

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: Kishan Mooljee, 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 Kishan Mooljee, CPA, CA, a member of CPA Ontario:

1. That the said Kishan Mooljee, in or about January 2024, failed to conduct himself in a manner that will maintain the good reputation of the profession and serve the public interest contrary to Rule 201.1 of the Code of Professional Conduct, in that he created or modified working papers associated with the review file of "TLP" for the year ended December 31, 2021, after being requested by CPA Ontario investigators to provide all documents associated with the file, including:
 - a. Cash 174,922
 - b. HST receivable 35,167
 - c. Accounts payable and accrued liabilities
 - d. Note 4 - Government CEBA loan 40,000
 - e. Revenues 336,799
 - f. Expenses 238,523
2. THAT the said Kishan Mooljee, in or about the period of December 1, 2021 to July 31, 2022, while engaged to perform a review of the financial statements of "TLP" for the year ended December 31, 2021, 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 of Professional Conduct, in that:
 - a. He failed to ensure proper disclosure of the policy for determining the composition of cash and cash equivalents presented in its cash flow statement;
 - b. He failed to ensure proper disclosure of all information required for a fair presentation in accordance with generally accepted accounting principles;

- c. He failed to obtain an understanding of the entity and its environment, the applicable financial reporting framework and its legal structure, to identify areas in the financial statements where material misstatements are likely to arise;
 - d. He failed to date the report no earlier than the date on which he has obtained sufficient appropriate evidence as the basis for his conclusion on the financial statements;
 - e. He failed to document the inquiry and analytical procedures with respect to the consideration of the contingent liability for repayment with respect to government assistance;
 - f. He failed to document the inquiry and analytical procedures with respect to occupancy costs;
 - g. He failed to make inquiries of management and others, about whether management has identified and addressed events occurring between the date of the financial statements and the date of the practitioner's report that require adjustment of, or disclosure in, the financial statements;
 - h. He failed to document an adequate general review of selected working papers to permit him to make an objective evaluation of the adequacy of the work performed in sensitive and key risk areas, significant judgements made, and the conclusions reached.
3. That the said Kishan Mooljee, in or about the period of November 1, 2022 to December 31, 2022, failed to conduct himself in a manner that will maintain the good reputation of the profession and serve the public interest contrary to Rule 201.1 of the Code of Professional Conduct, in that he altered a working paper associated with the audit file of "255XXXX Ontario Inc." for the year ended December 31, 2021, following meeting with practice inspector;
4. THAT the said Kishan Mooljee, in or about the period of December 1, 2021 to July 31, 2022, while engaged to perform an audit of the financial statements of "255XXXX Ontario Inc." for the year ended December 31, 2021, 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 of Professional Conduct, in that:
- a. He failed to ensure the reporting of the policy for revenue recognition for all the sources of revenue;
 - b. He failed to ensure proper disclosure of the policy for determining the composition of cash and cash equivalents presented in its cash flow statement;
 - c. He failed to ensure proper disclosure in Note 2(h) "Inventories";

- d. He failed to ensure proper disclosure of the nature of the existing related party relationship for a related party transaction;
 - e. He failed to agree and properly document the terms of the audit engagement with management or those charged with governance;
 - f. He failed to sufficiently document his assessment of the risks of material misstatement at the financial statement level and at the assertion level for classes of transactions, account balances and disclosures;
 - g. He failed to sufficiently document his design, procedures and evaluation of the results for audit sampling with respect to the following:
 - i. General journal entries
 - ii. Cash
 - iii. Accounts receivable
 - iv. Revenue
 - h. He failed to design and perform audit procedures to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
 - i. He failed to obtain sufficient appropriate audit evidence with respect to the following:
 - i. Cash 259,360
 - ii. Accounts receivable 58,274
 - iii. Note 4 – Advances to related parties 491,929
 - iv. Accounts payable and accrued liabilities 84,192
 - v. Note 7 - Government CEBA loan 40,000
 - vi. Services and fees 292,331
 - vii. Note 9 - Subsidies and grants 1,113,353
 - viii. Salaries and Benefits 595,418
 - j. He failed to design and perform analytical procedures near the end of the audit that assist the auditor when forming an overall conclusion as to whether the financial statements are consistent with the auditor's understanding of the entity.
5. THAT the said Kishan Mooljee, in or about the period of June 1, 2022 to September 30, 2022, while engaged to perform review of the financial statements of "HOTH" for the year ended June 30, 2022, 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 of Professional Conduct, in that:
- a. He failed to ensure the reporting of the policy for revenue recognition for all the sources of revenue;

- b. He failed to ensure proper disclosure of the nature and amount of changes in deferred contributions balances for the period;
 - c. He failed to ensure proper disclosure of the policy for determining the composition of cash and cash equivalents presented in its cash flow statement;
 - d. He failed to obtain an understanding of the entity and its environment and the applicable financial reporting framework, to identify areas in the financial statements where material misstatements are likely to arise;
 - e. He failed to document the inquiry and analytical procedures with respect to the following:
 - i. Fundraising events 55,214
 - ii. Government grants 38,838
 - iii. Unrestricted donations 46,666
 - iv. Rental income 46,250
 - v. Salaries and benefits 41,314
 - f. He failed to communicate with those charged with governance, all matters of sufficient importance to merit the attention of management or those charged with governance, namely, increases in revenue and expenses.
6. THAT the said Kishan Mooljee, in or about the period of December 1, 2021 to September 30, 2022, while engaged to perform a review of the financial statements of "267XXX Ontario Inc." for the year ended December 31, 2021, 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 of Professional Conduct, in that:
- ~~a. He failed to ensure proper disclosure of the amortization method used for Goodwill;~~
 - b. He failed to ensure proper disclosure of the aggregate amount of payments estimated to be required in each of the next five years to meet repayment provisions related to mortgage payable and the details of the mortgage security (Note 3);
 - c. He failed to ensure proper disclosure of the reconciliation of the income tax rate or expense related to income or loss for the period and the amount of unused income tax losses carried forward and unused income tax credits;
 - d. He failed to ensure proper disclosure of government remittances liabilities;
 - e. He failed to ensure proper disclosure of the exposures to risk arising from financial liabilities and how they arise, and any change in risk exposures from the previous period;
 - f. He failed to ensure proper disclosure of the nature and extent of risks arising from financial instruments to which the enterprise is exposed related to credit risks;

- g. He failed to obtain an understanding of the entity and its environment and the applicable financial reporting framework, to identify areas in the financial statements where material misstatements are likely to arise;
 - h. He failed to identify areas in the financial statements where material misstatements are likely to arise;
 - i. He failed to document the inquiry and analytical procedures with respect to the following:
 - i. Note 2 - Property and equipment 3,208,566
 - ii. Note 6 - Advances from Shareholders 1,581,526
 - iii. Note 5 - Government CEBA loan 40,000
 - iv. Wages and benefits 115,483
 - j. He failed to document discussions with management, those charged with governance and others, of significant matters arising during the engagement as relevant to the performance of the review;
 - k. He failed to document his inquiries of management and others, about whether management has identified and addressed events occurring between the date of the financial statements and the date of the practitioner's report that require adjustment of, or disclosure in, the financial statements.
7. THAT the said Kishan Mooljee, in or about the period of December 1, 2021 to 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 Code of Professional Conduct, in that the Quality Assurance Manual prepared and put in place by him, did not establish a quality objective that engagement documentation for review engagements is assembled on a timely basis after the date of the engagement.

Dated at Waterloo, Ontario this 4 day of June, 2024.

Janice C
Deganis

Digitally signed by Janice C Deganis
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email=Janice.C.Deganis@ca.ey.com
Date: 2024.06.04 16:05:21 -04'00'

J. DEGANIS, FCPA, FCA, FCMA, LPA

DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE