

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: Hedra L. Saparno, CPA, CMA

AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee of CPA Ontario hereby makes the following Allegations of professional misconduct against Hedra L. Saparno, CPA, CMA a member of CPA Ontario:

1. THAT the said Hedra Saparno, in or about the period May 1, 2018 to December 31, 2021, while employed as a senior manager at BT, he prepared and issued financial statements in 52 audit and three review engagements for 21 clients (Finalized Statements) without a valid Public Accounting Licence, contrary to ss. 2(1)1 and 3 of the *Public Accounting Act, 2004* S.O. 2004, c.8. and Rule 101.1 (b) of the CPA Ontario Code of Professional Conduct (Code).
2. THAT the said Hedra Saparno, in or about the period May 1, 2018 to December 31, 2021, while employed as a senior manager at BT and engaged to perform assurance services on the Finalized Statements, failed to conduct himself in a manner which will maintain the good reputation of the profession and serve the public interest, contrary to Rule 201.1 of the Code in that, in an effort to obscure the timing of or the performance of his work:
 - a. He circumvented BT's partner review and approval process and failed to obtain engagement partner sign off prior to issuing the Finalized Statements;
 - b. He evaded BT's process controls to finalize financial statements and related engagement reports by creating the Finalized Statements using prior year final versions that already contained the Firm's logo and signature;
 - c. He routinely lied to and misled BT partners and other BT staff to hide his conduct; and
 - d. He falsely charged time to other BT engagements that he did not perform work on to hide his conduct.
3. THAT the said Hedra Saparno, in or about the period October 1, 2020 to April 30, 2021, while engaged to perform assurance services for the audit of the financial statements of MFHI, for the year ended October 31, 2020, 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, in that:

- a. He failed to obtain sign offs from the engagement partner;
- b. He failed to document his sign offs as the file preparer;
- c. He failed to document client reacceptance procedures;
- d. He failed to document an assessment of auditor independence;
- e. He failed to document planning phase inquiries of management;
- f. He failed to document discussions with those charged with governance;
- g. He failed to document internal controls and walk throughs;
- h. He failed to identify the risks of material misstatement;
- i. He failed to document his risk assessment inquiries of management and analytical procedures;
- j. He failed to document information obtained from the prior year's audit;
- k. He failed to document his understanding of the client's system of internal control;
- l. He failed to perform and document any required audit work and therefore failed to obtain sufficient and appropriate audit evidence in any of the working papers to support conclusions on the financial statements;
- m. He failed to obtain sufficient and appropriate audit evidence to support the performance of the subsequent events review;
- n. He failed to obtain sufficient and appropriate audit evidence to support the performance of legal inquiries;
- o. He failed to obtain sufficient and appropriate audit evidence to support the receipt of a signed representation letter;
- p. He failed to obtain sufficient and appropriate audit evidence to support the report on audit results to those charged with governance;

- q. The financial statements were issued without partner approval;
 - r. He failed to obtain sufficient and appropriate audit evidence to demonstrate appropriate professional skepticism and judgment in the planning, execution, evaluation, and documentation of the engagement.; and
 - s. The MFHI Finalized Statements were materially deficient.
4. THAT the said Hedra Saparno, in or about the period August 1, 2021 to November 30, 2021, while engaged to perform assurance services for the audit of the financial statements of OCS, for the year ended August 31, 2021, failed to perform his professional services in accordance with generally accepted standards of practice for the profession, contrary to Rule 206.1 of the Code, and in that:
- a. He failed to obtain sign offs from the engagement partner;
 - b. He failed to document his sign offs as the file preparer;
 - c. He failed to document client reacceptance procedures;
 - d. He failed to document an assessment of auditor independence;
 - e. He failed to document planning phase inquiries of management;
 - f. He failed to document discussions with those charged with governance;
 - g. He failed to document internal controls and walk throughs;
 - h. He failed to identify the risks of material misstatement;
 - i. He failed to document his risk assessment inquiries of management and analytical procedures;
 - j. He failed to document information obtained from the prior year's audit;
 - k. He failed to document his understanding of the client's system of internal control;
 - l. He failed to perform and document required audit work and therefore failed to obtain sufficient and appropriate audit evidence in the working paper to support his conclusions on the financial statements;

- m. He failed to obtain sufficient and appropriate audit evidence to support the performance of the subsequent events review;
 - n. He failed to obtain sufficient and appropriate audit evidence to support the performance of legal inquiries;
 - o. He failed to obtain sufficient and appropriate audit evidence to support the receipt of a signed representation letter;
 - p. He failed to obtain sufficient and appropriate audit evidence to support the report on audit results to those charged with governance;
 - q. The financial statements were issued without partner approval;
 - r. He failed to obtain sufficient and appropriate audit evidence to opine on the related financial statements; and
 - s. He failed to obtain sufficient and appropriate audit evidence to demonstrate appropriate professional skepticism and judgment in the planning, execution, evaluation, and documentation of the engagement.
5. THAT the said Hedra Saparno, in or about the period December 1, 2019 to September 30, 2020, while engaged to perform assurance services for the audit of the financial statements of OCC#5, for the year ended December 31, 2019, 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, in that:
- a. He failed to obtain sign offs from the engagement partner;
 - b. He failed to document his sign offs as the file preparer;
 - c. He failed to document client reacceptance procedures;
 - d. He failed to document an assessment of auditor independence;
 - e. He failed to document planning phase inquiries of management;
 - f. He failed to document discussions with those charged with governance;
 - g. He failed to document internal controls and walk throughs;
 - h. He failed to identify the risks of material misstatement;

- i. He failed to document his risk assessment inquiries of management and analytical procedures;
 - j. He failed to document information obtained from the prior year's audit;
 - k. He failed to document his understanding of the client's system of internal control;
 - l. He failed to perform and document required audit work and therefore failed to obtain sufficient and appropriate audit evidence in the working papers to support conclusions on the financial statements;
 - m. He failed to obtain sufficient and appropriate audit evidence to support the performance of the subsequent events review;
 - n. He failed to obtain sufficient and appropriate audit evidence to support the performance of legal inquiries;
 - o. He failed to obtain sufficient and appropriate audit evidence to support the receipt of a signed representation letter;
 - p. He failed to obtain sufficient and appropriate audit evidence to support the report on audit results to those charged with governance;
 - q. The financial statements were issued without partner approval;
 - r. He failed to obtain sufficient and appropriate audit evidence to opine on the related financial statements; and
 - s. He failed to obtain sufficient and appropriate audit evidence to demonstrate appropriate professional skepticism and judgment in the planning, execution, evaluation, and documentation of the engagement.
6. THAT the said Hedra Saparno, in or about the period December 1, 2020 to August 31, 2021, while engaged to perform assurance services for the audit of the financial statements of HHC, for the year ended December 31, 2020, 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, in that:
- a. Failed to complete accurate preliminary analytical procedures;
 - b. Superseded copies of draft financial statements were retained in the file; and
 - c. The financial statements were issued without partner approval.



7. THAT the said Hedra Saparno, in or about the period May 1, 2018 to February 1, 2022, while engaged to prepare the Finalized Statements, 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, in that in reviewing the relevant files BT determined that 29 of the engagement reports required re-issuance based on changes to the financial statements and/or to the accompanying notes.

Dated at Hamilton, Ontario this 11th day of August, 2023.

A handwritten signature in dark ink, appearing to read "Dennis Anderson". The signature is fluid and cursive, written over a horizontal line.

D.M. Anderson, CPA, CA – CHAIR
PROFESSIONAL CONDUCT COMMITTEE