member admits that, while Edgecombe was the designated engagement partner, the Member executed most of the lead engagement partner responsibilities for SSI 2020 but failed to be accountable for his role.

Particular 4(b)

- [57] The Member failed to disclose, in Note 7 to the Financial Statements, the interest rate of Balance Sheet item "Due to related parties 11,288."

- [58] Section 3856.43 of the CPA Canada Handbook — Accounting (CPAH) requires the practitioner to disclose six key elements of each of an entity's financial liabilities. The interest rate on "Due to related parties" on the Balance Sheet was not disclosed as required.

Particular 4(c)

- [59] CPAH 3856.37 requires the practitioner to disclose relevant enterprise-specific information that enables users of the financial statements to evaluate the significance of financial instruments to its financial position and performance. Information is relevant and enterprise-specific when it is considered significant based on the enterprise's current exposure.
- [60] The "Financial instruments policy" in Note 2 to the Financial Statements on accounting policies should not have included 'Inventory', 'Prepaid expenses', 'Accrued liabilities', 'Government remittances' and 'Income taxes payable' as they are not financial assets or liabilities. The Member failed to appropriately exclude these items.

Particular 4(d)

- [61] CPAH 3856.53A requires the practitioner to disclose for each significant risk arising from financial instruments, the exposures to risk and how they arise.
- [62] The Member failed to disclose the amount of financial assets and liabilities held in foreign currency to support "Currency risk" in Note 3 to the Financial Statements.

Particular 4(e)

- [63] CSRE 2400.46 requires the practitioner, in obtaining sufficient appropriate evidence as the basis for a conclusion on the financial statements, to design and perform inquiry and analytical procedures to address all material items in the financial statements, including disclosures and to focus on addressing areas in the financial statements where material misstatements are likely to arise.
- [64] The Member failed to document inquiry and analytical procedures to support Balance Sheet item "Inventory of materials and manufactured parts 242,850." Inquiry and analytical procedures were not performed in a sufficient appropriate manner for 'Inventory' with respect to costing and cut-off. There was no documentation with respect to cut-off. For costing, the 'Inventory - Review procedures' working paper referenced a working paper '31' but there was no relevant documentation included.

Particular 4(f)

- [65] The Member failed to document inquiry and analytical procedures to support Statement of Income items "Sales 10,293,925" and "Cost of Sales 6,601,666," contrary to CSRE 2400.46. Specifically, the 'Income statement- review procedures' working paper documented the change in gross profit margin but not why the change was plausible.

Particular 4(g)

- [66] CRSE 2400.103 requires practitioners to date the report no earlier than the date on which they have obtained sufficient appropriate evidence as the basis for their conclusion on the financial statements, including being satisfied that:
- (a) All the statements that comprise the financial statements under the applicable financial reporting framework, including the related notes where applicable, have been prepared; and
 - (b) Those with the recognized authority have asserted that they have taken responsibility for those financial statements.
- [67] CRSE 2400.104, identifying that preparation of documentation for the review provides evidence that the review was performed in accordance with this CSRE, and legal and regulatory requirements where relevant, and sufficient and appropriate record of the basis for the practitioner's report, requires the practitioner to document three specific aspects of the engagement in a timely manner, sufficient to enable an experienced practitioner, having no previous connection with the engagement, to understand what took place.
- [68] CRSE 2400.105 requires the practitioner in documenting the nature, timing and extent of procedures performed to record who performed the work and the date such work was completed, and who reviewed the work performed for the purpose of quality management for the engagement, and the date and extent of the review.
- [69] The Member failed, on or before the date of the Review Report, to satisfy himself, through a review of the documentation, that sufficient appropriate inquiry and analytical procedures had been conducted to support the conclusions reached and the Review Report to be issued. Specifically, the Review Report was not but should have been dated no earlier than the date on which the Member had obtained sufficient appropriate evidence as a basis for the conclusion on the financial statements. The history of the document properties for the checklist documents show that they were entered by Edgecombe and Jakubos in September 2021, after the Review Report date of December 18, 2020.

Allegation 5 – Failure to meet standards of practice of the profession

Particular 5(a)

- [70] CSQC 1.35 requires the practitioner to apply firm policies regarding engagement quality control and criteria against which all assurance engagements are to be evaluated to determine when an engagement quality control review should be performed.
- [71] HJAPC uses a "Sample Policies for Small to Medium Size Firm" issued by CPA Canada as the basis for its QAM. The QAM sets out the criteria for which an engagement quality control review should be performed. Appendix L to the QAM is a File Quality Review Risk Tolerance Worksheet, which was not included in any of the files under review. The Member admitted that he did not complete the Worksheet for the engagement, and thus failed to complete an assessment of whether the criteria requiring the performance of an engagement quality control review were met for the engagement.

Particular 5(b)

- [72] The Member failed to ensure that the Review Report was signed by HJAPC's licensed public accountant. He admits that he signed the SSI 2020 report instead of Edgecombe and that he failed to document any authorization from Edgecombe to do so.

Particular 5(c)

- [73] CSQC 1.45 requires the practitioner to apply firm policies and procedures for engagement teams to complete the assembly of final engagement files on a timely basis after the engagement reports have been finalized.
- [74] The QAM policy for engagement teams is to complete the assembly of final engagement files within 45 days of the engagement reports being finalized. The Member failed to comply with this policy in respect of SSI 2020.

Allegation D-24-012 - Failure to Cooperate (February 15, 2024 – May 8, 2024)

- [75] On December 6, 2023, CPA Ontario received a complaint against the Member from DL, one of the Member's accounting and payroll clients.
- [76] On February 1, 2024, SE staff notified the Member of the complaint and requested his response by February 15, 2024. The Member responded to SE staff on February 2 and 15, citing issues he was having accessing the documents and reasons why he was unable to provide the requested response.
- [77] SE staff granted time extensions, provided file access guidance, issued additional written requests on March 19 and 28, 2024, and repeatedly cautioned him regarding his obligation to cooperate. Nonetheless, the Member failed to provide a written response as required.
- [78] The Panel finds that the ASF provides clear and cogent evidence that the facts upon which the Allegations are based have been proven on a balance of probabilities.

Finding of Professional Misconduct

- [79] The Panel concludes that the Allegations, having been proven on the evidence, constitute breaches of Rule 101.1(b), Rule 104, and Rule 206.1 of the Code and constitute professional misconduct.

VIII. DECISION AS TO SANCTION

- [80] After considering the evidence, the law, and the joint submission of both parties, the Panel ordered that the Member's membership with CPA Ontario be suspended for 12 months, that the Member be barred from ever holding a PAL, that the Member's practice be restricted by prohibiting him from carrying out any assurance engagements, that the Member be fined \$30,000 payable in two years, and that the Member co-operate with the requests of SE within 30 days. A failure to comply with SE's requests within 30 days shall

trigger an additional 30-day cure period, and failure to comply within this period will lead to the revocation of his membership forthwith.

- [81] Notice of the decision and order is to be given to the membership, to the Public Accounting Standards Committee, to all provincial bodies, and shall be made available to the public.
- [82] If the Member does not comply with the terms of the Panel's order, he will be suspended from membership in CPA Ontario until such time as he does comply. If he does not comply within 30 days of suspension, his membership in CPA Ontario will be revoked, and notice of the revocation will be in the manner specified above, as well as in a newspaper distributed in the geographic area of the Member's practice or residence, with costs of the publication to be borne by the Member.

IX. REASONS FOR THE DECISION AS TO SANCTION

- [83] The Panel accepted the position on sanction jointly submitted by the PCC and the Member.
- [84] The Panel recognized that a joint submission is entitled to a high level of deference. A joint submission should be adopted unless it is contrary to the public interest or would bring the regulatory process into disrepute because it was beyond the reasonable range of sanction.
- [85] In the case of [R. v. Anthony Cook](#) the Supreme Court of Canada wrote at para. 34 that a joint submission should not be rejected lightly:

Rejection denotes a submission so unhinged from the circumstances of the offence and the offender that its acceptance would lead reasonable and informed persons, aware of all the relevant circumstances, including the importance of promoting certainty in resolution discussions, to believe that the proper functioning of the justice system had broken down. This is an undeniably high threshold.
- [86] The Panel found that the joint submission of the parties fell within the reasonable range of sanction for the misconduct of the Member and is not contrary to the public interest.
- [87] The Panel acknowledged the following mitigating factors: the Member had no prior discipline record with CPA Ontario; by entering into an ASF and joint submission on penalty the Member acknowledged responsibility for his misconduct and saved the PCC and the Discipline Committee the time and expense of a lengthy hearing; the Member did cooperate with the investigations of Edgecombe and Jakubos and later of himself, for a period of over five months before withdrawing, citing health concerns (while furnishing limited supporting evidence); and the misconduct did not result in any demonstrable financial or other harm to the stakeholders or the general public.
- [88] The Panel found that the Member's pattern of failing to cooperate with CPA Ontario's investigations, contrary to Rule 104, constituted an aggravating factor.

- [89] The Panel found that the fine of \$30,000, payable within two years, promoted the objectives of specific and general deterrence. The Panel accepted the submissions of both parties that a fine of this size would impose significant hardship on the Member, given the small size of his practice. The Panel noted that Jakubos received a fine of \$20,000 and that Edgecombe received a fine of \$15,000, pursuant to the Settlement Agreements into which they entered. The Panel found the fine in this case to be at the high end, but within the acceptable range and not contrary to the public interest.
- [90] The parties explained that while the PCC considered an appropriate suspension to have been in the range of six months, the Member himself requested a longer period of 12 months during which he could convalesce with a view to recovering from the medical condition which contributed to his difficulty in complying with his professional obligations as a CPA. In these circumstances, the Panel accepted that the suspension was not contrary to the public interest, notwithstanding that it was considerably longer than the four-month suspension received by both Jakubos and Edgecombe as part of the Settlement Agreements into which they entered.
- [91] The Panel found that the restriction of the Member's practice to non-assurance engagements was within the range of appropriate sanctions, as this restriction was common in cases involving the failure to uphold professional standards, and as it was included in the Settlement Agreements signed by Jakubos and Edgecombe.
- [92] The prohibition barring the Member from ever holding a PAL reflected the seriousness of the findings against the Member, as well as the Member's decision to exit public practice. Both parties expressed hope and confidence that, following a period of convalescence, the Member would make a successful and long-lasting return to practice, albeit in an area other than public accounting.

X. COSTS

- [93] The law is settled that an order for costs against the Member with respect to the disciplinary proceeding is not a penalty. Costs are intended to indemnify the PCC, based on the underlying principle that the profession as a whole should not bear all of the costs of the investigation, prosecution and hearing arising from the Member's misconduct.
- [94] Costs are ordered at the discretion of the Discipline Committee. It has become customary for the PCC to file a Costs Outline in the same form as used in civil proceedings, and to seek 2/3 of the costs incurred in the investigation and prosecution of the matter.

[95] The PCC's Costs Outline is found at Exhibit 3. The total costs were \$38,032.80, two-thirds of which was just over \$25,000, the amount that the parties agreed would be paid by the Member as part of the joint submission. The Panel found that the costs agreed to by the parties fell within the reasonable range and was not contrary to the public interest.

DATED this 2nd day of October, 2024



Richa Khanna, CPA, CA, LPA
Discipline Committee – Deputy Chair

Members of the Panel

Marianne Park-Ruffin, Public Representative
Barbara Ramsay, Public Representative
Jaspreet Singh, CPA, LPA

Independent Legal Counsel

John Dent, Barrister & Solicitor