

**IN THE MATTER OF: ALLEGATIONS OF PROFESSIONAL MISCONDUCT  
AGAINST RATAN RALLIARAM, CPA, CA, BEFORE THE  
DISCIPLINE COMMITTEE**

**SETTLEMENT AGREEMENT**

Made pursuant to Section 34 (3) (c) of the *Chartered Professional Accountants of Ontario Act, 2017* and CPA Ontario Regulations 15-1, s. 26.4 and 6-2, s.19

**Overview**

1. The Professional Conduct Committee (“**PCC**”) approved draft Allegations (“**Allegations**”) against Ratan Ralliaram, CPA, CA (attached as **Schedule “A**”). Documents referred to in this Settlement Agreement (“**Agreement**”) are found in the Document Brief (**Doc**). The applicable Canadian Auditing Standards (“**CAS**”) sections are found in the Brief of Authorities (**Tab**).

2. The Allegations pertain to Mr. Ralliaram’s failure, as an engagement and other audit partner, 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 CPA Ontario Code of Professional Conduct (“**Code**”), and to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Code, when he changed audit sign-off dates by manually overriding his computer clock, and directed others to do the same. (**Schedule A**).

3. The PCC and Mr. Ralliaram agree with the facts and conclusions set out in this Settlement Agreement for the purpose of this proceeding only, and that this Agreement of facts and conclusions is without prejudice to Mr. Ralliaram in any other proceedings of any kind, including, but without limiting the generality of the foregoing, any civil or other

proceedings which may be brought by any other person, corporation, regulatory body, or agency. It is further agreed that the relevant generally accepted standards of the profession are those identified in this Agreement.

**A. Member's background**

4. Mr. Ralliarum joined Deloitte LLP ("**Deloitte**" or the "**Firm**") in September 1993 in the Toronto office. He obtained his CA (now CPA, CA) designation in 1999.

5. Mr. Ralliarum became a partner of Deloitte in 2006 and served as the Human Resources leader of the GTA Audit Financial Services Practice. From 2017 to 2019 he was the team leader for the GTA Audit Financial Services Group, and from 2016 to 2019 he was EQCR on several engagements of the Financial Services Group.

**B. The complaint**

6. In September 2019, Deloitte reported to CPA Ontario that approximately twenty-five of its partners and professional staff in Ontario had changed the sign-off<sup>1</sup> dates in numerous audit working papers. The CPA Ontario investigators subsequently identified 35 members who engaged in Backdating.

7. In particular, between November 2016, and May 2018 ("**Backdating Period**"), a group of Deloitte's auditors changed the date and time settings on their computer clocks in order to manually override the date/time controls in the Firm's audit software to change working paper sign-off dates ("**Backdating**" or "**Backdated**"). In most instances, working paper sign-off dates were Backdated to dates prior to the physical sign-off date.

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<sup>1</sup> References herein to "sign-off" are intended to include the sign-off by the auditors who performed the audit work and by those who reviewed that work.

8. Deloitte identified Mr. Ralliarum as a participant in Backdating, and as lead engagement partner on audit engagements in which Backdating had occurred.
9. In response to the Firm's disclosure the PCC engaged Ms. Jodie Wolkoff, CPA, CA, DIFA, CBV, CFF, Mr. C. Dirk Joustra, B.Com., MBA, CPA, CA, to investigate.
10. CPA Ontario's investigation determined that:
  - (a) at least 35 Deloitte CPA Ontario members engaged in Backdating, and in some cases instructed others to do so, in over 930 audit working papers in 39 audit engagements;
  - (b) Mr. Ralliarum was involved in Backdating on eleven audit engagements for the financial statements of two reporting issuers and eight private entities. He was the lead engagement partner on nine of these engagements and the "other partner" (i.e. not the lead engagement partner) on the remaining two engagements.
  - (c) Mr. Ralliarum personally backdated 268 working papers over ten engagements; and
  - (d) Mr. Ralliarum instructed another auditor to Backdate one of the working papers which he himself had Backdated. On an eleventh engagement where Mr. Ralliarum did not engage in Backdating himself, he instructed another auditor to Backdate two working papers.

**C. Conduct**

11. By engaging in Backdating on working papers while acting as the lead engagement or other partner and directing two other auditors under his leadership to Backdate:

- (a) Mr. Ralliarum failed to conduct himself in a manner that will maintain the good reputation of the profession and the public interest contrary to Rule 201.1 of the Code; and
- (b) Mr. Ralliarum contravened generally accepted standards of the profession by failing to prepare audit documentation in a timely manner or in a manner to enable another experienced auditor to understand the timing of the audit procedures performed, or to correctly record the date the audit work was fully completed and reviewed, contrary to Rule 206.1 of the Code.

**D. Relevant Generally Accepted Auditing Standards (GAAS)**

12. GAAS, which includes Canadian Audit Standards (“CAS”) requires accurate and timely documentation of procedures performed, the evidence obtained, and the conclusions reached with respect to relevant financial statement assertions. Auditors are required to provide a sufficient and appropriate record through their audit documentation to support the auditor’s report and to evidence that the audit was planned and performed in accordance with CAS and applicable legal and regulatory requirements.

13. CAS 230 emphasizes the importance of accurate and timely audit documentation to a reliable audit.

14. The reliability of an independent auditor's report is founded on CAS requirements of accurate timely audit documentation to substantiate the effective review and evaluation of the audit evidence in support of the conclusions reached.

15. CAS 230 contains the following relevant requirements:

7. The auditor shall prepare audit documentation on a timely basis. (Ref: Para. A1)

8. The auditor shall prepare audit documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand: (Ref: Para. A2-A5, A16-A17)

(a) The nature, timing and extent of the audit procedures performed to comply with the CASs and applicable legal and regulatory requirements; (Ref: Para. A6-A7)

(b) The results of the audit procedures performed, and the audit evidence obtained; and

(c) Significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.

...

9. In documenting the nature, timing and extent of audit procedures performed, the auditor shall record:

(a) The identifying characteristics of the specific items or matters tested;

(b) Who performed the audit work and the date such work was completed; and

(c) Who reviewed the audit work performed and the date and extent of such review.

...

16. In circumstances other than those envisaged in paragraph 13 where the auditor finds it necessary to modify existing audit documentation or add new audit documentation after the assembly of the final audit file has been completed, the auditor shall, regardless of the nature of the modifications or additions, document:

(a) The specific reasons for making them; and

(b) When and by whom they were made and reviewed.

...

A1. Preparing sufficient and appropriate audit documentation on a timely basis helps to enhance the quality of the audit and facilitates the effective review and

evaluation of the audit evidence obtained and conclusions reached before the auditor's report is finalized. Documentation prepared after the audit work has been performed is likely to be less accurate than documentation prepared at the time such work is performed.

16. CAS requires audit working papers to be signed-off to signify the completion of each step in the audit process. Auditors are expected to accurately record the date on which that sign-off occurs. The audit working paper sign-off should reflect the actual date on which the sign-off was recorded to ensure the integrity of the audit documentation.

17. Backdating creates questions about the accuracy or timeliness of audit documentation. Such conduct creates uncertainty as to the accuracy, validity and integrity of the work performed and the conclusions reached by obscuring when the work was actually performed and reviewed.

18. CAS 230 accounts for circumstances that arise which preclude an auditor from physically recording the sign-off of working papers on the date that the related audit work was completed. An auditor is expected to record the actual date of the physical sign-off, while making a note in the working paper file of the date on which the work was completed.

## ***E. Deloitte's internal audit guidance and Code of Conduct***

### **1. Audit Documentation Guide**

19. Audit guidance is issued by Deloitte to reflect Canadian professional standards. Audit guidance is available to Deloitte's audit practitioners through Deloitte's technical library, an online repository for reference material.

20. Deloitte issues a weekly newsletter to explain any new or updated audit guidance and to highlight key changes and effective dates.

21. Deloitte maintains an Audit Documentation Guide (Audit Public) (“**ADG**”), which explains the purpose of maintaining appropriate and accurate audit documentation that meets the requirements of professional standards and legal and regulatory requirements:

- To provide the written record of support for the representations in the audit report, including evidence of the auditor’s basis for a conclusion about the achievements of the overall objectives of the auditor, and that the audit was planned and performed in accordance with all requirements;
- Assisting the engagement team to plan and perform the audit.
- Assisting members of the engagement team responsible for supervision to direct and supervise the audit work, and to discharge their review responsibilities.
- Enabling the engagement team to be accountable for their work.
- Retaining a record of matters of continuing significance to future audits.
- Enabling the conduct of quality control reviews and inspections at the level required.
- Enabling the conduct of external inspections in accordance with applicable legal, regulatory, or other requirements. (**Doc - 1**)

## **2. Deloitte’s internal Code of Conduct**

22. Deloitte’s internal Firm Code of Conduct (“**Firm Code**”) requires compliance with applicable professional standards, laws, and regulations. Deloitte requires annual written confirmation from its partners and staff of their compliance with the Firm Code (**Doc - 2**).

The Firm Code in place in 2017 included a section on “Professional Behaviour” which stated:

- We comply with applicable professional standards, laws and regulations and seek to avoid actions that may discredit ourselves or our professions; and
- We foster a culture of appropriate professional skepticism and personal accountability which supports clients and drives quality in the services we provide.

23. The Firm Code includes a section titled “Your responsibilities”:

“You are personally responsible for knowing, understanding and complying with both Deloitte Canada’s Code of Conduct and the Global Principles of Business Conduct.

You also have a responsibility to uphold the [Firm] Code of Conduct.”

24. All Deloitte partners and staff are required to confirm that they have read, understood, and will comply with the Firm Code, and that they are responsible to report non-compliant actions or behaviours. Every member of CPA Ontario identified by the Firm as having engaged in the practice of Backdating gave these required confirmations annually throughout the Backdating Period.

25. Mr. Ralliam confirmed annually throughout the Backdating Period that he knew and understood the Firm Code, and that his conduct complied with its requirements.

#### ***F. Deloitte’s Changes to its EMS System***

26. The Engagement Management System (“**EMS**”) was the audit software used by Deloitte during the Backdating Period. Prior to November 7, 2016, EMS permitted a user to manually select a sign-off date for an audit working paper.

27. Until November 2016 Deloitte’s ADG provided in section 2.7:

In documenting the nature, timing and extent of audit procedures performed, the auditor shall record [...] who performed the audit work and the date such work was completed [,,]

When dating the preparer sign-off, use the actual date when the sign-off occurs. It’s not appropriate to date working papers with a date other than the date on which the physical sign-off occurs. If necessary, notate the file if the sign-off date differs from the date on which the documentation is substantially completed. (**Doc – 1**)

28. The EMS update was released on November 7, 2016, disabling a user’s ability to use the software to both choose the date of their sign-off and the ability to sign-off on someone else’s behalf.



29. This change to EMS was communicated to Deloitte partners and staff as follows:
- (a) A mandatory call with audit partners on October 23, 2016;
  - (b) An audit practice alert issued on October 26, 2016, indicating the ability to choose a sign-off date and sign-off on behalf was going to be removed (**Doc - 3**); and
  - (c) An audit practice alert issued on November 7, 2016, advising of the update to EMS and the removal of the sign-off date function (**Doc - 4**).
30. In response to findings by the United States' Public Company Accounting Oversight Board ("**PCAOB**") of an incident where archived audit documentation had been improperly altered outside of Canada, Deloitte conducted a mandatory conference call focused on audit quality and integrity with all audit partners on October 23, 2016, two weeks prior to the rollout of the changes to EMS on November 7, 2016.
31. On the call, the National Office first set out the regulatory context of the call, referencing (**Doc - 5**):
- (a) the emphasis placed by the PCAOB on integrity, and PCAOB's recent public statements about how integrity was "as important, if not more important, than audit quality issues";
  - (b) many discipline orders issued by PCAOB to date involving a failure to cooperate included the improper alteration of documents; and

- (c) the fact that PCAOB inspectors uncovered evidence of the creation of documents shortly before or during a PCAOB inspection which were then backdated and provided without disclosing when they were created, resulting in firm sanctions for improperly deleting, adding, or altering documentation in connection with an inspection.

32. The National Office then expressed Deloitte's zero tolerance policy for the type of behaviour found by PCAOB, focused on recently introduced DTTL<sup>2</sup> quality processes for archiving and forensics, and informed call participants that:

Going forward we are enhancing EMS such that the undocumented alteration of a previously archived engagement file will be identified as part of a process prior to the provision of a file for inspection.

Effective immediately, "back-dating" of working papers is not allowed. DTTL is mandating that this function be discontinued at each DTTL member firm, so that it will no longer be available.

33. Mr. Ralliarum did not recall this conference call.

34. On October 26, 2016, Deloitte issued an audit practice alert to all audit staff, indicating, among other things, that the ability to choose a sign-off date in EMS was being removed (**Doc - 3**).

35. On November 7, 2016, a second audit alert email was issued indicating that the EMS changes would be pushed to users' laptops that day to disable "sign-off features and sign-off on behalf" (**Doc - 4**).

36. Section 2.7 of the ADG in effect after the EMS update provided:

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<sup>2</sup> Deloitte Touche Tohmatsu Limited, the global firm of which Deloitte is a member.

As outlined in DTTL AAM00200.23, “In documenting the nature, timing and extent of audit procedures performed the auditors shall record...Who performed the audit work and the date such work was completed. (emphasis in original) (See PCAOB AAM00200.10)

If the procedures were performed by multiple engagement team members, include all necessary sign-offs as “preparers” of the audit documentation in order to meet the requirements of the DTTL AAM or PCAOB AAM. If the sign-off date differs from the date on which the documentation was substantially completed notate the reason for the delay in sign-off within the file.

37. The language “when dating the preparer sign-off, use the actual date when the sign-off occurs” no longer appeared in the section (**Doc – 6**). The requirements of CAS 230 had not changed.

38. In February 2018, an Audit Documentation Guide (**Doc - 7**) was issued which stated that:

“In documenting the nature, timing and extent of audit procedures performed, the auditor shall record... Who performed the audit work and the date such work was completed” [...] When attaching the preparer sign-off, it is recommended to notate within the file if the sign-off date differs from the date on which the documentation is substantially completed. It is to be noted that the ability to edit signoff dates is now disabled by default in EMS 4.0.2 and EMS 3.X.”

39. Mr. Ralliarum was aware of the ADG and was able to access them online through Deloitte’s Technical Library.

40. On March 2, 2018, Deloitte implemented a software update that removed an individual’s permission to change the date and time on their computers. If after this date an individual attempted to change their computer clock, a pop-up window would appear on their computer stating “you do not have permission to perform this task. Please contact your computer administrator for help”.

41. On March 6, 2018, Deloitte’s Managing Partner, Audit for Canada, sent an email to Deloitte’s audit practice entitled “Working Paper Integrity – Your Commitment is

Important". The document at Section 2 stated "Always use the actual date on when the physical sign-off occurs" (**Doc - 8**).

**G. The Member's involvement in Backdating**

42. Mr. Ralliarum was involved in eleven engagements that were impacted by Backdating. He was the lead partner on nine of these engagements, and the "other partner" on two. In two of these eleven engagements Mr. Ralliarum instructed other auditors to Backdate working papers.

43. Specifically, it is established and agreed that during the Backdating Period:

- (a) Mr. Ralliarum himself Backdated a total of 268 sign-offs and instructed two auditors under his leadership to Backdate three working papers;
- (b) 182 of these 270 working papers, or two-thirds of them, involved Backdating by changing a sign-off date after the audit report was issued to a date before the audit report ("Post to Pre"). Of these files, 161 Backdated working papers sign-offs for the 2017 audit for one client, Client A, were Backdated Post to Pre;
- (c) The other one-third of the Backdated working papers were Backdated prior to the audit report date ("Pre to Pre");
- (d) Of the 182 Post to Pre Backdated audit working papers, 20 were identified by Deloitte to be working papers of significance to the related audit. Deloitte did not consider it necessary to withdraw the related audit reports. Deloitte

did not assess the significance of the other 162 Post to Pre audit working papers to the audit;

- (e) Of the 88 Pre to Pre Backdated audit working papers, Deloitte identified eight that to be working papers of significance to the related audit and two to be working papers of less significance to the related audit. Deloitte did not consider it necessary to withdraw the related audit reports. The significance of the remaining 78 working papers is unknown.
- (f) Two of the eleven Backdated audits in which Mr. Ralliarum was involved were of public companies.

44. Mr. Ralliarum adjusted his computer clock on the various engagements for periods ranging from 20 minutes to 1.5 hours.

45. Technical limitations in electronic records maintained by Deloitte resulted in Deloitte being unable to determine if an individual performed hours of work in relation to a working paper, and then adjusted their clock back only long enough to enter a sign-off.

46. Mr. Ralliarum chose to manually change his computer clock to bypass the fact that Deloitte purposefully disabled the flexible choice of a sign-off date function in EMS, and counselled others to do the same. He did so in direct contravention of Deloitte's ADG which required him to use the physical sign-off date but to note any difference between that date and the day on which the review leading to the sign-off was performed, and contrary to his annual undertaking to uphold the Firm Code.

47. Deloitte undertook a process to discipline individuals who engaged in Backdating. On August 30, 2019, Mr. Ralliaram was sanctioned by the Firm (**Doc - 9**) as follows:

- (a) His quality rating for the 2018 fiscal year had been adjusted from “Meets Expectations” to “Improvement Required” resulting in a financial loss of \$52,600;
- (b) He would not be permitted, until at least June 30, 2021, to:
  - (i) Hold a leadership position over the conduct of audits;
  - (ii) Participate in audit work for any SEC issuers;
  - (iii) Participate in the provision of accounting services to any SEC issuer restricted entities; and
  - (iv) Lead the audits of any Canadian Reporting Issuers or Public Interest Entities without the oversight of a special review partner;
- (c) He was required to participate in firm training in response to Backdating.

48. Mr. Ralliaram acknowledges that by engaging in Backdating, he contravened requirements of CAS 230 and Rule 206.1 of the Code, as well as Deloitte’s internal policies, however states that he acted without malicious intent in an effort to more accurately reflect the work that was done. Mr. Ralliaram further acknowledges that his stated motivation is not relevant to, and does not mitigate, his contravention of these requirements.

**H. Breaches of the Code**

49. The Backdating engaged in by Mr. Ralliarum contravened the requirements of CAS 230 and Rule 206.1 of the Code, as well as Deloitte's internal policies as required by the ADG and the Firm Code.

50. As set out in CAS 230, auditors must prepare audit documentation that accurately reflects the time the work was completed and reviewed. Accurate and timely audit documentation is central to maintaining audit integrity. Uncertainty arising from deliberate conduct to bypass quality control systems, can result in a loss of public confidence in the integrity of audits, auditors, and the accounting profession in general.

51. Mr. Ralliarum admits that, while acting as the lead engagement partner or "other partner" for eleven audits of the financial statements of two reporting issuers and eight private entities, he 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, in that:

- (a) He improperly changed sign-off dates in 268 audit working papers to reflect dates that were different from the actual date of the physical sign-off by manually overriding the date and time settings on his computer clock; and
- (b) He directed two auditors under his leadership to record dates that were different from the actual date of the physical sign-off in three working papers.

52. Mr. Ralliarum admits and acknowledges that:

- (a) his use of Backdating in the audit engagements described above contravened the professional standards set out in CAS 230 in respect of the timely preparation of audit documentation and the recording of the date the audit work was completed;
- (b) he therefore 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 when he improperly changed sign-off dates in audit working papers to reflect dates that were different from the actual date of the physical sign-off:
  - (i) he failed to prepare audit documentation in a timely manner;
  - (ii) he failed to prepare audit documentation in a manner to enable another experienced auditor to understand the timing of the audit procedures performed; and
  - (iii) he failed to correctly record the date the audit work was fully completed and reviewed.

***I. Mitigating factors***

53. In making the admissions herein, Mr. Ralliarum has cooperated with the PCC and saved the PCC and the Discipline Committee the time and expense of a lengthy hearing.

54. Mr. Ralliarum attended training in December 2019, developed and implemented by Deloitte, that included hypothetical fact scenarios involving various ethical dilemmas, one of which involved Backdating. That scenario emphasized that the EMS sign-off date



should be the date the sign-off is physically entered into EMS, and that changing the sign-off date is unacceptable for any reason. Attendance was required by all members of the audit practice.

55. Following the Deloitte Investigation, the Firm amended its mandatory training for partners entitled "Leading with Integrity". All partners who were identified as having participated in the practice in issue, and who remain at Deloitte, have now completed the training.

56. Mr. Ralliarum has no prior history before the Discipline Committee.

**J. Terms of Settlement**

57. Mr. Ralliarum and the PCC agree to the following Terms of Settlement:

- (a) Mr. Ralliarum shall pay a fine of \$20,000 to CPA Ontario;
- (b) Notice of the terms of this Settlement shall be published by CPA Ontario including notice to be given to all members of CPA Ontario, the Public Accounting Standards Committee, all provincial CPA bodies, and shall be made available to the public;
- (c) Mr. Ralliarum shall pay costs in the amount of \$20,000 to CPA Ontario;
- (d) Mr. Ralliarum will be allowed 6 months from the date the Discipline Committee accepts this Agreement to pay the fine and costs referred to herein; and
- (e) A failure by Mr. Ralliarum to comply with any of the terms of settlement will result in the immediate suspension of his CPA Ontario membership until he

complies, provided that if his suspension under this section exceeds 30 days, his membership in CPA Ontario will be revoked without further notice to him.

58. The PCC and Mr. Ralliararam expressly consent to and authorize the Registrar to take any actions associated with his membership in CPA Ontario as prescribed and agreed to herein.

59. For greater certainty, the PCC and Mr. Ralliararam expressly authorize and consent to CPA Ontario:

- (a) providing notice of this Settlement Agreement and its terms to all CPA Ontario members, to the Public Accounting Standards Committee, and to all provincial CPA bodies; and
- (b) publishing notice of the Settlement Agreement and the Terms of Settlement as set out herein.

60. Should the Discipline Committee approve this Settlement Agreement, Mr. Ralliararam agrees to and hereby waives his right to a full hearing, judicial review, or appeal of the matter subject to the Agreement. Upon Mr. Ralliararam's fulfillment of the requirements of this Agreement, the draft Allegations attached as Schedule approved by the PCC, shall be forever stayed.

61. Should the Discipline Committee approve this Settlement Agreement, no party will make any public statement that is inconsistent with this Settlement Agreement. Following

approval, CPA Ontario may in its sole discretion issue a release in respect of this outcome.

62. If for any reason this Agreement is not approved by the Discipline Committee, then:
- (a) the terms of this Agreement, including all settlement negotiations between the PCC and Mr. Ralliarum leading up to its presentation to the Discipline Committee, shall be without prejudice to the PCC and Mr. Ralliarum; and
  - (b) the PCC and Mr. Ralliarum shall be entitled to all available proceedings, remedies, and challenges, including proceeding to a hearing on the merits of the allegations, or negotiating a new settlement agreement, unaffected by this Agreement or the settlement negotiations.

***K. Disclosure of Agreement and Independent Legal Advice***

63. This Agreement and its terms will be treated as confidential by the PCC and Mr. Ralliarum, until approved by the Discipline Committee, and forever if for any reason whatsoever this Agreement is not approved by the Discipline Committee, except with the written consent of the PCC and Mr. Ralliarum, or, as may be required by law.

64. Any obligations of confidentiality shall terminate upon approval of the Agreement by the Discipline Committee.


65. Mr. Ralliarum confirms that he has utilized independent legal counsel in negotiating and entering this Agreement.

All of which is agreed to for the purpose of this proceeding alone this 2nd day of February 2024.



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Alexandra Hersak, LLB.  
Vice President  
Investigations and Prosecutions  
on behalf of the  
Professional Conduct Committee

DocuSigned by:  
  
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Ratan Ralliararam, CPA, CA



## SCHEDULE "A"

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### CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

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

**TO:** Ratan Ralliaran, 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 Ratan Ralliaran, CPA, CA, a member of CPA Ontario:

1. THAT the said Ratan Ralliaran, in or about the period October 1, 2016 to March 31, 2018 while acting either as the lead engagement partner or the "other partner" for 11 audits of the financial statements of eight reporting issuers and two private entities, 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 CPA Ontario Code of Professional Conduct (Code) in that:
  - a. he improperly changed sign-off dates in over 260 audit working papers to reflect dates that were different from the actual date of the physical sign-off by manually overriding the date and time settings on his computer clock; and
  - b. he directed two auditors under his leadership to record dates that were different from the actual date of the physical sign-off in three working papers.
2. THAT the said Ratan Ralliaran, in or about the period October 1, 2016 to March 31, 2018 while acting either as the lead engagement partner or the "other partner" for 11 audits of the financial statements of eight reporting issuers and two private entities, 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 when he improperly changed sign-off dates in audit working papers to reflect dates that were different from the actual date of the physical sign-off:
  1. he failed to prepare audit documentation in a timely manner;

2. he failed to prepare audit documentation in a manner to enable another experienced auditor to understand the timing of the audit procedures performed; and
3. he failed to correctly record the date the audit work was fully completed and reviewed.

Dated at Toronto, Ontario, this            day of December 2022.

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A. J. Sokic, CPA, CA - Deputy Chair  
PROFESSIONAL CONDUCT COMMITTEE

DRAFT