



Chartered Professional Accountants of Ontario  
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## CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

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

**TO:** Abdul Fareed Sheik, 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 Abdul Fareed Sheik, CPA, CA, a member of CPA Ontario:

1. THAT the said Abdul Fareed Sheik, in or about the period of June 1, 2022 to October 31, 2022, while engaged to perform the review of the financial statements of "ISACA", for the year ended June 30, 2022, failed to perform his professional services in accordance with the generally accepted standards of practice of the profession, contrary to Rule 206.1 of the CPA Ontario Code of Professional Conduct, in that:
  - a. He failed to obtain sufficient appropriate evidence to support the valuation and collectability of the Statement of Financial Position item "Accounts receivable 37,253";
  - b. He failed to obtain sufficient appropriate evidence to support the Statement of Financial Position item "HST receivable 15,028";
  - c. He failed to obtain sufficient appropriate evidence to support the existence of a guaranteed investment certificate amounting to \$91,238 which was recognized on the Statement of Financial Position item "Cash and cash equivalents 849,846";
  - d. He failed to perform sufficient appropriate procedures to support the conclusions reached on the Statement of operations item "Income from operations 167,199";
  - e. He failed to perform sufficient appropriate procedures to support the conclusions reached on the Statement of operations item "Total operating expenses 87,220"; and
  - f. He failed to comply with the requirements of Canadian Standard on Quality Management 1 to complete the assembly of final engagement files on a timely basis.
2. THAT the said Abdul Fareed Sheik, in or about the period of August 1, 2022 to January 30, 2023, while engaged to perform the review of the financial statements of "VICEH", for the year ended August 31, 2022, failed to perform his professional services in accordance with

the generally accepted standards of practice of the profession, contrary to Rule 206.1 of the CPA Ontario Code of Professional Conduct, in that:

- a. He failed to obtain sufficient appropriate evidence to ascertain the reasonability of the Balance Sheet item "Other current assets 162,278" and to support their accounting treatment as an asset;
- b. He failed to obtain sufficient appropriate evidence to support the Balance Sheet items "Deferred tax asset 53,290" and "Future income tax liability 37,641";
- c. He failed to obtain sufficient appropriate evidence to support the accuracy of the Balance Sheet item "Accounts payable and accrued liabilities (note 9) 612,556";
- d. He failed to obtain sufficient appropriate evidence to support the Balance Sheet item "Deferred income (note 11) 624,527";
- e. He failed to obtain sufficient appropriate evidence to support the classification of Balance Sheet item "Due to related parties (note 8) 1,307,050" as long term;
- f. He failed to properly disclose the nature of the relationship between VICEH and the related parties in note 8 to the financial statements;
- g. He failed to perform additional procedures with respect to significant related party transactions outside the normal course of business;
- h. He failed to obtain sufficient appropriate evidence to support a debt amounting to \$250,000 which was recognized on the Balance Sheet item "Long-term debt 1,500,000";
- i. He failed to perform sufficient appropriate analytical review procedures to support the conclusions reached on Statement of Income item "Total revenue 1,707,128";
- j. He failed to perform sufficient appropriate analytical review procedures to support the conclusions reached on Statement of Income item "Operating expenses 1,837,041" excluding item "Salaries and wages 534,640";
- k. He failed to perform sufficient appropriate analytical review procedures to support the conclusions reached on the Statement of Income item "Salaries and wages 534,640";
- l. He failed to perform sufficient appropriate analytical review procedures to support the preparation of the financial statements on a going concern basis; and
- m. He failed to comply with the requirements of Canadian Standard on Quality Management 1 to complete the assembly of final engagement files on a timely basis.

3. THAT the said Abdul Fareed Sheik, in or about the period of December 1, 2023 to April 30, 2024, while engaged to perform the audit of the financial statements of “BA”, for the year ended December 31, 2023, failed to perform his professional services in accordance with the generally accepted standards of practice of the profession, contrary to Rule 206.1 of the CPA Ontario Code of Professional Conduct, in that:
- a. He failed to obtain an adequate understanding of the entity and its environment;
  - b. He failed to obtain an adequate understanding of the system of internal control of BA;
  - c. He failed to obtain an adequate understanding of the information systems of BA;
  - d. He failed to design and perform audit procedures to test the appropriateness of journal entries recorded in the general ledger;
  - e. He failed to design and perform audit procedures to review accounting estimates for biases and to evaluate whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud;
  - f. He failed to design and perform substantive audit procedures on the existence and valuation of Balance Sheet item “Accounts receivable, net of allowances 1,908,547”;
  - g. He failed to design and perform substantive audit procedures to support the classification and valuation of Balance Sheet item “Due from/investments in related parties (note 8) 3,177,577”;
  - h. He failed to design and perform substantive audit procedures on Statement of Income item “Vocational revenue 8,606,046”;
  - i. He failed to design and perform substantive audit procedures on Statement of Income item “Total operating expenses 7,082,192” excluding item “Salaries and wages 2,149,992”;
  - j. He failed to design and perform substantive audit procedures on Statement of Income item “Salaries and wages 2,149,992”;
  - k. He failed to perform his review on or before the date of the Independent Auditor’s Report and ensure sufficient appropriate audit evidence was obtained on or before the date of the report; and
  - l. He failed to comply with the requirements of Canadian Standard on Quality Management 1 policy to complete the assembly of final engagement files on a timely

basis.

4. THAT the said Abdul Fareed Sheik, in or about the period of December 1, 2023 to March 31, 2024, while engaged to perform the review the financial statements of “GT”, for the year ended December 31, 2023, failed to perform his professional services in accordance with the generally accepted standards of practice of the profession, contrary to Rule 206.1 of the CPA Ontario Code of Professional Conduct, in that:
  - a. He failed to obtain sufficient appropriate evidence to support the Balance sheet item “Other current assets \$76,670”;
  - b. He failed to obtain sufficient appropriate evidence to support the classification of Balance sheet items “Due from/investment in related parties (note 6) 20,000” and item “Due to individual shareholders (note 6) 85,451”;
  - c. He failed to obtain sufficient appropriate evidence to support Statement of Income item “Commissions from ticket sales (note 9) 132,153”;
  - d. He failed to perform sufficient analysis to determine whether the presentation of revenue as net revenues was the fair presentation; and
  - e. He failed to perform sufficient appropriate analytical procedures to support the conclusions reached on Statement of Income item “Total operating expenses 197,046”.

Dated at Burlington, Ontario this 10<sup>th</sup> day of September 2024



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Kelly Khalilieh, FCPA, FCA – DEPUTY CHAIR  
PROFESSIONAL CONDUCT COMMITTEE