

**CHARTERED PROFESSIONAL  
ACCOUNTANTS OF ONTARIO**

**REGULATION 7-1  
COMPLAINTS**

**Adopted by the Council pursuant to the Bylaws on June 16, 2011, continued under the *Chartered Professional Accountants of Ontario Act, 2017*, and as amended to September 28, 2017.**

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**REGULATION 7-1  
COMPLAINTS**

**Adopted by the Council pursuant to the Bylaws on June 16, 2011, continued under the *Chartered Professional Accountants of Ontario Act, 2017*, and as amended to September 28, 2017.**

**Definitions**

1. In this regulation, words have the same meaning as they do in the Act and bylaws and:
  - 1.1 “complainant” includes a person making a complaint to the Professional Conduct Committee regarding the conduct of a Member, Student or Firm, and a person acting on their behalf, but does not include any other person, regardless of interest.

**Complaints**

2. A complaint received from any person shall be in writing and shall include:
  - 2.1 contact information of the complainant, including, if the complainant is not an individual, the name of the contact individual;
  - 2.2 the name and contact information, if known, of the Member, Student, Applicant or Firm complained of;
  - 2.3 a summary of the matter complained of;
  - 2.4 any information and copies of any documents in the possession or control of the complainant that support the complaint; and
  - 2.5 the name and contact information of any person known to the complainant likely to possess or control any information or documents relevant to the complaint.
3. Notwithstanding section 2, the Professional Conduct Committee may take notice of any information, whether published or not, that comes to its attention and may, but is not required to, consider such information as a complaint.
4. Once a complaint is made, it cannot be withdrawn by the complainant.
5. The Professional Conduct Committee, or anyone acting on its behalf, may, at any time, request further information or documents from the complainant or any other person.
6. A complaint may be, but need not be, in Form 7-1A.

**Jurisdiction**

7. The Professional Conduct Committee has jurisdiction over:
  - 7.1 Students and Applicants, for matters arising during any period of registration;
  - 7.2 Firms, for matters arising during any period of registration or authorization;
  - 7.3 Members, for matters arising during any period of membership, whether or not in good standing; and
  - 7.4 Former Members, for matters arising during any period of membership, whether or not in good standing, provided the matter comes to the attention of CPA Ontario on or before the sixth anniversary of the date the former Member ceased to be a Member.
  
8. The Professional Conduct Committee has jurisdiction over complaints regardless of:
  - 8.1 the territorial jurisdiction in which any matter may have arisen or taken place;
  - 8.2 subject to section 7, when any matter may have arisen or taken place; and
  - 8.3 whether or not any person was acting as a chartered professional accountant.

**Review**

9. The Professional Conduct Committee shall review every complaint received and determine:
  - 9.1 whether it has jurisdiction; and, if so
  - 9.2 whether, on the information and documents provided, it appears the subject of the complaint may have breached a rule in the Code of Professional Conduct.
  
10. At the conclusion of its review, the Professional Conduct Committee shall:
  - 10.1 take no further action;
  - 10.2 provide guidance and advice to or admonish the subject(s) of the complaint, for the purposes of which the review shall be deemed to have been an investigation;

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10.3 refer the complaint to the Registrar for consideration as a matter of capacity or any other matter under his or her jurisdiction; or

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10.4 investigate the complaint.

11. Any complaint may also be initially reviewed by the Director of Standards Enforcement or anyone acting on his or her behalf. At the conclusion of his or her review, the Director of Standards Enforcement, or anyone acting on his or her behalf, may:

11.1 take no further action;

11.2 provide guidance and advice to the subject(s) of the complaint;

11.3 refer the complaint to the Registrar for consideration as a matter of capacity or any other matter under his or her jurisdiction; and

11.4 appoint an investigator to investigate the complaint;

provided that the Director of Standards Enforcement, or anyone acting on his or her behalf, shall present a summary of its review and action with respect to the complaint to the Professional Conduct Committee.

*New – September 28, 2017*

12. The Professional Conduct Committee or the Director of Standards Enforcement, or anyone acting on his or her behalf, shall provide, in writing, the complainant and the subject(s) of the complaint with its decision made under section 10 or section 11 and an explanation of any decision made under subsection 10.1 or 10.2, or subsection 11.1 or 11.2, within thirty (30) days of the decision being made and shall also advise the complainant in writing of the right of review by the Reviewer of Complaints, as provided in Regulation 7-2.

*Amended September 28, 2017*

### **Investigation**

13. The Professional Conduct Committee, or its delegate, the Director of Investigations and Prosecutions, the Director of Standards Enforcement or anyone acting on behalf of those persons, may appoint an investigator to investigate a complaint

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14. An investigator appointed by the Professional Conduct Committee:

14.1 need not be a Member;

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- 14.2 shall be provided with, and produce on request, written confirmation of the appointment;
  - 14.3 shall have all the powers of an investigator under the Act;
  - 14.4 shall have the authority to investigate all matters and persons subject to the authority of CPA Ontario as disclosed by the complaint or by the investigation itself, unless instructed otherwise by the Professional Conduct Committee;
  - 14.5 shall have the authority to require any person subject to the authority of CPA Ontario to provide information in writing, produce documents, and attend in person, upon reasonable notice, with the investigator to answer questions and produce documents; and
  - 14.6 shall report as instructed by the Professional Conduct Committee at the conclusion of the investigation, and on an interim basis, the results, findings and factual determinations in support of the investigation.
15. The subject(s) of the investigation and their Firm(s), if applicable, shall be notified in writing of the investigation, and of the matter(s) being investigated, whether or not they were the subject of the complaint, and shall be notified of any expansion or alteration of the matters investigated. Such notice shall include a reminder of their professional responsibility to cooperate and of the possibility that some client documents in their possession might be subject to legal privilege, and shall further caution the subject(s) of the investigation that the failure to produce a document that is not privileged might breach their professional responsibilities.
  16. Every Firm shall designate a Member, and alternate Member, to receive the notice provided in sections 15 and 25.
  17. The Professional Conduct Committee may request that any person, including a complainant, attend before it to assist with the investigation and determination, and may impose reasonable limits and conditions on that attendance.
  18. The Professional Conduct Committee may require that the subject(s) of the investigation attend before it and, subject to section 27, answer questions and provide information and documents for its consideration in the investigation and determination.

### **Preliminary Suspension**

19. The Professional Conduct Committee may, at any time during or following an investigation, apply to the Discipline Committee for an order suspending or placing restrictions or conditions on the membership of a member or registration of a Firm, in accordance with the Rules of Practice and Procedure.

20. The Professional Conduct Committee shall only apply for an order under section 19 if there are reasonable grounds to believe there is a significant risk of harm to members of the public or to the public interest, and an order would likely reduce that risk.

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21. The Professional Conduct Committee shall, if the application under section 19 results in an order, ensure any investigation of the subject(s) of the order is completed and the matter referred to the Discipline Committee without undue delay.

**Determination**

22. The Professional Conduct Committee shall consider any report made pursuant to subsection 14.6, and all relevant information and documents available to it, and shall, if satisfied the investigation is complete:

22.1 take no further action;

22.2 provide guidance and advice to or admonish the subject(s) of the investigation;

22.3 refer the matter to the Registrar for consideration as a matter of capacity or any other matter under his or her jurisdiction;

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22.4 negotiate a settlement agreement with the subject(s) of the investigation and refer the agreement to the Discipline Committee for approval;

22.5 refer the matter, in whole or part, to the Discipline Committee;

22.6 adjourn the matter, with or without terms and conditions; or

22.7 take any remedial action that it considers appropriate in the circumstances that is not inconsistent with the Act, the bylaws or the regulations.

*New – September 28, 2017*

23. In making a determination pursuant to section 22 with respect to a Firm, the Professional Conduct Committee may consider, but is not limited to, whether:

23.1 the Firm has policies or procedures which are inconsistent with the Code of Professional Conduct;

23.2 the apparent breach of the Code of Professional Conduct by an individual associated with the Firm is related to the absence or inadequacy of appropriate quality control procedures;

- 23.3 the Firm is identified with conduct or the provision of professional services that appears to breach the Code of Professional Conduct;
  - 23.4 the conduct that appears to breach the Code of Professional Conduct was authorized, initiated, implemented, condoned or concealed by the Firm or any partner or shareholder of the Firm;
  - 23.5 the Firm failed to take appropriate action upon becoming aware of conduct that appears to breach the Code of Professional Conduct; and
  - 23.6 there have been repeated complaints alleging breaches of the Code of Professional Conduct against individuals associated with the Firm.
24. The Professional Conduct Committee shall refer a matter to the Discipline Committee in all cases where a public inquiry or commission established by any government or public authority has found that any person(s) subject to the authority of CPA Ontario has engaged in conduct which appears to breach the Code of Professional Conduct, provided that such person(s), prior to such finding, was given the opportunity to make full answer to the allegations.
25. The Professional Conduct Committee shall provide, in writing, the complainant, the subject(s) of the investigation, and the person, if any, designated pursuant to section 16 its determination made under section 22 and an explanation of any determination made pursuant to subsection 22.1 or 22.2, within thirty (30) days of the determination being made.
26. If the Professional Conduct Committee determines, pursuant to section 22, to take no further action or to provide guidance or to admonish, it shall also advise the complainant in writing of the right of review by the Reviewer of Complaints, as provided in Regulation 7-2.
27. The Professional Conduct Committee shall not compel production of a document subject to a valid claim of legal privilege that has not been waived, and shall not refer a matter to the Discipline Committee solely on the failure to produce such a document.
28. The Professional Conduct Committee shall ensure the complainant and the Firm, if any, of any subject of the referral, are informed in writing of the disposition of any matter referred to the Discipline Committee, including any appeal from that Committee.

**Reconsideration**

29. The Professional Conduct Committee may, at any time after making a determination under sections 10, 11 or 22, other than a determination to refer a matter to the

Discipline Committee, reconsider its determination and make a new determination upon receipt and consideration of new information or documentation having a material bearing on the determination.

*Amended September 28, 2017*

30. The Professional Conduct Committee shall reconsider a determination made under sections 10, 11 or 22 if and as required by the Reviewer of Complaints acting pursuant to Regulation 7-2.

*Amended September 28, 2017*

**Professional Conduct Committee**

31. The Professional Conduct Committee shall normally consist of twenty-five to thirty (25 to 30) members, including a Chair, four to six (4 to 6) Deputy Chairs, and four to five (4 to 5) public representatives. The Members of the Committee shall generally be representative of CPA Ontario's membership by legacy designation, occupation and geographic location, and shall include public accounting licensees.

*Amended June 18, 2014*

32. The members of the Professional Conduct Committee shall be appointed for an initial one year term. Members are eligible for reappointment for three additional three year terms and, thereafter, on an annual basis.

33. The Chair and Deputy Chairs of the Committee shall be appointed from among the members of the Committee for a term of two years. They are each eligible for reappointment, thereafter, on an annual basis.

*Amended June 18, 2014*

34. Any member, whose term of office would otherwise expire, shall remain a member of the Professional Conduct Committee until such time as all matters which he or she is considering and matters ancillary to such matters have been concluded.

35. The quorum for the Professional Conduct Committee at any meeting shall be five (5) members, one of whom shall be a public representative, one of whom shall hold the same legacy designation as the subject(s) at the matter being considered, and one of whom, if the subject, or at least one of them, of the matter being considered holds a public accounting licence, shall be a public accounting licensee unless all such Committee members are recused due to conflict.

*Amended June 18, 2014*

36. Every member participating in a determination or decision shall have one vote and the chair may vote only to create a tie and so defeat a motion, or break a tie and so pass a motion.



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37. The Professional Conduct Committee may, in a specific matter, seek the expertise and advice of one or more Members with expert knowledge in one or more areas of chartered or public accounting, if the members of the Committee do not possess such expertise. Such experts shall be independent of the matter and the persons involved, and shall not participate in the deliberations or decisions of the Committee.
38. The Professional Conduct Committee may also rely on staff and legal counsel to provide support and advice, but no one other than members of the Professional Conduct Committee shall make the determinations or decisions of the Professional Conduct Committee, subject to section 11 and section 13.

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39. The Professional Conduct Committee shall report its determination on, and the final disposition of, any matter referred to it by the Registrar or a Committee to the person making the referral.
40. The Professional Conduct Committee shall report to the Council annually or as required by the Council, and such reporting shall include statistics and an analysis of the number of matters considered by the Professional Conduct Committee and the manner in which they were determined or disposed of.

### **Canadian Public Accountability Board**

41. The Professional Conduct Committee shall ensure that, in every matter where the Canadian Public Accountability Board (“CPAB”) is a complainant, CPAB is given timely notice of every significant stage of the investigation and, if the matter is not referred to the Discipline Committee, prompt notification and a written explanation of that determination.
42. The Professional Conduct Committee shall notify CPAB of any investigation with respect to a reporting issuer of a Member or Firm registered with CPAB, and shall provide CPAB with information and documentation requested by CPAB pursuant to s. 11 of the *Canadian Public Accountability Board Act (Ontario)*, 2006, S.O. 2006, c. 33, Sch. D.