



Chartered Professional Accountants of Ontario

(Registered name of The Institute of Chartered Accountants of Ontario, CPA Ontario)

ANNUAL SUPPLEMENTAL REPORT TO THE PUBLIC ACCOUNTANTS COUNCIL FOR THE PROVINCE OF ONTARIO

FOR THE 12-MONTH PERIOD

NOVEMBER 1, 2015 TO OCTOBER 31, 2016

PURSUANT TO S. 18(6) OF THE STANDARDS OF THE PUBLIC ACCOUNTANTS COUNCIL
FOR THE PROVINCE OF ONTARIO

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LICENSURE ACTIVITY

	2013	2014	2015	2016
Total number of licensees — beginning of period (November 1)	4,781	4,572	4,634	4,516
Add: new licences issued in the period to				
Members (extra provincial applicants) permitted to practise public accounting in another jurisdiction in Canada	23	28	26	15
Members permitted to practise public accounting outside Canada (Appendix A)	6	6	3	6
Former licensees who were re-licensed (Appendix B)	64	80	36	24
All others (note 1)	86	278	107	173
Total new licences issued in the period	179	392	172	218
Add: administrative				
Reinstatements for members whose licence was reinstated after a period of suspension (note 2)	0	0	0	6
Reversals for members whose licence was suspended in a prior period and revoked in the current period (note 2)	0	0	0	0
Total licensees before expirations, suspensions and revocations	4,960	4,964	4,806	4,740
Less: licences withdrawn in the period due to				
Expiration of licence status or licence discontinued on request	(343)	(279)	(268)	(268)
Death of licence holder	(7)	(9)	(6)	(16)
Suspension	(36)	(38)	(14)	(13)
Revocation	(2)	(4)	(2)	0
Total licences withdrawn in the period	(388)	(330)	(290)	(297)
Net increase/(decrease) in the number of licensees in the period	(209)	62	(118)	(73)
Total number of licensees — end of period (October 31)	4,572	4,634	4,516	4,443
Applications for licence denied by Public Accounting Licensing Board	11	24	8	16

(note 1) Includes the 2014 transfer of licensees from the Certified General Accountants Association of Ontario

(note 2) New line item disclosure for 2016, comparative period activity not provided.

FIRMS AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING

	2013	2014	2015	2016
Partnerships with licensees	735	767	762	758
Professional Corporations authorized to practise public accounting	1,069	1,208	1,188	1,199
Sole Practitioner licensees	923	936	1,007	770
Total Firms authorized to practise public accounting — End of Period (October 31)	2,727	2,911	2,957	2,727

COMPLAINTS ANALYSIS – LICENSEES

	2013	2014	2015	2016
Total number of ongoing complaints — beginning of period (November 1)	124	77	77	71
Add: complaints received by Professional Conduct Committee during the period	80	85	81	67
Total number of complaints for period (new and ongoing)	204	162	158	138
Less:				
Complaints dismissed with no further action	(73)	(53)	(43)	(33)
Complaints referred to Adjudicative (Discipline) Committee	(10)	(6)	(8)	(6)
Complaints dismissed with an admonishment issued	(44)	(26)	(36)	(23)
	(127)	(85)	(87)	(62)
Total number of ongoing complaints — end of period (October 31)	77	77	71	76

ADJUDICATIVE (DISCIPLINE) COMMITTEE ANALYSIS – LICENSEES

	2013	2014	2015	2016
Open referrals to Adjudicative (Discipline) Committee — beginning of period (November 1)	6	10	11	6
Add: complaints referred to Adjudicative (Discipline) Committee during the period	10	6	8	6
Total number of referrals for period (new and ongoing)	16	16	19	12
Less: decisions rendered by Adjudicative Committee during the period				
Finding — Not guilty of professional misconduct	0	0	0	0
Finding — Guilty of professional misconduct (Appendix D)	(4)	(3)	(4)	(3)
Finding — Guilty of professional misconduct — stayed by appeal	0	0	(1)	0
Settlement (Appendix D)	(2)	(1)	(8)	(2)
Member deceased prior to hearing	0	(1)	0	0
Charges withdrawn prior to hearing	0	0	0	0
	(6)	(5)	(13)	(5)
Open referrals to Adjudicative (Discipline) Committee — end of period (October 31)	10	11	6	7

APPEAL COMMITTEE ANALYSIS – LICENSEES

	2013	2014	2015	2016
Open requests for appeal — beginning of period (November 1)	0	0	0	1
Add: requests for appeal received during the period	0	0	1	2
Total number of requests for period (new and ongoing)	0	0	1	3
Less: decisions rendered by Appeal Committee during the period				
Finding — Adjudicative Committee decision upheld (Appendix E)	0	0	0	0
Finding — Adjudicative Committee decision varied (Appendix E)	0	0	0	0
	0	0	0	0
Open requests for appeal — end of period (October 31)	0	0	1	3

APPLICATIONS FOR JUDICIAL REVIEW ANALYSIS – LICENSEES

	2013	2014	2015	2016
Open applications for judicial review — beginning of period (November 1)	0	0	0	0
Add: applications for judicial review made during the period (Appendix F)	0	0	0	0
Total number of applications for period (new and ongoing)	0	0	0	0
Less: judicial review completed in the period (Appendix F)	0	0	0	0
	0	0	0	0
Open judicial review matters — end of period (October 31)	0	0	0	0

STUDENTS AND APPLICANTS

	2013	2014	2015	2016
Students registered in a program leading to qualification for licensure (external audit training route)	4,885	4,693	4,614	4,184
Total registered students and applicants at October 31 (all training routes)	6,093	20,507	23,139	20,791

APPENDIX A – MEMBERS PERMITTED TO PRACTISE PUBLIC ACCOUNTING OUTSIDE CANADA

The information below relates to individuals who were admitted to membership in CPA Ontario on the basis of their membership in an accounting body outside of Canada that CPA Ontario regards as having standards that are substantially equivalent to its own.

	2013	2014	2015	2016
New licences issued during the period:				
Australia New Zealand (Chartered Accountants of Australia and New Zealand, formerly The Institute of Chartered Accountants of Australia and New Zealand Institute of Chartered Accountants) <i>(note A.1)</i>	0	0	0	0
Belgium (L'Institut des Réviseurs d'Entreprises de Belgique) <i>(note A.1)</i>	0	0	0	0
England and Wales (The Institute of Chartered Accountants in England and Wales)	0	2	0	4
France (Ordre des experts comptables de France) <i>(note A.1)</i>	0	0	0	0
Hong Kong (The Hong Kong Institute of Certified Public Accountants) <i>(note A.1)</i>	0	0	0	0
Ireland (The Institute of Chartered Accountants of Ireland) <i>(note A.1)</i>	0	0	0	0
Japan (The Japanese Institute of Certified Public Accountants) <i>(note A.1)</i>	0	0	0	0
Mexico (Instituto Mexicano de Contadores Publicos) <i>(note A.1)</i>	0	0	0	0
Netherlands (The Netherlands Institute of Chartered Accountants/Nederlandse Beroepsorganisatie van Accountants) <i>(note A.1)</i>	0	0	0	0
Scotland (The Institute of Chartered Accountants of Scotland)	0	0	0	0
South Africa (The South African Institute of Chartered Accountants)	2	0	2	2
United States of America (Recognized State Boards of Accountancy)	4	4	1	0
Zimbabwe (The Institute of Chartered Accountants of Zimbabwe) <i>(note A.1)</i>	0	0	0	0
Total new licences issued during the period	6	6	3	6
Current licensees at period end:				
Australia New Zealand (Chartered Accountants of Australia and New Zealand, formerly The Institute of Chartered Accountants of Australia and New Zealand Institute of Chartered Accountants)	1	1	1	1
Belgium (L'Institut des Réviseurs d'Entreprises de Belgique)	1	1	1	1
England and Wales (The Institute of Chartered Accountants in England and Wales)	98	82	83	77
France (Ordre des experts comptables de France) <i>(note A.1)</i>	0	0	0	0
Hong Kong (The Hong Kong Institute of Certified Public Accountants) <i>(note A.1)</i>	0	0	0	0
Ireland (The Institute of Chartered Accountants of Ireland)	3	3	3	3
Japan (The Japanese Institute of Certified Public Accountants) <i>(note A.1)</i>	0	0	0	0
Mexico (Instituto Mexicano de Contadores Publicos) <i>(note A.1)</i>	0	0	0	0
Netherlands (The Netherlands Institute of Chartered Accountants/Nederlandse Beroepsorganisatie van Accountants) <i>(note A.1)</i>	0	0	0	0
Scotland (The Institute of Chartered Accountants of Scotland)	9	8	8	8
South Africa (The South African Institute of Chartered Accountants)	49	44	44	43
United States of America (Recognized State Boards of Accountancy)	67	64	66	63
Zimbabwe (The Institute of Chartered Accountants of Zimbabwe)	0	0	0	0
Total current licensees — end of period (October 31)	228	203	206	196

(note A.1) New line item disclosure for 2016, comparative period activity not provided.

APPENDIX B – FORMER LICENSEES WHO WERE RE-LICENSED

The information below provides detail on the number of new licences issued to former licensees. Where the former licensee did not meet the minimum criteria, the Public Accounting Licensing Board exercised its discretion in issuing the licence.

	2013	2014	2015	2016
Met the minimum criteria	64	79	36	24
Did not meet the minimum criteria — licence issued under discretion due to:				
Eligible hours	0	1	0	0
Other	0	0	0	0
Former licensees who were re-licensed (total new licences issued in period)	64	80	36	24

APPENDIX C – RENEWALS PERMITTED UNDER DISCRETION

The information below reflects the number of licence renewals permitted where the licensee has not met the minimum criteria but the Public Accounting Licensing Board (PALB) exercised its discretion, as is described below.

	2013	2014	2015	2016
Did not meet the minimum criteria — licence issued under discretion due to:				
Continuing professional development	0	0	0	6
Eligible hours	5	3	2	9
Other	0	0	0	0
Total renewals under discretion	5	3	2	15

Continuing professional development (6 licence renewals), consisting of:

1 licence renewal

Due to medical circumstances and the consequent absence from the practise of public accounting, this member was unable to fulfil a minimum of 60 hours of verifiable continuing professional development in activities directly related to the competencies needed to provide public accounting services. This member was able to demonstrate to the satisfaction of the PALB that he/she otherwise had the required capabilities, competence and current skills to provide public accounting services as they met all other criteria for the renewal of a licence.

5 licence renewals

Due to a parental leave and the consequent absence from the practise of public accounting these members were unable to fulfil a minimum of 120 hours of continuing professional development in activities directly related to the competencies needed to provide public accounting services. These members were able to demonstrate to the satisfaction of the PALB that they otherwise had the required capabilities, competence and current skills to provide public accounting services as they met all other criteria for the renewal of a licence.

Eligible hours (9 licence renewals), consisting of:

3 licence renewals

These members obtained more than 1,250 eligible hours in public accounting services (assurance or compilation services) but less than 2,500 total eligible hours within the immediate past five years. These members were able to demonstrate to the satisfaction of the PALB that on the basis of the supervisory, management and/or oversight responsibilities of their current leadership roles, they had the required capabilities, competence and current skills to provide public accounting services. These members met all other criteria for the renewal of a licence.

2 licence renewals

A member had two renewal applications approved by the PALB under discretion during the 12-month period ended October 31, 2016, one to cover the 2016 licensing year and the other to cover the 2017 licensing year, in November 2015 and October 2016 respectively. This member obtained more than 1,250 eligible hours in public accounting services (assurance or compilation services) but less than 2,500 total eligible hours within the immediate past five years. This member was able to demonstrate to the satisfaction of the PALB that exceptional circumstances existed that prevented the member from satisfying the eligible hour requirement and that the exceptional circumstances would not continue beyond a period of two years from the date of the application for renewal. The exceptional circumstances related to a medical condition.

2 licence renewals

A member had two renewal applications approved by the PALB under discretion during the 12-month period ended October 31, 2016, one to cover the 2016 licensing year and the other to cover the 2017 licensing year, in December 2015 and October 2016 respectively. This member obtained more than 500 but less than 1,250 eligible hours in public accounting services (assurance or compilation services), and less than 2,500 total eligible hours within the immediate past five years. This member was able to demonstrate to the satisfaction of the PALB that on the basis of the supervisory, management and/or oversight responsibilities of their current leadership role, they had the required capabilities, competence and current skills to provide public accounting services. This member met all other criteria for the renewal of a licence.

1 licence renewal

This member obtained more than 500 but less than 1,250 eligible hours in public accounting services (assurance or compilation services), and less than 2,500 total eligible hours within the immediate past five years. This member was able to demonstrate to the satisfaction of the PALB that exceptional circumstances existed that prevented the member from satisfying the eligible hour requirement and that the exceptional circumstances would not continue beyond a period of two years from the date of the application for renewal. The exceptional circumstances related to parental leave.

1 licence renewal

This member obtained more than 1,250 eligible hours in public accounting services (assurance or compilation services) but less than 2,500 total eligible hours within the immediate past five years. This member was able to demonstrate to the satisfaction of the PALB that exceptional circumstances existed that prevented the member from satisfying the eligible hour requirement and that the exceptional circumstances would not continue beyond a period of two years from the date of the application for renewal. The exceptional circumstances related to changes in role/responsibilities.

APPENDIX D – SUMMARY OF DISCIPLINE HEARINGS

SANCTION	SETTLEMENTS				
	Dostmohamed+*	Jones*	Rutman	Christian	Hakimi
Formal reprimand, orally or in writing	X	X	X		X
Fine	X	X	X	X	X
Costs	X	X	X	X	X
Completion of specified professional development or examinations	X	X	X	X	X
Supervised practice for a specified period (see disclosure below), with or without conditions					
Re-investigation by the Professional Conduct Committee by a specified date					
Practice inspection, with or without conditions					
Counselling or treatment					
Restriction or conditions on practice or employment for a specified period (see disclosure below)					(3)
Establishment and implementation of quality control procedures or professional training programs as specified					
Monitoring of compliance					
Suspension of licence or authorization to practice public accounting, for a specified period (see disclosure below), with or without conditions					(3)
Suspension (see disclosure below) of membership or registration, with or without conditions					(3)
Revocation of licence or authorization to practice public accounting					
Resignation of membership by a specified date					
Revocation of membership or registration					
Other sanctions (as specified in note disclosure below)	(1)	(1)	(1)	(2)	(2)

X = Applies to licensee * = Under appeal + = Licence expired

1. The Discipline Committee ordered that notice of the Decision and Order, disclosing the name of the member, be given in the form and manner determined by the Discipline Committee to: (a) all members of CPA Ontario; (b) to the Public Accountants Council for the Province of Ontario; and (c) to all provincial bodies; and shall be made available to the public.
2. The Discipline Committee ordered that notice of the terms of the settlement agreement be published in accordance with the provisions of CPA Ontario's Regulation 7-3, section 22, including notice to be given to CPA Canada, the Public Accountants Council and in a CPA Ontario publication.
3. Under the terms of settlement, it was agreed that Mr. Hakimi be suspended from membership for a period of 90 days. Mr. Hakimi's public accounting licence and firm was suspended (administratively) consequent to his suspension from membership.

APPENDIX E – SUMMARY OF APPEALS

CPA Ontario's Appeal Committee did not hear any appeals from discipline decisions brought by licensees during the 2016 reporting period.

APPENDIX F – SUMMARY OF APPLICATIONS FOR JUDICIAL REVIEW

CPA Ontario did not have any licensees make an application for judicial review during the 2016 reporting period.