

## **Colin Maurice Brooker: Summary, as Published in *CheckMark***

**Colin Maurice Brooker**, of Kanata, was found guilty of three charges under Rule 206 of failing to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*. With respect to two separate audit engagements and one review engagement, Mr. Brooker failed to do such things as document matters important to support the content of his reports; adequately plan and properly execute his work; employ sufficient enquiry, analytical procedures and discussion to enable him to assess whether information being reported on was plausible; and obtain sufficient appropriate evidence to support various financial statement items. It was ordered that Mr. Brooker complete five professional development courses, and that his practice be supervised at his own cost until his successful reinvestigation by the professional conduct committee.

## **CHARGE(S) LAID re Colin Maurice Brooker**

The Professional Conduct Committee hereby makes the following charges against, Colin M.J. Brooker, CA, a member of the Institute:

1. THAT, the said Colin M.J. Brooker, in or about the period April 1, 1996 to June 4, 1996, while engaged to perform a review of the financial statements of J.T. Fine Inc. for the seven months ended March 31, 1996, failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
  - (a) he did not document matters that are important to support the content of his report;
  - (b) he did not adequately plan and properly execute his work; and
  - (c) he did not employ sufficient enquiry, analytical procedures and discussion to enable him to assess whether the information being reported on is plausible.
2. THAT, the said Colin M.J. Brooker, in or about the period April 1, 1995 to November 12, 1995, while engaged to perform an audit of the financial statements of Our Kids –Building a Future in Ottawa-Carleton Inc. for the year ended March 31, 1995, failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
  - (a) he did not adequately plan and properly execute his work;
  - (b) he did not document matters which are important in providing evidence to support the content of his report;
  - (c) he did not obtain sufficient appropriate audit evidence to support the item "Cash, \$7,442";
  - (d) he did not obtain sufficient appropriate audit evidence to support the item "Accounts payable, \$578";
  - (e) he did not obtain sufficient appropriate audit evidence to support the figures for revenue and expenditures;
  - (f) he did not ensure that the financial statements included a statement of changes in financial position;
  - (g) he did not disclose the fact that the comparative figures are based upon financial statements which were reported on by other auditors.
3. THAT, the said Colin M.J. Brooker, during the period January 1, 1998 to March 25, 1998, while engaged to perform an audit of the financial statements of Kanata Bingo Sponsors Association Inc. for the year ended December 31, 1997, failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
  - (a) he did not adequately plan and properly execute his audit;

- (b) he did not document matters which are important in providing evidence to support the content of his report;
- ~~(c) he did not obtain sufficient appropriate audit evidence to support the item, "Due from member associations, \$9,246";~~
- ~~(d) he did not obtain sufficient appropriate audit evidence to support the item, "Prepaid Expenses, \$20,898";~~
- ~~(e) he did not obtain sufficient appropriate audit evidence to support the item, "Accounts payable and accrued charges, \$41,170"; and~~
- ~~(f) he did not obtain sufficient appropriate audit evidence to support the figures for revenue and expenses.~~

*Particulars (c), (d), (e) and (f) withdrawn by P.C.C.*

Dated at Toronto this 18<sup>th</sup> day of November, 1998.

UWE MANSKI, FCA – DEPUTY CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

## **DISCIPLINE COMMITTEE re Colin Maurice Brooker**

**DECISION AND ORDER IN THE MATTER OF:** Charges against **COLIN MAURICE JOHN BROOKER, CA**, a member of the Institute, under **Rule 206** of the Rules of Professional Conduct, as amended.

### **DECISION AND ORDER MADE MAY 26, 1999**

#### **DECISION**

THAT, having seen, heard and considered the evidence, including the agreed statement of facts, filed, charge No. 3 having been amended, and having heard the plea of guilty to charges Nos. 1, 2 and 3 as amended, the Discipline Committee finds Colin Maurice John Brooker guilty of charges Nos. 1, 2 and 3 as amended.

#### **ORDER**

IT IS ORDERED in respect of the charges:

1. THAT Mr. Brooker be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Brooker be and he is hereby required to complete, by attending in their entirety, within eighteen (18) months from the date this Decision and Order becomes final under the bylaws, the following professional development courses made available through the Institute:

1. Accounting Refresher;
2. Financial Statement Presentation & Disclosure;
3. Auditing Refresher;
4. Review and Compilation Engagements; and
5. Income Tax Refresher – Personal,

or, in the event a course listed above becomes unavailable, the successor course which takes its place.

3. THAT Mr. Brooker's practice be supervised at his own cost, from the date this Decision and Order becomes final under the bylaws until the successful completion of the reinvestigation ordered pursuant to paragraph 4, upon the following terms and conditions:
  - (a) Within thirty (30) days from the date this Decision and Order becomes final under the bylaws, Mr. Brooker shall file with the secretary of the discipline committee a supervised practice plan, which shall set out the name and detailed responsibilities of the supervisor.
  - (b) The responsibilities of the supervisor shall include, at a minimum, that the supervisor review and approve all audit and review files, and a sample of compilation engagements and T1 income tax returns, and that, more

specifically in respect of audit and review files, the supervisor review and approve:

- (i) a client acceptance review, detailed planning memorandum, and budget, prior to Mr. Brooker's commencement of the audit or review engagement; and
    - (ii) the working papers and financial statements prior to Mr. Brooker's issuance of the audit or review report, and written evidence of the supervisor's review and approval shall be kept in Mr. Brooker's files.
  - (c) The requirement for supervised practice shall apply to audit, review and compilation engagements, and T1 income tax returns, having year ends that fall within the supervised practice period.
  - (d) In the event the professional conduct committee finds Mr. Brooker's choice of supervisor unacceptable, or there is any other issue relating to supervised practice about which Mr. Brooker and the professional conduct committee cannot agree, either may apply to the chair of the panel or to the chair of the discipline committee at an assignment hearing for directions.
4. THAT Mr. Brooker be reinvestigated by the professional conduct committee, or by a person retained by the professional conduct committee, on one occasion, between eighteen (18) and twenty-four (24) months from the date this Decision and Order becomes final under the bylaws, the costs of the reinvestigation, up to \$2,000, to be paid by Mr. Brooker within thirty (30) days of receiving notification of the cost of the reinvestigation.
5. THAT notice of this Decision and Order, disclosing Mr. Brooker's name, be given after this Decision and Order becomes final under the bylaws:
- (a) to the Public Accountants Council for the Province of Ontario;
  - (b) to the Canadian Institute of Chartered Accountants; and
  - (c) by publication in *CheckMark*.
- 6 THAT in the event Mr. Brooker fails to pay the reinvestigation costs as required in paragraph 4, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does pay the reinvestigation costs, provided he does so within three (3) months from the date of his suspension, and in the event he does not pay the reinvestigation costs within this three month period, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 5, and in a local newspaper distributed in the geographic area in which Mr. Brooker resides.

7. THAT in the event Mr. Brooker fails to complete a professional development course or courses as required in paragraph 2, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does complete the course or courses, provided he does so at its or their next offering, and in the event he does not complete the course or courses at its or their next offering, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 5, and in a local newspaper distributed in the geographic area in which Mr. Brooker resides.
8. THAT in the event Mr. Brooker fails to file the supervised practice plan as required in paragraph 3, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does file the plan, provided he does so within one (1) month from the date of his suspension, and in the event he does not file the plan within this one month period, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 5, and in a local newspaper distributed in the geographic area in which Mr. Brooker resides.

DATED AT TORONTO THIS 15TH DAY OF JUNE, 1999  
BY ORDER OF THE DISCIPLINE COMMITTEE

BRYAN W. STEPHENSON, BA, LLB  
SECRETARY - DISCIPLINE COMMITTEE

## **DISCIPLINE COMMITTEE re Colin Maurice Brooker**

**REASONS FOR DECISION AND ORDER IN THE MATTER OF:** Charges against **COLIN MAURICE JOHN BROOKER, CA**, a member of the Institute, under **Rule 206** of the Rules of Professional Conduct, as amended.

### **REASONS FOR THE DECISION AND ORDER MADE MAY 26, 1999**

These proceedings before this panel of the discipline committee of the Institute of Chartered Accountants of Ontario were convened on May 26, 1999.

The decision on the charges and the order as to sanction were made known at the hearing, and the parties were told that written reasons would follow. These are the reasons of the discipline committee.

At the hearing, the professional conduct committee was represented by Ms. Deborah McPhadden. Mr. Brooker was present without legal counsel, and represented himself throughout the proceedings. He acknowledged that he was aware of his right to be represented by counsel, and that he had been made aware of his right to legal counsel prior to the hearing.

Three charges had been laid by the professional conduct committee against Mr. Brooker under Rule of Professional Conduct 206, alleging that he had failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*.

Prior to submitting evidence on the charges, the professional conduct committee withdrew particulars (c), (d), (e) and (f) of charge No. 3.

The amended charges read as follows:

- 1 THAT, the said Colin M.J. Brooker, in or about the period April 1, 1996 to June 4, 1996, while engaged to perform a review of the financial statements of J.T. Fine Inc. for the seven months ended March 31, 1996, failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
  - (a) he did not document matters that are important to support the content of his report;
  - (b) he did not adequately plan and properly execute his work; and
  - (c) he did not employ sufficient enquiry, analytical procedures and discussion to enable him to assess whether the information being reported on is plausible.

2. THAT, the said Colin M.J. Brooker, in or about the period April 1, 1995 to November 12, 1995, while engaged to perform an audit of the financial statements of Our Kids –Building a Future in Ottawa-Carleton Inc. for the year ended March 31, 1995, failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
  - (a) he did not adequately plan and properly execute his work;
  - (b) he did not document matters which are important in providing evidence to support the content of his report;
  - (c) he did not obtain sufficient appropriate audit evidence to support the item “Cash, \$7,442”;
  - (d) he did not obtain sufficient appropriate audit evidence to support the item “Accounts payable, \$578”;
  - (e) he did not obtain sufficient appropriate audit evidence to support the figures for revenue and expenditures;
  - (f) he did not ensure that the financial statements included a statement of changes in financial position;
  - (g) he did not disclose the fact that the comparative figures are based upon financial statements which were reported on by other auditors.
3. THAT, the said Colin M.J. Brooker, during the period January 1, 1998 to March 25, 1998, while engaged to perform an audit of the financial statements of Kanata Bingo Sponsors Association Inc. for the year ended December 31, 1997, failed to perform his professional services in accordance with the standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
  - (a) he did not adequately plan and properly execute his audit; and
  - (b) he did not document matters which are important in providing evidence to support the content of his report.

Mr. Brooker entered a plea of guilty to each of the above charges. The chair cautioned Mr. Brooker, and made sure that he understood, that upon the basis of his guilty plea, and upon that basis alone, the discipline committee could find him guilty of the charges. Mr. Brooker indicated that he understood the chair's caution and the ramification of his guilty plea.

## **DECISION ON THE CHARGES**

On behalf of the professional conduct committee, Ms. McPhadden introduced an agreed statement of facts and a document brief, which described in detail the audit and review deficiencies alleged in the charges.



Mr. Brooker indicated that he had reviewed the agreed statement of facts, and had signed it to evidence his agreement with its contents.

In addition to the above evidence, the panel also heard from Mr. Robert Robertson, CA, the investigator retained by the professional conduct committee. Mr. Robertson, in giving his evidence, made specific reference to the agreed statement of facts and document brief.

Mr. Brooker was presented with the opportunity to ask questions of Mr. Robertson, but indicated that he had no questions. In addition, Mr. Brooker was provided with the opportunity to present evidence, but indicated that he had no evidence to present.

Upon deliberation, having reviewed the agreed statement of facts and document brief, the panel concluded that the evidence established that the allegations set out in the charges had been proven. Mr. Brooker's departure from the required standard was significant, and he was found guilty of the charges.

### **ORDER AS TO SANCTION**

The panel then moved on to a determination of the appropriate sanction.

Ms. McPhadden stated that the professional conduct committee did not consider it necessary to call evidence to deal with the question of sanction. In the view of the professional conduct committee, she indicated, the evidence of misconduct made it clear that the member had failed to adhere to the required standard of practice. This was a standards case, she submitted, and the departure from the required standard was as clear as the Institute's duty to ensure that standards are met, so that the public is protected from substandard audit and review services.

Ms. McPhadden suggested that, in recommending a sanction, the professional conduct committee had concluded that the principle which was primarily applicable was that of rehabilitation. The recommended sanction consisted of a reprimand, professional development courses, supervised practice, reinvestigation, and the usual order as to publicity. Ms. McPhadden specifically referred to the two past discipline cases of Mr. Gupta and Mr. Rutherford, where the primary concern had been rehabilitation and supervised practice had been ordered.

Mr. Brooker was sworn in as a witness and provided evidence to the panel, stating that he was in general agreement with the sanction proposed by the professional conduct committee. He indicated that his experience culminating in this hearing has been a very painful one for both he and his family. He has been a proud member of this profession for 34 years, and has suffered humiliation as a result of his involvement in the discipline process. He testified that he has always maintained the high professional standards of the profession, and that, in this case, he had performed the required audit or review work upon the engagements that had given rise to the charges, but had simply failed to properly document his work. He provided the panel with some basic information concerning the size and type of practice that he currently had, and that he was looking to develop.

The panel noted that the professional conduct committee had not included a fine in its suggested sanction, and asked Ms. McPhadden to explain the reasons for this exclusion. She indicated that a fine was not considered necessary by the professional conduct committee in this case because:

- Mr. Brooker was not in a financial position to pay a fine; and
- the costs associated with the professional development courses, the supervised practice, and the reinvestigation of the practice, were significant enough that further financial penalty by way of a fine was unnecessary.

Mr. Brooker agreed with the submissions of Ms. McPhadden on the issue of a fine, and emphasized his financial difficulty.

While acknowledging that all three general principles of sentencing, namely rehabilitation, general deterrence and specific deterrence, were relevant in this case, the panel concluded, upon deliberation, that rehabilitation and specific deterrence were the priorities. The panel made the following order:

## ORDER

IT IS ORDERED in respect of the charges:

1. THAT Mr. Brooker be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Brooker be and he is hereby required to complete, by attending in their entirety, within eighteen (18) months from the date this Decision and Order becomes final under the bylaws, the following professional development courses made available through the Institute:
  1. Accounting Refresher;
  2. Financial Statement Presentation & Disclosure;
  3. Auditing Refresher;
  4. Review and Compilation Engagements; and
  5. Income Tax Refresher – Personal,or, in the event a course listed above becomes unavailable, the successor course which takes its place.
3. THAT Mr. Brooker's practice be supervised at his own cost, from the date this Decision and Order becomes final under the bylaws until the successful completion of the reinvestigation ordered pursuant to paragraph 4, upon the following terms and conditions:
  - (a) Within thirty (30) days from the date this Decision and Order becomes final under the bylaws, Mr. Brooker shall file with the secretary of the discipline committee a supervised practice plan, which shall set out the name and detailed responsibilities of the supervisor.
  - (b) The responsibilities of the supervisor shall include, at a minimum, that the supervisor review and approve all audit and review files, and a sample of compilation engagements and T1 income tax returns, and that, more specifically in respect of audit and review files, the supervisor review and approve:

- (i) a client acceptance review, detailed planning memorandum, and budget, prior to Mr. Brooker's commencement of the audit or review engagement; and
- (ii) the working papers and financial statements prior to Mr. Brooker's issuance of the audit or review report,

and written evidence of the supervisor's review and approval shall be kept in Mr. Brooker's files.

- (c) The requirement for supervised practice shall apply to audit, review and compilation engagements, and T1 income tax returns, having year ends that fall within the supervised practice period.
  - (d) In the event the professional conduct committee finds Mr. Brooker's choice of supervisor unacceptable, or there is any other issue relating to supervised practice about which Mr. Brooker and the professional conduct committee cannot agree, either may apply to the chair of the panel or to the chair of the discipline committee at an assignment hearing for directions.
4. THAT Mr. Brooker be reinvestigated by the professional conduct committee, or by a person retained by the professional conduct committee, on one occasion, between eighteen (18) and twenty-four (24) months from the date this Decision and Order becomes final under the bylaws, the costs of the reinvestigation, up to \$2,000, to be paid by Mr. Brooker within thirty (30) days of receiving notification of the cost of the reinvestigation.
  5. THAT notice of this Decision and Order, disclosing Mr. Brooker's name, be given after this Decision and Order becomes final under the bylaws:
    - (a) to the Public Accountants Council for the Province of Ontario;
    - (b) to the Canadian Institute of Chartered Accountants; and
    - (c) by publication in *CheckMark*.
  6. THAT in the event Mr. Brooker fails to pay the reinvestigation costs as required in paragraph 4, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does pay the reinvestigation costs, provided he does so within three (3) months from the date of his suspension, and in the event he does not pay the reinvestigation costs within this three month period, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 5, and in a local newspaper distributed in the geographic area in which Mr. Brooker resides.

7. THAT in the event Mr. Brooker fails to complete a professional development course or courses as required in paragraph 2, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does complete the course or courses, provided he does so at its or their next offering, and in the event he does not complete the course or courses at its or their next offering, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 5, and in a local newspaper distributed in the geographic area in which Mr. Brooker resides.
8. THAT in the event Mr. Brooker fails to file the supervised practice plan as required in paragraph 3, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does file the plan, provided he does so within one (1) month from the date of his suspension, and in the event he does not file the plan within this one month period, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 5, and in a local newspaper distributed in the geographic area in which Mr. Brooker resides.

### **Reprimand**

The panel was of the view that a reprimand is necessary as a specific deterrent to the member, to stress to him the unacceptability of his conduct as a chartered accountant.

### **Fine**

The panel agreed with the submissions of Ms. McPhadden that no useful purpose would be served in this case by the levying of a fine.

### **Professional Development Courses**

The discipline committee believes that one of the purposes of the disciplinary process, in appropriate cases, is to encourage rehabilitation. This is of benefit to both the member and the public which the member serves. The panel agreed that completing some professional development courses would help Mr. Brooker update his skills, and assist in his rehabilitation. The member agreed that the selected courses were appropriate in his case.

### **Supervised Practice**

The panel noted that it may take Mr. Brooker some time to complete the courses prescribed, and that, as no suspension was being ordered, he may continue his public accounting practice during the time that he is taking the courses. The panel felt, however, that Mr. Brooker's practice, that includes audit, review, compilation and personal tax return engagements, would benefit from temporary supervision to ensure that he was meeting the Institute's professional standards, and that such supervision was also appropriate for the protection of the public. As a result, the panel ordered that Mr. Brooker's practice be subject to supervision for a period of between eighteen and twenty-four months.

Mr. Brooker concurred with the supervision of his audit, review and compilation assignments, but did not feel that supervision of his personal tax return practice was relevant or practical in his circumstances. He submitted that as the charges against him did not relate to inadequate preparation of personal tax returns, supervision of this part of his practice was not appropriate. The chair indicated to Mr. Brooker that all services performed by a chartered accountant were services that must adhere to professional standards. The panel felt that the supervision of a sample of personal tax returns should be included in the order, and that the review process could be arranged so that it would not have a negative impact on Mr. Brooker's practice.

### **Reinvestigation**

In order to ensure that the public will be served by a member who has demonstrated the required skills, the panel ordered a reinvestigation, to take place after Mr. Brooker has completed most, if not all, of the courses prescribed. The expectation of the panel is that, with the benefit of supervised practice, and the taking of the prescribed courses, as well as the experience of the disciplinary process itself, Mr. Brooker will be able to demonstrate the required standard upon his reinvestigation.

### **Possible Consequential Expulsion**

This order, as all orders of the discipline committee, provides for expulsion in the event the member does not comply with the terms of the order. In setting the time within which a disciplined member must comply, discipline panels weigh the importance of particular provisions of an order against the possible consequences of non-compliance. In this case, the panel is primarily concerned with the public's right to service at the appropriate professional standard. Accordingly, the period of time within which Mr. Brooker must comply with the requirement for supervised practice is a relatively short one. In setting the time within which Mr. Brooker must take the courses required, the panel's order provides adequate time for him to comply.

### **Notice**

The panel expects that publication of the member's name, and the fact that his practice will be supervised and be subject to reinvestigation, will act as a general deterrent to members who may be inclined to let their standards slip.

Publication of the decision and order, including Mr. Brooker's name, is, in the opinion of the panel, a general deterrent. Communication of the fact that the profession takes breaches of its bylaws and rules of professional conduct seriously is an important factor in the governance of the profession, and demonstrates to members and the public that the disciplinary process is an open and accountable one. The panel ordered that notice be given in the usual fashion.

DATED AT TORONTO THIS 20TH DAY OF JULY, 1999  
BY ORDER OF THE DISCIPLINE COMMITTEE

L. P. BOOKMAN, CA – DEPUTY CHAIR  
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

R.I. COWAN, CA

G.A. PORTER, CA

S.W. SALTER, CA

J.T. ANDERS (Public representative)