

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: Garrett Hazelwood, CPA, CGA

AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee of CPA Ontario hereby makes the following Amended Allegations of professional misconduct against Garrett Hazelwood, CPA, CGA, a member of CPA Ontario:

1. THAT the said Garrett Hazelwood, in or about the period June 1, 2020 to September 30, 2021, acted as the engagement partner of HJ Advisors Professional Corporation (HJAPC) for the review of the financial statements of SSI, for the year ended June 30, 2020 (SSI 2020) 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 Garrett Hazelwood, in or about the period August 1, 2021 to December 31, 2022, as HJAPC's designated CPA Ontario practice inspection contact, failed to co-operate with the regulatory processes of CPA Ontario in accordance with Rule 104 the Code, in that:
 - a. He participated in, directed and assisted HJAPC's purported engagement partner, for the SSI 2020 review engagement, to modify or backdate working papers approximately nine months after the date of the Independent Practitioner's Review Report in advance of a September 17, 2021 practice inspection (PI) of that engagement; and
 - ~~b. He attempted to mislead the PCC's investigators by obscuring his lead engagement partner role in the SSI 2020 review engagement.~~
 - b. As HJAPC's managing partner, he failed to ensure that his engagement role with SSI 2020 was transparently presented to the Investigators.
3. THAT the said Garrett Hazelwood, in or about the period February 1, 2023 to May 26, 2023, as the subject of a PCC investigation failed to co-operate with the regulatory processes of CPA Ontario in accordance with Rule 104 the Code, in that:
 - a. He refused, after preliminary contact, to meet with the PCC's investigators, unilaterally withdrawing from the process;
 - b. He failed to respond to inquiries regarding operating Garrett Hazelwood Sole Proprietorship (GHSP) and Kalibrate Corp. (Kalibrate) separate from HJAPC; and

- c. He failed to provide documents requested by the PCC investigators, including, but not limited to:

~~2020-2022 GHSP and Kalibrate bank statements, balance sheet, tax returns and financial statements (balance sheet and P&L); 2020-2022 support for rent paid by GHSP; 2020-2022 support for HJAPC's shareholder due to/from; 2020-2022 remuneration details for all staff of GHSP; 2020-2022 GHSP and Kalibrate profit sharing and T4s for each employee for, as well as the T4 summary for 2022; any and all documentation to support the shareholdings of HJAPC and Gary Edgecombe CPA Professional Corporation; the agreement between GHSP and Kalibrate regarding the inter-entity transactions; all correspondence (including attachments) with TD bank regarding HJ Advisors' loan, including all of the information/documentation/correspondence provided to TD bank; all unpaid client invoices.~~

2020-2022 GHSP and Kalibrate bank statements, balance sheet, tax returns and financial statements (balance sheet and P&L); 2020-2022 support for rent paid by GHSP; 2020-2022 support for HJAPC's shareholder due to/from; 2020-2022 remuneration details for all staff of GHSP; 2020-2022 GHSP and Kalibrate profit sharing and T4s for each employee for, as well as the T4 summary for 2022;; the agreement between GHSP and Kalibrate regarding the inter-entity transactions; portions of his correspondence (including attachments) with TD bank regarding HJ Advisors' loan; all unpaid client invoices.

4. THAT the said Garrett Hazelwood, in or about the period June 1, 2020 to December 31, 2020, 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, in that:
- a. He 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;
 - b. He failed to disclose, in Note 7 to the Financial Statements, the interest rate of Balance Sheet item 'Due to related parties 11,288;'
 - c. He failed to appropriately exclude 'Inventory', 'Prepaid expenses', 'Accrued liabilities', 'Government remittances' and 'Income taxes payable' from the "Financial instruments policy" in Note 2 to the Financial Statements;
 - d. He 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;
 - e. He failed to document inquiry and analytical procedures to support Balance Sheet item "Inventory of materials and manufactured parts 242,850;"

- f. He failed to document inquiry and analytical procedures to support Statement of Income items "Sales 10,293,925" and "Cost of Sales 6,601,666;" and
 - g. He failed, on or before the date of the Independent Review Engagement 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.
- 5. THAT the said Garrett Hazelwood, in or about the period June 1, 2020 to September 30, 2021, while improperly acting as the lead engagement partner for SSI 2020, failed to perform his professional services in accordance with generally accepted standards of practice for the profession, contrary to HJAPC's Quality Assurance Manual (QAM) and Rule 206.1 of the Code, and in that:
 - a. He failed to complete an assessment of whether the criteria requiring the performance of an engagement quality control review were met for the engagement;
 - b. He failed to ensure that the Independent Practitioner's Review report was signed by HJAPC's licensed public accountant; and
 - c. He failed to comply with the QAM policy to complete the assembly of the SSI 2020 engagement file within 45 days of the engagement report being finalized.

~~Dated at Waterloo, Ontario this 1st day of June 2023~~

Dated at Waterloo, Ontario this 15th day of July 2024



JANICE DEGANIS, CPA, CA – DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE