



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

THE CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

IN THE MATTER OF: ALLEGATIONS OF PROFESSIONAL MISCONDUCT
AGAINST **TIMOTHY RITTENBERG, CPA, CMA**, BEFORE
THE DISCIPLINE COMMITTEE

SETTLEMENT AGREEMENT

Made pursuant to Section 34 (3) (c) of the *Chartered Professional Accountants of Ontario Act, 2017* and CPAO Regulation 6-2, s.19

Introduction

1. The Professional Conduct Committee (PCC) approved draft Allegations of Professional Misconduct (Allegations) against Timothy Rittenberg, CPA, CMA (Rittenberg), the particulars of which are set out below. The documents referred to in this Settlement Agreement (Agreement) are found in the Document Brief (**Doc**). The applicable CPA Canada Handbook (CPAH) sections are found in the Standards Brief.
2. The Allegations (**Doc 1**) pertain to Rittenberg's conduct while performing the review of the financial statements of a private corporation and the compilation of the financial statements of a second private corporation.
3. First, the Allegations pertain to Rittenberg acting as the engagement partner for the review of the financial statements of "898 Canada Inc.", for the year ended December 31, 2022 (898 Canada Review) without holding a valid Public Accounting Licence (PAL), 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).

4. Second, the Allegations pertain to Rittenberg's failure to perform his professional services in accordance with generally accepted standards of the profession, contrary to Rule 206.1 of the Code, with respect to the following engagements:
 - (a) The 898 Canada Review (**Doc 2**); and
 - (b) The compilation of the financial information of "GDE" for the year ended December 31, 2023 (GDE Compilation) (**Doc 3**).
5. Finally, the Allegations pertain to Rittenberg's failure to perform his professional services in accordance with generally accepted standards of the profession, contrary to Rule 206.1 of the Code, in that he did not have a documented firm system of quality management (SoQM).
6. The PCC and Rittenberg agree with the facts and conclusions set out in this Agreement for the purpose of this proceeding only, and further agree that this Agreement of facts and conclusions is without prejudice to Rittenberg 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.

Background

7. Rittenberg obtained his Chartered Management Accountant designation in 2004.
8. Rittenberg has operated as a sole practitioner since 2004. In 2020, he began using a professional corporation, Timothy A. Rittenberg, CPA Professional Corporation. He has no employees for his practice. His practice is primarily bookkeeping and tax services to corporate clients and personal income tax clients.



9. As of the June 2024 Practice Inspection, Rittenberg had three compilation engagements. He did not perform any assurance engagements in 2024.
10. Rittenberg has never held a PAL.
11. Rittenberg does not have a current CPA Canada Handbook (CPAH) and accesses information as needed via a general internet search by applicable topic.

The Complaint

12. On September 26, 2024, the Practice Inspection Committee (PIC) advised the PCC that following the June 14, 2024, inspection of Rittenberg's practice, it concluded that his failure to maintain professional standards was sufficiently serious to reflect adversely upon his professional competence.
13. The PIC, in addition to providing a detailed listing of significant standards deficiencies with respect to the 898 Canada Review and GDE Compilation, identified that Rittenberg may be providing public accounting services without a PAL.
14. On March 4, 2025, the PCC appointed Jennifer Fisher, FCPA, FCA (Investigator) to investigate Rittenberg' professional conduct, standards of practice and the circumstances surrounding the original complaint (Investigation).
15. As part of the Investigation, the Investigator reviewed Rittenberg's conduct and standards of practice in relation to the 898 Canada Review and GDE Compilation, and whether he was providing public accounting services without a PAL. The Investigator released her report on April 24, 2025.

Acting as an Engagement Partner without a Valid Public Accounting Licence

16. Rittenberg and the PCC agree that Rittenberg acted as the engagement partner for the 898 Canada Review without a valid PAL, as described below; and, Rittenberg admits



that the agreed facts set out below accurately particularize how he acted as the engagement partner without a valid PAL.

Failure to Maintain Professional Standards

17. Rittenberg and the PCC agree that Rittenberg failed to perform his professional services in accordance with generally accepted standards of practice of the profession as described below; and, Rittenberg admits that the agreed facts set out below accurately particularize his failure to perform his professional services in accordance with generally accepted standards of practice of the profession.

The Allegations

Allegation 1: That the said Timothy A. Rittenberg, in or about the period December 1, 2022 to March 31, 2023, acted as the engagement partner for the review of the financial statements of "898 Canada Inc.", for the year ended December 31, 2022 (898 Canada Review) 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)

18. Pursuant to the *Public Accounting Act, 2004*, sections 2 and 3, a person engaged in the practice of public accounting, which includes performing a review of financial statements, must be a PAL holder.
19. CPA Ontario By-law 17.10 states that Membership in CPA Ontario does not, in and of itself, entitle a Member to a PAL and that no Member shall engage in the Practice of Public Accounting without holding a valid and current PAL.
20. Only a PAL holder is entitled to sign and issue an Independent Practitioner's Review Report (IPRER). Rittenberg was not a PAL holder and was not entitled to perform a review or sign and issue an IPRER.
21. 898 Canada operates a courier service, as an interlining carrier. 898 Canada has been a client of Rittenberg's since 2019. Prior to the 2022 year end, Rittenberg had



performed compilation engagements with respect to the financial information of 898 Canada.

22. After completing the compilation engagement of 898 Canada's financial information for the December 31, 2022 year end, 898 Canada advised Rittenberg that the company was requesting an increase in the loan amounts from BDC, and BDC required that a review of the financial statements be performed.
23. The users of the financial statements are the shareholders of 898 Canada and the lenders, specifically BDC.
24. Rittenberg performed the 898 Canada Review, acting as the engagement partner, and then prepared and signed the IPRER, dated March 9, 2023.
25. Rittenberg's working papers, as more fully detailed with respect to Allegation 2, did not include any checklists, narratives to address the requirements for a review engagement related to acceptance of the engagement, understanding of the entity, determination of materiality, designing and performing procedures, or enquiries of management and conclusions.
26. Rittenberg was also not familiar with the Canadian Standard on Review Engagements (CSRE) 2400 at the time of performing the review. He became aware of the CSRE 2400 during the June 2024 practice inspection.
27. Rittenberg admits that he acted as the engagement partner for the 898 Canada Review without a valid PAL.

Allegation 2: That the said Timothy A. Rittenberg, in or about the period December 1, 2022 to March 31, 2023, while improperly acting as the engagement partner for the 898 Canada 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:

28. Rittenberg advised that having completed the compilation of the financial information before performing the review, he did not do much additional work, except as described below, as he had been involved with 898 Canada throughout the year and was “quite confident in [his] initial compilation.”

a. He failed to document that he performed an assessment with respect to the acceptance of the review engagement;

29. CSRE 2400.27 requires the practitioner to review and confirm factors affecting their acceptance and continuance of the engagement.

30. CSRE 2400.104 requires the practitioner to document evidence that the review was performed in accordance with this CSRE sufficient to enable an experienced practitioner, having no previous connection with the engagement, to understand the nature, timing and extent of the procedures performed and the results obtained from the procedures to comply with this CSRE and applicable legal and regulatory requirements.

31. The working papers did not evidence that Rittenberg had completed an assessment with respect to the acceptance of the review engagement, contrary to CSRE 2400.27 and 2400.104.

b. He failed to document or comply with relevant ethical requirements, including those pertaining to independence;

32. CSRE 2400.19 requires the practitioner to comply with relevant ethical requirements, including those pertaining to independence.

33. Rittenberg failed to document or comply with the relevant ethical requirements, including independence, contrary to CSRE 2400.19.

c. He failed to document the terms of the engagement in a written agreement with management or those charged with governance prior to performing the engagement;

34. CSRE 2400.34 and 2400.35 require the practitioner to agree to the terms of the engagement with management prior to performing the engagement, and that the agreed terms of the engagement be recorded in an engagement letter or other suitable form of written agreement.

35. Rittenberg did not have an engagement letter or other suitable form of written agreement to support conducting the engagement or any agreed terms, contrary to CSRE 2400.34 and .35.

d. He failed, while performing an initial review engagement, to obtain sufficient appropriate evidence as to whether the opening balances contain material misstatements that could materially affect the current period's financial statements;

36. CSRE 2400.55 requires that when performing an initial review engagement, the practitioner shall obtain sufficient appropriate evidence about whether the opening balances contain misstatements that materially affect the current period's financial statements.

37. Rittenberg failed to document in the working papers that he had obtained sufficient appropriate evidence about whether the opening balances contain misstatements that could materially affect the current period's financial statements, contrary to CSRE 2400.55.

e. He failed to document an understanding of the entity and its environments to provide a basis for designing review procedures;

38. CSRE 2400.43 requires the practitioner to obtain an understanding of the entity and its environment, the applicable financial reporting framework to identify areas in the financial statements where material misstatements are likely to arise and to provide a basis for designing procedures to address those areas.

39. CSRE 2400.44 identifies the four areas of the entity the practitioner is required to understand.

40. Rittenberg failed to document an understanding of the entity and its environment to provide a basis for designing procedures to address those areas, contrary to CSRE 2400.43 and .44.

f. He failed to determine and apply materiality for the review engagement to the review procedures performed and in evaluating the results obtained from these procedures;

41. CSRE 2400.41 requires the practitioner to determine materiality for the financial statements as a whole and apply that materiality in designing the procedures and in evaluating the results obtained from those procedures.

42. Rittenberg failed to determine or document materiality and did not use the concept of materiality for his review procedures, contrary to CSRE 2400.41.

g. He failed to identify areas in the financial statements where material misstatements are likely to arise;

43. CSRE 2400.45 requires the practitioner to identify areas in the financial statements where material misstatements are likely to arise.

44. Rittenberg did not identify areas in the financial statements where material misstatements were likely to arise, contrary to CSRE 2400.45.

Allegations 1(h)-(p) Failure to obtain sufficient appropriate evidence:

45. CSRE 2400.46 requires the practitioner to design and perform inquiry and analytical procedures to address all material items in the financial statements, including disclosures, and to focus on addressing areas in the financial statements where material misstatements are likely to arise in order to obtain sufficient appropriate evidence as the basis for a conclusion on the financial statements as a whole.

46. As previously stated above, CSRE 2400.104 requires the practitioner to document the results obtained from the procedures performed, and the practitioner's conclusions formed on the basis of those results.

h. He failed to obtain sufficient appropriate evidence of cut-off at the year-end for the bank balance on the Balance Sheet item "Cash \$413,725";

47. The Balance Sheet reported a balance cash of \$413,725. The working papers included a copy of the bank statement, which as of December 31, 2022, had a balance matching this amount.

48. Rittenberg advised that this is a cash basis of operation and there would be no outstanding deposits or cheques; however, the working papers did not address the concerns for appropriate cut-off at the year-end for the bank balance, contrary to CSRE 2400.46 and .104.

i. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Balance Sheet item "Loan Receivable (note 5) 550,000";

49. The Balance Sheet reported a Loan Receivable of \$550,000. In Note 5 of the Notes to the Financial Statements, the Loan receivable is identified as due from a corporation in which the shareholder of 898 Canada owns 100% of the shares.

50. There is no documentation in the working papers to support this balance, contrary to CSRE 2400.46 and .104.

j. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Balance Sheet item “Receivables (note 7) 44,079”;

51. The Balance Sheet reported as Receivables the \$44,079 HST refund and did not report any accrual for services provided from the last date received to its only customer to the year end. Rittenberg advised that the company receives payment by way of direct deposit and accounts for its operations on a cash basis, so the impact on cut-off on the Net Income would be minimal. The copy of the bank statement included in the working papers reported a deposit on December 30, 2022, and the next deposit on January 6, 2023. There was no analysis of these transactions to determine if any of the January 6, 2023 deposit should have been reported as accounts receivable at the year-end;

52. There are no working papers to support this balance, contrary to CSRE 2400.46 and .104.

k. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Balance Sheet item “Property & Equipment (Note 2) 152,237”;

53. The Balance Sheet reported Property & Equipment of \$152,537, which includes an addition during the year of \$52,860. Rittenberg advised that he used the amounts reported on the income tax return capital cost allowance schedule for the amount of the amortization, but did not include the continuity schedule in the working papers or determine the amortization expense for the year, contrary to CSRE 2400.46 and .104.

l. He failed to obtain sufficient appropriate evidence from the procedures performed on the Balance Sheet item “Loans Payable (Note 3) 46,156”;

54. The working papers did not include any documents or checklists in support of the Balance Sheet item “Loans Payable” in the amount of \$46,156, contrary to CSRE 2400.46 and .104.

m. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Balance Sheet item “Accrued Liabilities 821”;

55. The Balance Sheet reported Accrued Liabilities of \$821. This amount was the balance owed to the shareholder, according to the trial balance. There was no documentation in the working papers to consider accrued liabilities at the year-end relating to accrued professional fees, accrued payroll, outstanding vacation or overtime amounts, contrary to CSRE 2400.46 and .104.

n. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Income Statement items;

56. The only working paper for the amounts reported on the Income Statement was a document entitled Variance Analysis (VA), which Rittenberg prepared as part of the review procedures. The VA listed the Income Statement categories for 2022 with calculated percentages of the expense to revenue. There was a comparative column of percentages for “LFY” which Rittenberg advised was the prior year and “Historical to ‘20” which was for the average of all the statements that he had, “just averaging them out”.

57. Rittenberg did not have any commentary about his analysis of these percentages. The percentages were relatively consistent; however, due to the large amount of revenue that would have been material, for example a \$124,000 increase to staffing costs, analysis and documentation was required. Rittenberg did not include notations about his conclusions on the variance analysis.

58. Rittenberg failed to obtain sufficient appropriate evidence for the Income Statement, contrary to CSRE 2400.46 and .104.

o. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Income Statement and Statement of Retained Earnings item “Dividends (200,000)”;

59. The Income Statement and Statement of Retained Earnings reported \$200,000 as dividends for 2022 and a comparable amount for 2021 of \$80,000. The supporting documentation for the dividends for 2022 was a copy of the T5 issued by Rittenberg for the amount of \$120,000 for 2022 and for \$80,000 for 2021.

60. As the financial statement year end and the reporting period for the dividends were both the calendar year end, the amounts for each year should agree to the amounts reported on the financial statements.

61. Rittenberg could not provide an explanation for the difference in the amounts reported and there were no working papers to support the reported dividends, contrary to CSRE 2400.46 and .104.

p. He failed to obtain sufficient appropriate evidence from the procedures performed to support the Income Statement and Statement of Retained Earnings item “Rent 42,027”;

62. Rittenberg advised that the rent was paid to a related party, but he did not believe that a lease was in place for the rental arrangements. The working papers did not include any support for the rent expense of \$42,027, contrary to CSRE 2400.46 and .104.

q. He failed to make and document certain inquiries of management to obtain information and to assess management’s intentions for business processes and operations;

63. CSRE 2400.47 requires the practitioner to make and document inquiries of management and others within the entity, regarding nine areas of inquiry.

64. The working papers did not disclose inquiries of management as required relating to non-monetary transactions, material commitments, contractual obligations or

contingencies, management's assessment of the company's ability to continue as a going concern, subsequent events, existence of any actual, suspected or alleged fraud, and related party transactions, all of which are contrary to CSRE 2400.47.

r. He failed to ensure disclosure of the accounting framework applied to the financial statements in the Notes to the financial statements;

65. CPAH 1400.16 requires that an enterprise that prepares its financial statements in accordance with Canadian accounting standards for private enterprises shall state this basis of presentation prominently in the notes to its financial statements. 898 Canada's financial statements did not disclose the accounting framework.

66. Rittenberg failed to ensure that the financial statements disclosed the accounting framework applied, contrary to CPAH 1400.16.

s. He failed to ensure disclosure of the significant accounting policies for revenue recognition;

67. CPAH 3400.31 requires that an enterprise disclose its revenue recognition policy. Rittenberg failed to ensure that the significant accounting policy for revenue recognition was disclosed in the financial statements, contrary to CPAH 3400.31.

t. He failed to ensure disclosure of the significant accounting policies for income taxes required for applying the taxes payable method of accounting for income taxes;

68. CPAH 1505.03 requires that an entity include a clear and concise description of the significant accounting policies used as an integral part of the financial statements. 898 Canada used the taxes payable method of reporting income taxes, but did not disclose this accounting policy in the financial statements.

69. Rittenberg failed to ensure disclosure of the significant accounting policies for income taxes, contrary to CPAH 1505.03.

u. He failed to ensure disclosure of the long-term debt relating to interest rate, maturity date and the five-year principal repayments;

70. CPAH 3856.43 requires an enterprise to disclose the interest rate and the maturity date for all long-term debt. This disclosure must also include the aggregate amount of payments estimated to be required in each of the next five years to meet repayment, sinking fund or retirement provisions of financial liabilities.

71. The required disclosure was not included in the financial statements, and Rittenberg failed to ensure the disclosure of the long-term debt, contrary to CPAH 3856.43.

v. He failed to ensure disclosure for the reconciliation of the income taxes;

72. CPAH 3465.88(b) requires that when an enterprise applies the taxes payable method of accounting for income taxes, the financial statements must disclose: A reconciliation of the income tax rate, or expense related to income, or loss for the period before discontinued operations to the statutory income tax rate, and, the dollar amount that would result from its application, including the nature and amount of each significant reconciling item.

73. Rittenberg failed to ensure disclosure of the details related to the taxes payable method of accounting for income taxes, contrary to CPAH 3465.88.

w. He failed to ensure disclosure of any risk assessment or concentrations of risk arising from financial instruments;

74. CPAH 3856.53 requires an enterprise to disclose for each significant risk arising from financial instruments:

- The exposures to risk and how they arise; and
- Any change in risk exposures from the previous period.

75. CPAH 3856.54 requires that the enterprise disclose the concentrations of risk for each type of risk arising from financial instruments.

76. The financial statements did not report any risk assessment or concentrations of risk. The company derives all its income from one customer, so this concentration should have been disclosed in the financial statements.

77. Rittenberg failed to ensure disclosure of any risk assessment or concentration of risk, contrary to CPAH 3856.53 and .54.

x. He failed to ensure disclosure of required information for related party transactions;

78. CPAH 3840.51 requires an enterprise to disclose certain information about its transactions with related parties.

79. 898 Canada rented space from a related party, for an amount that increased to \$42,027 from \$11,487 from the prior year. Rittenberg failed to ensure that the financial statements disclosed that this rent expense was paid to a related party or the measurement basis used for the transaction, contrary to CPAH 3840.51.

y. He failed to obtain a written representation from management that management had fulfilled its responsibilities as agreed to in the terms of the engagement;

80. CSRE 2400.68 requires the practitioner to request that management provide a written representation that management has fulfilled its responsibilities described in the agreed terms of engagement.

81. Rittenberg did not have an engagement letter for the review, as such there were no agreed upon terms for management to fulfill. Additionally, the letter Rittenberg did provide to the Investigator from the management of 898 Canada referred to a “compilation” rather than a “review”, contained information that would have been appropriate from Rittenberg to the corporation in an engagement letter and referred to an engagement letter which did not exist.

82. As a result, Rittenberg failed to obtain a written representation from management as to its fulfillment of responsibilities, contrary to CSRE 2400.68.

z. He failed to prepare an Independent Practitioner's Review Engagement Report ("IPRER") with the required elements;

83. CSRE 2400.94 sets out the required elements for the wording of the IPRER.

84. The IPRER prepared by Rittenberg failed to include an introductory paragraph that identified the financial statements reviewed, including identification of the title of each of the statements contained in the set of financial statements and the date and period covered by each financial statement. The IPRER also incorrectly referred to the fiscal year ending of December 31, 2020, instead of December 31, 2022.

85. Rittenberg stated that he had access to the IPRER's that had been provided to some of his clients by other CPA firms that had completed review engagements. Rittenberg believed that the wording of those reports was proprietary. As such, he did not use the wording referred to therein and attempted to capture the essence of the wording in the version of the IPRER that he prepared.

86. The IPRER prepared, signed and issued by Rittenberg did not include the relevant and required elements, contrary to CSRE 2400.94.

aa. He failed to include an Other Matter paragraph in the IPRER that the prior year's financial statements had not been previously the subject of an assurance engagement; and

87. CSRE 2400.101 requires that the practitioner must state in an Other Matter paragraph of the IPRER if the financial statements of the prior period were not subject to an assurance engagement.

88. The financial statements had not been subject in the prior period to either a review engagement or audit engagement and Rittenberg did not include an Other Matter paragraph to provide this information, contrary to CSRE 2400.101.

bb. He failed to document the assembly date of the final engagement file.

89. CSRE 2400.A172 and the Canadian Standard on Quality Management (CSQM) 1, requires that a firm establish a quality objective that engagement documentation is assembled on a timely basis after the date of the engagement report.

90. Rittenberg failed to document the assembly date of the final engagement file, contrary to CSRE 2400.A172 and CSQM 1.

Allegation 3: That the said Timothy A. Rittenberg, in or about the period December 1, 2023 to March 31, 2024, while engaged to perform the compilation of “GDE”, for the year ended December 31, 2023, failed to perform his professional services in accordance with generally accepted standards of practice for the profession, contrary to Rule 206.1 of the Code, in that:

91. GDE operates as a courier service, as an interlining carrier.

92. GDE has been a client of Rittenberg since 2006, providing bookkeeping services and completing compilation engagements. The financial information from the compilations was provided to GDE and to BDC.

93. The report issued by Rittenberg was identified as a “Notice to Reader” and dated March 15, 2024.

94. Rittenberg was not aware of the new standard for compilation engagements (CSRS) 4200, which is effective for compiled financial information for periods ending on or after December 14, 2021.

(a) He failed to document his compliance with relevant ethical requirements, including objectivity;

95. CSRS 4200.21 requires the practitioner to comply with relevant ethical requirements, including objectivity.

96. There was no evidence in the working papers that Rittenberg had considered whether he may be seen by a reasonable observer as lacking independence, contrary to CSRS 4200.21.

Allegations 3(b) and (c)

b. He failed to document inquiries made of management regarding the intended use of the compiled financial information prior to continuing the engagement;

c. He failed to obtain an acknowledgement from management of the basis of accounting expected in the preparation of compiled financial information prior to continuing the engagement;

97. CSRS 4200.24 requires the practitioner, prior to continuing a compilation engagement, to:

- (a) Make inquiries of management regarding the intended use of the compiled financial information, including whether that information is intended to be used by a third party; and
- (b) Obtain an acknowledgement from management of the basis of accounting expected to be applied in the preparation of the compiled information.

98. Rittenberg failed to document that he had made the inquiries of management regarding the intended use of the compiled financial information, contrary to CSRS 4200.24.

99. Rittenberg failed to document that he had obtained an acknowledgement from management of the basis of accounting to be applied to the compiled financial information, contrary to CSRS 4200.24.

d. He failed to obtain a written agreement of the terms of the compilation engagement from management;

100. CSRS 4200.26 and .27 require a practitioner to agree to the terms of the compilation engagement in a written engagement letter or other suitable form of written agreement with management of the entity.

101. Rittenberg failed to obtain a written agreement to the terms of the compilation engagement with GDE, contrary to CSRS 4200.26 and .27.

e. He failed to document his knowledge of required matters sufficient to be able to perform the compilation engagement;

102. CSRS 4200.29 requires the practitioner to obtain knowledge of the following matters, sufficient to be able to perform the compilation engagement:

- (a) The entity's business and operations;
- (b) The entity's accounting system and accounting records;
- (c) The basis of accounting to be applied; and, where applicable
- (d) The accounting policies used in the preparation of the compiled financial information.

103. Rittenberg failed to document the required knowledge in the working papers, contrary to CSRS 4200.29.

f. He failed to document a description of the entity's business, operations, accounting system, accounting records and the basis of accounting applied in the preparation of the compiled financial information;

104. CSRS 4200.41 requires the practitioner to prepare documentation that, in the practitioner's judgment, is sufficient to enable an experienced practitioner, having no previous connection with the engagement, to understand how the requirements of this CSRS were met, which, includes the following: a description of the entity's business, operations, accounting system, accounting records, and the basis of accounting

applied, in the preparation of the compiled financial information; and a reconciliation of the entity's accounting records to the compiled information.

105. Rittenberg failed to include the required documentation in the working papers for GDE's business, operations, accounting system, accounting records and the basis of accounting to be applied in the preparation of the compiled financial information, contrary to CSRS 4200.41.

g. He failed to obtain sufficient appropriate evidence to support a reconciliation of the entity's accounting records to the compiled information;

106. As stated above, CSRS 4200.41 requires the practitioner to document a reconciliation of the entity's accounting records in the compiled information.

107. The working papers included two T5's for dividends issued in the amounts of \$120,000 for 2022 and \$250,000 for 2023. However, The T5 amount reported a different amount than the comparative financial information for dividends on the Income Statement and Statement of Retained Earnings in the amount of \$125,000. Rittenberg could not explain the difference in the amounts reported.

108. Rittenberg failed to obtain sufficient appropriate evidence to support a reconciliation of the entity's accounting records, contrary to CSRS 4200.41.

h. He failed to disclose the basis of accounting in the notes to the compiled financial information;

109. CSRS 4200.30 requires the practitioner to prepare the compiled financial information, including a note in the compiled financial information that describes the basis of accounting applied in the preparation of the compiled financial information.

110. Rittenberg failed to disclose the basis of accounting in the compiled financial information, contrary to CSRS 4200.30.

i. He failed to obtain an acknowledgement from management that they had taken responsibility for the final version of the compiled financial information; and

111. CSRS 4200.35 requires the practitioner to obtain an acknowledgment from management that it has taken responsibility for the final version of the compiled financial information.

112. Rittenberg produced a letter from the management of GDE (GDE Letter) which was similar in wording to the representation letter produced in the 898 Canada Review.

113. The GDE Letter incorrectly referred to the “statements prepared in accordance with Canadian accounting standards for private enterprises”. The GDE Letter also referred to representations by Rittenberg about inspecting supporting documentation, which is not an appropriate assertion for GDE to make. Lastly, the GDE Letter refers to an engagement letter, which Rittenberg acknowledges did not exist.

114. Rittenberg failed to obtain an acknowledgement by management that it had taken responsibility for the final version of the compiled financial information, contrary to CSRS 4200.35.

j. He failed to include the required wording or elements in the compilation engagement report (“CER”).

115. CSRS 4200.39 requires that the practitioner identify the report for compiled financial information as a “Compilation Engagement Report” (CER).

116. The report issued by Rittenberg failed to use the required wording of a CER and instead referred to a Notice to Reader, contrary to CSRS 4200.39.

Allegation 4: That the said Timothy A. Rittenberg, in or about the period December 15, 2022, to March 31, 2024, failed to perform his professional services in accordance with the generally accepted standards of practice of the profession, in that, he did not have a documented firm system of quality management, contrary to Rule 206.1 of the Code.

117. CSQM 1 has been effective for audits or reviews of financial statements or other assurance engagements as of December 15, 2022; and, has been effective for related services engagements, including compilations, as of December 15, 2023.
118. CSQM 1.6 requires a firm to design, implement and operate an SoQM to address eight relevant components, including, but not limited to, the firm's risk assessment process, relevant ethical requirements, engagement performance and the monitoring and remediation process.
119. Rittenberg did not have access to the CSQM and failed to design, implement or operate an SoQM, contrary to CSQM 1.

Acknowledgement

120. Rittenberg admits that he acted as the engagement partner for the 898 Canada Review, 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 Code.
121. Furthermore, Rittenberg admits that in improperly acting as the engagement partner for the 898 Canada Review (**Doc 2**), he failed to perform his professional services in accordance with generally accepted standards of practice for the profession, contrary to Rule 206.1 of the Code.
122. Rittenberg further admits that while engaged to perform the GDE Compilation (**Doc 3**), he failed to perform his professional services in accordance with generally accepted standards of practice for the profession, contrary to Rule 206.1 of the Code.
123. Rittenberg further admits that between December 15, 2022 and March 31, 2024, he failed to perform his professional services in accordance with the generally



accepted standards of practice for the profession, in that, he did not have a documented firm system of quality management, contrary to Rule 206.1 of the Code.

Mitigating Factors

124. Rittenberg has been cooperative throughout the CPA Ontario Investigation. In making admissions herein, Rittenberg has saved the PCC and the Discipline Committee the time and expense of a lengthy hearing.

Terms of Settlement

125. Rittenberg and the PCC agree to the following Terms of Settlement:

- (a) Rittenberg shall pay a fine of \$20,000 to CPA Ontario;
- (b) Rittenberg's practice shall be restricted by prohibiting him from carrying out any assurance or compilation engagements;
- (c) Rittenberg shall attend and successfully complete, by August 31, 2026, the following professional development courses offered by CPA Ontario, or their successor courses:
 - (a) Ethics for Accountants; and
 - (b) Quality Management: Application for Non-Assurance Providers.
- (d) Notice of the terms of this Agreement is to be published in the manner set out in CPA Ontario Regulation 6-2 sections 45, 50 and 52 with notice to be given to all members of CPA Ontario, all provincial CPA Bodies, and shall be made available to the public;
- (e) Rittenberg shall pay costs in the amount of \$14,500 to CPA Ontario;
- (f) Rittenberg will be allowed 24 months from the time the Discipline Committee accepts this Agreement to pay the fine and costs referred to in paragraphs



125(a) and (e); and

(g) A failure by Rittenberg to comply with any of the terms of settlement will result in the immediate suspension of his CPA Ontario membership until he complies. If his suspension under this section exceeds 30 days his membership in CPA Ontario will be revoked forthwith without further notice to him.

126. The PCC and Rittenberg expressly consent to and authorize the Registrar to take any actions associated with Rittenberg's membership in CPA Ontario as prescribed and agreed to herein.

127. The PCC and Rittenberg expressly authorize and consent to CPA Ontario providing notice of the terms of this Agreement to all CPA Ontario members and all provincial CPA Bodies and to publish such notification in accordance with the terms detailed herein.

128. Should the Discipline Committee accept this Agreement, Rittenberg agrees to and hereby waives his right to a full hearing, judicial review or appeal of the matter subject to the Agreement. Upon Rittenberg's fulfillment of the requirements of this Agreement, the Allegations approved by the PCC shall be permanently stayed.

129. Should the Discipline Committee approve this Agreement, no party will make any public statement that is inconsistent with this Agreement. Following approval, CPA Ontario may in its sole discretion issue a release in respect of this outcome.

130. 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 Rittenberg leading up to its presentation to the Discipline Committee, shall be without prejudice to the PCC and Rittenberg; and



(b) The PCC and Rittenberg 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.

Disclosure of Agreement and Independent Legal Advice

131. This Agreement and its terms will be treated as confidential by the PCC and Rittenberg 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 Rittenberg, or, as may be required by law.

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

133. Rittenberg agrees and confirms that he has been advised of his right to legal counsel and has decided to proceed without the assistance of legal counsel. However, Rittenberg agrees and confirms that he fully understands the effect of this Agreement and the consequences of signing this Agreement.

All of which is agreed to for the purpose of this proceeding alone this 14 day of July 2025.

A handwritten signature in blue ink that reads "Jonathan Smith".

Jonathan Smith, J.D.
On behalf of
the Professional Conduct Committee

A handwritten signature in black ink that reads "Timothy Rittenberg".

Timothy Rittenberg, CPA, CMA
On his own behalf