



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: Jeffrey R. G. Jackson, 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, Jeffrey R.G. Jackson, CPA, CA, a member of CPA Ontario:

1. THAT the said Jeffrey R.G. Jackson, in or about the period of December 1, 2021, to May 31, 2022, while engaged to perform the audit of "GLL", a reporting issuer, for the year ended December 31, 2021, 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 Code of Professional Conduct, in that:
 - a. He failed to agree to the terms of engagement with management or those charged with governance prior to performing the engagement;
 - b. He failed to communicate as required with those charged with governance in writing on a timely basis;
 - c. He failed to plan or document in a sufficient and appropriate manner the overall audit strategy and plan;
 - d. He failed to perform appropriate procedures for the continuance of the client relationship and the audit engagement at the beginning of the 2021 audit engagement;
 - e. He failed to evaluate compliance with relevant ethical requirements including those related to independence;
 - f. He failed to satisfy himself that sufficient appropriate audit evidence had been obtained to support the conclusions reached and the content of the auditor's report prior to its issuance;

- g. He failed to assemble the audit documentation in the audit file and complete the administrative process of assembling the final audit file on a timely basis after the date of the auditor's report;
- h. He failed to ensure that an engagement quality control review was performed;
- i. He failed to ensure proper disclosure of the accounting policies used to measure the Consolidated Statement of Position item "Inventory 99,741";
- j. He failed to design and perform audit procedures to test the appropriateness of journal entries and other adjustments;
- k. He failed to design and perform audit procedures to review accounting estimates for biases and to evaluate the risk of material misstatement due to fraud;
- l. He failed to design and perform sufficient and appropriate audit procedures with respect to the existence and completeness of the Consolidated Statement of Financial Position item "Inventory 99,741";
- m. He failed to design and perform sufficient and appropriate audit procedures with respect to the accuracy, valuation, occurrence and completeness of Consolidated Statement of Financial Position item "Investment in subsidiary (note 8) 1,700,625";
- n. He failed to obtain sufficient appropriate audit evidence to support the Consolidated Statement of Position item "Intangibles (note 9) 333,333", namely intellectual property;
- o. He failed to obtain sufficient appropriate audit evidence with respect to the appropriate treatment of leased equipment, in the amount 68,854, recognized in the Consolidated Statement of Financial Position item "Capital Assets";
- p. He failed to perform sufficient and appropriate substantive audit procedures on the valuation of share-based payments;
- q. He failed to design and perform further audit procedures in order to obtain sufficient appropriate audit evidence about the assessed risks of material misstatement arising from related party relationships and transactions;
- r. He failed to determine whether the overall audit strategy and audit plan needed to be revised as a result of identified misstatements during the audit;
- s. He failed to include an Other Matters paragraph in the auditor's report, indicating that the prior period financial statements were audited by a predecessor auditor, the type of opinion by the predecessor auditor, if the opinion was modified, including reasons therein, and the date of that report; and,
- t. He failed to include an "Other Information" section in the auditor's report, as required for a listed entity audit.

2. THAT the said Jeffrey R.G. Jackson, in or about the period of December 1, 2022, to May 31, 2023, while engaged to perform the audit of “GLL”, a reporting issuer, for the year ended December 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 Code of Professional Conduct, in that:
- a. He failed to perform appropriate audit procedures for the continuance of the client relationship and the audit engagement at the beginning of the 2022 audit engagement;
 - b. He failed to evaluate compliance with relevant ethical requirements including those related to independence;
 - c. He failed to communicate in writing, prior to the issuance of the auditor’s report, with those charged with governance, including relevant ethical requirements regarding independence;
 - d. He failed to satisfy himself that sufficient appropriate audit evidence had been obtained to support the conclusions reached and the content of the auditor’s report prior to its issuance;
 - e. He failed to design and perform audit procedures to test the appropriateness of journal entries and other adjustments;
 - f. He failed to design and perform audit procedures to review accounting estimates for biases and to evaluate the risk of material misstatement due to fraud;
 - g. He failed to perform sufficient and appropriate audit procedures to support the intangible impairment loss amounting to \$333,333 disclosed in Note 9 of the Consolidated Financial Statements;
 - h. He failed to properly document the appropriate accounting treatment for warrants modification in the share-based payments; and,
 - i. He failed to include an “Other Information” section in the auditor’s report, as required for a listed entity audit.

3. THAT the said Jeffrey R.G. Jackson, in or about the period of October 1, 2021, to February 28, 2022, while engaged to perform the audit engagement of “DLC” for the year ended October 31, 2021, 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 Code of Professional Conduct, in that:
- a. He failed to agree to the terms of the engagement with management or those charged with governance prior to performing the engagement;
 - b. He failed to perform sufficient appropriate audit procedures on the continuance of the client relationship at the beginning of the audit engagement;
 - c. He failed to evaluate compliance with relevant ethical requirements, including those related to independence, at the beginning of the audit engagement;
 - d. He failed to plan or document the overall audit strategy in a sufficient and appropriate manner;
 - e. He failed to satisfy himself that sufficient appropriate audit evidence had been obtained to support the conclusions reached and the content of the auditor’s report prior to its issuance;
 - f. He failed to assemble the audit documentation in the audit file and complete the administrative process of assembling the final audit file on a timely basis after the date of the auditor’s report;
 - g. He failed to design and perform audit procedures to test the appropriateness of journal entries and other adjustments in the preparation of the financial statements;
 - h. He failed to design and perform audit procedures to review accounting estimates for biases and to evaluate the risk of material misstatement due to fraud;
 - i. He failed to identify a classification error with respect to dividends payable, incorrectly included in the Balance Sheet item “Accounts Payable 250,000”;
 - j. He failed to obtain sufficient appropriate audit evidence to support Balance Sheet item “Advances to related parties (note 5) 2,457,592”;
 - k. He failed to obtain sufficient appropriate audit evidence to support the Balance Sheet item “Goodwill 1,067,718”;
 - l. He failed to obtain sufficient appropriate audit evidence to support the “Vehicle fleet (non-current portion) 23,499,276” in Note 3 to the Financial Statements;

- m. He failed to obtain relevant and reliable audit evidence when performing substantive analytical procedures on the Statement of Operations and Retained Earnings item “Salaries and wages 1,203,077”; and,
 - n. He failed to perform audit procedures designed to obtain sufficient appropriate audit evidence for subsequent events review or adjustment.
4. THAT the said Jeffrey R.G. Jackson, in or about the period of October 1, 2022, to January 31, 2023, while engaged to perform the audit engagement of “DLC” for the year ended October 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 Code of Professional Conduct, in that:
- a. He failed to satisfy himself that sufficient appropriate audit evidence had been obtained to support the conclusions reached and the content of the auditor’s report prior to issuance.
 - b. He failed to perform additional substantive audit procedures with respect to the accuracy and valuation of Balance Sheet item “Vehicle inventory (note 3) 1,758,623”;
 - c. He failed to properly document the substantive audit procedure for the Balance Sheet item “Advances to related parties (note 5) 607,229”;
 - d. He failed to document sufficient appropriate audit evidence for the samples selected and testing results for journal entries; and,
 - e. He failed to perform the audit procedures for subsequent events.
5. THAT the said Jeffrey R.G. Jackson, in or about the period of December 1, 2022, to May 31, 2023, while engaged to perform the audit engagement of “CTC”, a reporting issuer, for the year ended December 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 Code of Professional Conduct, in that:
- a. He failed to document the receipt of written representations from management or those charged with governance;
 - b. He failed to communicate in writing with those charged with governance that he complied with relevant ethical requirements regarding independence;

- c. He failed to satisfy himself that sufficient appropriate audit evidence had been obtained to support the conclusions reached and the content of the auditor's report prior to issuance;
 - d. He failed to design and perform audit procedures to test the appropriateness of journal entries and other adjustments in the preparation of financial statements;
 - e. He failed to design and perform audit procedures to review accounting estimates for biases and to evaluate the risk of material misstatements due to fraud;
 - f. He failed to obtain sufficient appropriate audit evidence for the Statement of Financial Position item "Deferred Revenue 469,231";
 - g. He failed to obtain sufficient appropriate audit evidence, with respect to the appropriate accounting treatment of a leased premises in the amount 217,274;
 - h. He failed to obtain sufficient appropriate audit evidence for the Statement of Loss and Comprehensive Loss and Deficit item "Salaries and wages 451,367"; and,
 - i. He failed to include an "Other Information" section in the auditor's report, as required for a listed entity audit.
6. THAT the said Jeffrey R.G. Jackson, in or about the period of December 1, 2021, to April 30, 2022, while engaged to perform the review engagement of "242 Ontario" for the year ended December 31, 2021, 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 Code of Professional Conduct, in that:
- a. He failed to complete and sign off on required client continuance working papers before beginning the review engagement;
 - b. He failed to perform appropriate review procedures on the continuance of the client relationship and the 2021 review engagement;
 - c. He failed to comply with relevant ethical requirements, including those pertaining to independence, before beginning the review engagement;
 - d. He failed to agree to the terms of the engagement with management or those charged with governance prior to performing the engagement;
 - e. He failed to obtain sufficient appropriate evidence from the procedures performed to support the conclusions reached and the content of the review engagement report prior to issuance;

- f. He failed to make the required inquiries of management or those charged with governance with respect to:
 - i. Identification of related parties and related transactions; and,
 - ii. How management made significant accounting estimates required under the applicable financial reporting framework;
 - g. He failed to present separately the HST receivable of \$36,000 from the Balance Sheet item "Accounts payable and accrued liabilities (note 5) 222,948";
 - h. He failed to ensure proper disclosure in the accounting policies used to measure Balance Sheet item "Inventory (note 20)" in the amount of 1,784,056";
 - i. He failed to ensure proper disclosure of Class B preference shares in Note 7 Share Capital Issued; and,
 - j. He failed to properly classify the "Class B preference shares", described in Note 7 to the Financial Statements, on the Balance Sheet.
- 7. THAT the said Jeffrey R.G. Jackson, in or about the period of December 1, 2022, to July 31, 2023, while engaged to perform the review engagement of "242 Ontario" for the year ended December 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 Code of Professional Conduct, in that:
 - a. He failed to obtain sufficient appropriate evidence from the procedures performed to support the conclusions reached and the content of the review engagement report prior to issuance; and,
 - b. He failed to ensure proper disclosure of the issued share capital to include the redemption price of redeemable shares.
- 8. THAT the said Jeffrey R.G. Jackson, in or about the period of December 1, 2022, to May 31, 2023, while engaged to perform the review engagement of "207 Ontario" for the year ended December 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 Code of Professional Conduct, in that, he failed to identify that the preference shares should have been classified as a liability.

9. THAT the said Jeffrey R.G. Jackson, in or about the period of October 1, 2021, to November 30, 2022, failed to maintain the good reputation of the profession, in that, he modified or completed files after being notified, on November 14, 2022, that the files were selected for a practice inspection, contrary to Rule 201.1 of the CPA Code of Professional Conduct

Dated at Toronto, Ontario, this 20th day of February, 2024



JANICE DECANIS, FCPA, FCA, FCMA - DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE