

IN THE MATTER OF *THE ACCOUNTING PROFESSION ACT*  
OF THE PROVINCE OF SASKATCHEWAN

AND IN THE MATTER OF A HEARING BY THE DISCIPLINE COMMITTEE  
OF THE INSTITUTE OF CHARTERED PROFESSIONAL  
ACCOUNTANTS OF SASKATCHEWAN  
CONCERNING A COMPLAINT AGAINST  
A1 ACCOUNTING GROUP LLP  
OF SASKATOON, SASKATCHEWAN

BETWEEN:

THE PROFESSIONAL CONDUCT COMMITTEE,  
established pursuant to *The Accounting Profession Act*

-and-

A1 ACCOUNTING GROUP LLP

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**DECISION AND ORDER**

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HEARD BY: TYLER GILLIES, CPA, CMA – Chairperson  
JANA BLAIS, CPA, CMA  
KIRK CHERRY (Public Appointee)  
DWAYNE DAHL, CPA, CA  
SHAWN PETERS, CPA, CA  
MORINA RENNIE, FCPA, FCA, FCMA

COUNSEL FOR THE PROFESSIONAL  
CONDUCT COMMITTEE

SEAN M. SINCLAIR

A1 ACCOUNTING LLP

JORDAN ANDERSON, CPA, CMA  
(Self-Represented)

COUNSEL FOR THE DISCIPLINE  
COMMITTEE

AMANDA M. QUAYLE, K.C.

## INTRODUCTION

- [1] This matter came for hearing before a discipline hearing panel of the Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan (hereinafter referred to as the “Panel”) on March 27, 2024 to hear and determine an Amended Formal Complaint concerning A1 Accounting Group LLP (the “Respondent”) dated September 28, 2023, as required by Section 26(c) of *The Accounting Profession Act*, SS 2014, c A-3.1 (the “Act”). The discipline hearing proceeded by video conference by consent of the parties in accordance with Discipline Committee Rules 503.1, 503.2 and 503.3 of the Institute of Chartered Professional Accountants of Saskatchewan (the “Institute”).
- [2] At all times material to the complaint against it, the Respondent was registered as a firm with the Institute and held a Compilation license, and subject to the Act, CPA Saskatchewan Bylaws, and the Standards of Professional Conduct of the Institute.

## THE FORMAL COMPLAINT

- [3] Legal counsel for the Professional Conduct Committee (“PCC”) filed the Notice of Hearing dated February 5, 2024, with enclosed Amended Formal Complaint respecting Case #2301-06, with proof of service at the hearing.

## EVIDENCE

- [4] An Agreed Statement of Facts was entered into by the parties on or about January 22, 2024, and was, with the consent of the parties, provided to the Panel in advance of the hearing. The Agreed Statement of Facts was filed at the hearing and constituted the sole evidence submitted at the hearing. It provided (references to documents filed in support of the Agreed Statement of Facts and Schedules omitted, and client names anonymized):
  1. A1 Accounting Group LLP (“**A1**”) is currently registered as a firm with the Institute of Chartered Professional Accountants (the “**Institute**”) and holds a Compilation licence.
  2. A1 has received and acknowledges service of the Amended Formal Complaint (as defined below). The Amended Formal Complaint is attached as **TAB 1**.
  3. Jordan Anderson (“**Anderson**”) is a licensed member and holds a Compilation license.
  4. Presently, Anderson is the only licensed member practicing at A1.
  5. Presently, and as of the date of the Formal Complaint, Anderson is and was the sole managing partner of A1, and at all relevant times was responsible for ensuring A1 complied with all firm requirements under The Accounting Profession Regulatory Bylaws, 2021 (the “**Bylaws**”) and the CPA Saskatchewan Rules of Professional Conduct (the “**RPC**”).
  6. At all material times, A1 employed Kenneth E. (Ted) Lewis, CPA, CMA (“**Lewis**”). Lewis resigned as a partner in later December, 2022.
  7. At all material times, Lewis was a member with the Institute and held a Comprehensive licence as a member, under Restricted status.

8. As a result of a practice inspection of A1 by the Institute in 2021, Lewis and A1 received a licence restriction effective November 12, 2021 requiring that, for all audit engagement reports prepared by A1 and Lewis on behalf of their clients, that authorization be granted by a licensed monitor before such reports could be released to clients. Attached as **TAB 2** is a copy of the PPC decision.
9. [REDACTED] ("[REDACTED]"), a CPA registrant in Ontario, was retained by A1 to provide monitoring services in this regard. Attached at **TAB 3** is a copy of A1's external monitoring engagement letter.
10. The Institute carried out a re-inspection on November 16-18, 2022 and December 8, 2022.
11. The reinspection and the subsequent investigation found that between May to December 2022, eight (8) audit engagement reports were issued to clients of A1 without the authorization of the external monitor, [REDACTED] (the "**Unauthorized Reports**").
12. In particular, the Unauthorized Reports consisted of the following reports prepared for clients of A1:

<b>Client</b>	<b>Fiscal Period End</b>	<b>Date of Audit Report</b>
(a) Client #1 Expense Return Audit <b>TAB 4</b>	September 20, 2021	February 8, 2022
(b) Client #2 Charitable Foundation <b>TAB 5</b>	December 31, 2021	February 8, 2022
(c) Client #3 <b>TAB 6</b>	March 31, 2020	April 2, 2022
(d) Client #4 <b>TAB 7</b>	December 31, 2021	June 20, 2022
(e) Client #5 <b>TAB 8</b>	December 31, 2021	June 20, 2022
(f) Client #6 ("[REDACTED"] <b>TAB 9</b>	March 31, 2022	October 21, 2022
(g) Client #7 ("[REDACTED"] <b>TAB 10</b>	March 31, 2022	October 21, 2022
(h) Client #8 Return Audit <b>TAB 11</b>	September 26, 2022	December 2, 2022

13. Prior to the Unauthorized Reports being released to the respective clients, [REDACTED], was sent materials related to five of the audits and found deficiencies with virtually all of the work of Lewis. [REDACTED] communicated his concerns to Lewis and A1, and Lewis proceeded to issue all eight (8) of the Unauthorized Reports to the respective clients despite not having obtained the required authorization from [REDACTED].
14. Further, the Institute's reinspection showed that two (2) of the Unauthorized Reports contained significant deficiencies and did not comply with the applicable professional standards required for audit engagement reports prepared by members of the Institute (the "**Non-Compliant Reports**").
15. Specifically, the Non-Compliant Reports did not comply with the Canadian Accounting Standards and Canadian Audit Standards set out in the CPA Canada Handbook regarding accounting and assurance standards for material financial statement items.
16. The Non-Compliant Reports consisted of the reports identified in paragraph 12(c) and (f) above.
17. The particular instances of non-compliance of the Non-Compliant Reports are fully particularized in **TAB 12** which is attached hereto, and which A1 agrees is true, complete, and accurate in this regard.
18. Attached as **TAB 13** is a copy of a letter sent to A1 by the Institute on January 27, 2023.
19. A formal complaint was lodged against A1 by the PCC on September 28, 2023 (the "**Formal Complaint**") respecting A1's involvement with the Unauthorized Reports and role as the Restricted Member Firm from which the Unauthorized Reports were issued.
20. A formal complaint was also lodged against [REDACTED], which has led to disciplinary proceedings against him by the PCC regarding his role and involvement with the Unauthorized Reports.
21. During investigation of the Formal Complaint, [REDACTED] stated to investigators that the Unauthorized Reports were released without the authorization of [REDACTED] because [REDACTED] felt it was more important to assist the clients in meeting their deadlines than waiting for [REDACTED]'s approval. [REDACTED] stated that he felt that the external monitor was taking too long and not adding value, and he felt that there was low risk in releasing the Unauthorized Reports.
22. Anderson told investigators that he knew he should have stopped Lewis from releasing the Unauthorized Reports, but he left the choice to Lewis.
23. Lewis is no longer with A1.
24. Anderson advised the clients for whom the Non-Compliant Reports had been prepared about the problems identified by the inspections and indicated that their engagement fees would be refunded. Attached as **TABS 14 and 15** are documents letters sent to A1's clients.
25. A1 is no longer licensed to perform assurance engagements.

### **Conduct**

26. A1 has no record of previous conduct or discipline matters.

27. The relevant bylaws are appended as **TAB 16**.
28. The relevant rules are appended as **TAB 17**.
29. A1 agrees that it committed professional misconduct as defined by Section 26(c) of *The Accounting Profession Act* (the "Act") in that it breached Bylaw 200.1(a) (previously in force) / 200.1 (currently in force) as it:
  - (a) Failed to comply with the principle of integrity, which requires that a registrant or suspended registrant be straightforward and honest in all professional and business relationships, the particular conduct being that it:
    - (i) Released the eight (8) audit engagement reports identified above as the Unauthorized Reports without the prior authorization of a licensed monitor; and
    - (ii) Issued the two (2) audit engagement reports identified above as the Non-Compliant Reports for which there was non-compliance with the applicable CPA Accounting Handbook standards for material financial statement items.
30. A1 further agrees that, by committing the particular conduct set out in the preceding paragraph, it also committed professional misconduct as defined by Section 26(c) of the Act in that it breached RPC Rule 260.1 and 261.1 (previously in force) / 230.1 and 231.1 (currently in force), as it:
  - (a) Failed to establish, maintain, and uphold appropriate policies and procedures designed to ensure that its services were performed in accordance with generally accepted standards of practice of the profession; and
  - (b) Failed to establish, maintain and uphold appropriate policies and procedures designed to ensure that, in the conduct of the practice, the registrants of the Institute who are associated with the firm comply with the RPC.

## CONDUCT DECISION

- [5] Upon consideration of the evidence and given the admission of guilt by the Respondent, the Panel is satisfied the Respondent is guilty of professional misconduct as defined in the Act in respect of the Amended Formal Complaint in Case #2301-06. The Panel finds that the facts admitted by the Respondent in the Agreed Statement of Facts were in breach of CPA Saskatchewan Bylaw 200.1(a) (previously in force) / 200.1 (currently in force), and CPA Saskatchewan Standards of Professional Conduct Rules 260.1 and 261.1 (previously in force) / 230.1 and 231.1 (currently in force).

## SANCTION DECISION

- [6] The parties filed a Joint Submission on Penalty. The parties jointly submitted that the following sanction was appropriate in the circumstances of this case:
1. A1 Accounting Group LLP shall receive and acknowledge in writing a letter of reprimand issued by the Panel Chair;

2. A1 Accounting Group LLP shall pay a fine to CPA Saskatchewan in the sum of seven thousand five hundred dollars (\$7,500.00) payable within one hundred and eighty (180) days of the Order;
  3. Jordan Anderson shall complete ten (10) hours of professional development on ethics or practice management within one hundred and eighty (180) days of the Order. Jordan Anderson is responsible to report and declare the verifiable continuing professional development in the provided tool before the deadline. Proof of attendance at the verifiable continuing professional development is required. These hours of professional development shall be in addition to any other CPD that would otherwise be required;
  4. A1 Accounting Group LLP shall pay costs of two thousand dollars (\$2,000.00) to CPA Saskatchewan within one hundred and eighty (180) days of the Order;
  5. The finding of professional misconduct and sanction against A1 Accounting Group LLP shall be published by CPA Saskatchewan in the usual course;
  6. All periods specified in the Order commence on the day the Order is received (or is deemed to be received, if earlier) by the Registrant;
  7. Failure to comply with the following components of the Order – the written reprimand, fine and costs – within one hundred and eighty (180) days of the date specified in the Order for each component shall result in the Registrant's registration rights being suspended, with publication in *CPA SK Connect* and the appropriate regional newspaper on a named basis. The Institute shall file the Order with the Court pursuant to section 32(3) of the Act at that time; and
  8. Failure to comply with the following components of the Order – the written reprimand, fine and costs – within three hundred and sixty-five (365) days of the date specified in the Order for each component shall result in the Registrant being expelled, with publication in *CPA SK Connect* and the appropriate regional newspaper on a named basis.
- [7] The Panel acknowledges and has taken guidance from the judicial decision of *Camgoz v. College of Physicians and Surgeons of Saskatchewan*, 1993 114 Sask R 161, and the following factors relevant to the imposition of professional disciplinary sanctions:
1. specific deterrence of the member to curtail any future breaches;
  2. general deterrence of other members of the profession;
  3. rehabilitation;
  4. punishment;
  5. isolation;
  6. denunciation;
  7. the need to maintain the public's confidence in the profession's ability to self-regulate;
  8. aggravating factors; and
  9. mitigating factors.
- [8] The Panel also acknowledges and has taken guidance from the judicial decisions of *R v Anthony-Cook*, 2016 SCC 43, *Rault v Law Society of Saskatchewan*, 2009 SKCA 81, and *Nanson v Saskatchewan College of Psychologists*, 2013 SKQB 191. These decisions emphasize the importance of joint submissions on sanction and that a decision-maker should not depart from a joint submission unless the proposed sanction would bring the

administration of justice into disrepute or is otherwise contrary to the public interest. The Panel understands that it is constrained to consider and accept the Joint Submission on Penalty in this case unless it finds that the joint submission is inappropriate because it is not within the range of sanctions for similar misconduct, it is unfit or unreasonable, and/or it is contrary to the public interest.

- [9] Counsel for the PCC submitted, and the Panel agrees, that the Joint Submission on Penalty is reasonable and not contrary to public policy, it will not bring disrepute to the administration of justice, and it is within the range of sanctions from prior cases. The Panel finds that the Joint Submission on Penalty takes into account the principles of deterrence, maintaining public confidence, and the mitigating factors in this case including cooperation within the discipline process, and a lack of disciplinary record.
- [10] With respect to the proposed sanction of a reprimand, a reprimand is intended to provide public denunciation for a member's conduct. In CPA "*Reid Joseph McLeod*" [*McLeod*], Notice of Discipline Committee Decision and Order Case #1810-27, April 2021, the member in that case had been more than six (6) years late in filing income tax returns for six (6) clients, had filed inaccurate returns, and did not respond to client requests in a timely, accurate or transparent manner. One of the sanctions imposed in that case was a reprimand.
- [11] As in *McLeod*, a reprimand is a suitable sanction in this case for the Respondent filing audits for clients without authorization from the monitor, and for failing to comply with the CPA Canada Handbook Accounting and Assurance Standards for material financial statement items.
- [12] With respect to the proposed fine of seven thousand five hundred dollars (\$7,500.00), section 32(2) of the Act provides that the Panel may order that a Registrant pay to the Institute within a fixed period a fine in an amount not exceeding fifty thousand dollars (\$50,000.00).
- [13] Counsel for the PCC provided the following cases involving fines imposed for misconduct similar to the misconduct in this case:
  - (a) CPA "*Michael A. Marchand*", Notice of Discipline Committee Decision and Order Case #2010-23 and #2101-01, April 2023, where the member was found guilty of failing to meet standards for audits. The penalty was ten (10) hours of CPD on quality control and ethics, a reprimand, a fine of sixteen thousand dollars (\$16,000.00), no costs because of the guilty plea, and publication of the decision;
  - (b) CPA "*Edwin William Chalupiak*", Notice of Discipline Committee Decision and Order Case #1906-06, September 2022, where the member was found guilty of one charge relating to auditing standards. The member's penalty was an external file review, a reprimand, a fine of five thousand dollars (\$5,000.00), and publication of the decision;
  - (c) CPA "*Rakesh M. Kaushik* [*Kaushik*]", Notice of Discipline Committee Decision and Order Case #2001-05, June 2022, where the member issued review engagement reports without a monitor. The penalty was a six (6) month suspension, costs of thirty thousand dollars (\$30,000.00), a reprimand, and publication of the decision. In that case, the member had a recent discipline decision where there was a flouting of the decision;

- (d) CPA "*Isaac Maliba Mvula*", Notice of Discipline Committee Decision and Order Case #1907-15, April 2022, where the member issued an opinion in the context of auditing standards without proper licensure. The penalty was a fine of six thousand five hundred dollars (\$6,500.00), a reprimand, ten (10) hours of CPD and audit documentation and quality control for assurance and engagements, costs of eight thousand (\$8,000.00), and publication of the decision;
  - (e) CPA "*Asel Omurzakova*", Notice of Discipline Committee Decision and Order Case #1907-12, November 2021, where the member was guilty of failing to meet auditing standards. The penalty was ten (10) hours of CPD in independence/objectivity for assurance engagements and communications on assurance engagements, retention of an external monitor, a fine of seven thousand five hundred dollars (\$7,500.00), a reprimand, publication of the decision, and no costs; and
  - (f) CPA "*Robert Arthur Frape*", Notice of Discipline Committee Decision and Order Case #2005-14, April 2021, where the member was found guilty of failing to meet auditing standards. The penalty was a reprimand, fine of seven thousand five hundred dollars (\$7,500.00), eight (8) hours of CPD and quality control for assurance engagements, no costs, and publication of the decision.
- [14] The Panel notes that the size of the financial sanction in *Kaushik* can be distinguished from the circumstances of this case. *Kaushik* involved misconduct that was more deliberate, there was no recognition of wrongdoing by the member, and there was recent additional discipline involving the member which the member had flouted. These aggravating factors favoured a more significant financial sanction.
- [15] In this case, the mitigating factors are that the Respondent recognized its misconduct, it returned the clients' fees where the audit was not done properly, this is a first offence, and the member admitted guilt and was cooperative. No aggravating factors were identified or relied on by counsel for the PCC or the Respondent.
- [16] Taking into account the mitigating factors, and the fines imposed for misconduct similar to the misconduct of the Respondent, the Panel finds that the joint submission for a fine of seven thousand five hundred dollars (\$7,500.00) strikes an appropriate balance for the misconduct in this case.
- [17] With respect to the joint submission on payment of costs for the investigation and hearing, the Saskatchewan Court of Appeal's decision in *Abrametz v Law Society of Saskatchewan*, 2018 SKCA 37, is the leading case in Saskatchewan regarding costs in a professional disciplinary matter. The Saskatchewan Court of Appeal recognized in *Abrametz* that a profession's members should not bear the total cost of disciplining a registrant's behaviour, but costs should not be so prohibitive as to prevent a registrant from defending his or her right to practice in the profession.
- [18] Given that the Respondent has been cooperative throughout and agreed to a joint submission on sanction, the Panel accepts the parties' joint submission for a costs order of two thousand dollars (\$2,000.00).
- [19] With respect to the joint submission on timing for payment of the fine and costs, the Panel agrees with the parties that the proposed timing appears reasonable given the amounts involved.



- [20] With respect to publication of the Decision and Order in this case, there are two purposes that are served by publishing decisions of the Discipline Committee:
- (a) Deterrence for future similar offences by the offender and the membership at large; and
  - (b) Assurance to the public that the regulatory body is appropriately regulating its membership to ensure public trust and security.
- [21] The Panel's view is that publication of its decisions and orders on the Institute's website and in its newsletter effectively deters future offences by members of the Institute, and that the standard publication of this Decision and Order on the Institute's website and newsletter is appropriate in this case.
- [22] With the objectives of denunciation, specific deterrence, general deterrence and maintenance of public confidence in the ability of the Institute to self-regulate in mind, and given the mitigating factors in this case, the Panel endorses the parties' Joint Submission on Penalty.

### **ORDER AS TO SANCTION**


[23] The Panel hereby orders as follows:

1. A1 Accounting Group LLP shall receive and acknowledge in writing a letter of reprimand issued by the Panel Chair;
2. A1 Accounting Group LLP shall pay a fine to CPA Saskatchewan in the sum of seven thousand five hundred dollars (\$7,500.00) payable within one hundred and eighty (180) days of the Order;
3. Jordan Anderson shall complete ten (10) hours of professional development on ethics or practice management within one hundred and eighty (180) days of the Order. Jordan Anderson is responsible to report and declare the verifiable continuing professional development in the provided tool before the deadline. Proof of attendance at the verifiable continuing professional development is required. These hours of professional development shall be in addition to any other CPD that would otherwise be required;
4. A1 Accounting Group LLP shall pay costs of two thousand dollars (\$2,000.00) to CPA Saskatchewan within one hundred and eighty (180) days of the Order;
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8. Failure to comply with the following components of the Order – the written reprimand, fine and costs – within three hundred and sixty-five (365) days of the date specified in the Order for each component shall result in the Registrant being expelled, with publication in *CPA SK Connect* and the appropriate regional newspaper on a named basis.


Dated this 14<sup>th</sup> day of May, 2024.

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 Tyler Gillies, CPA, CMA – Chairperson

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