

**IN THE MATTER OF a Proceeding under
the *Certified General Accountants Act, 2010*
and the Association's Bylaws**

IN THE MATTER OF a Complaint against Yi Qun Wang

BETWEEN:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Yi Qun Wang

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

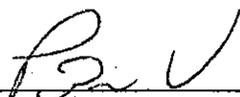
Members of the Professional Conduct Tribunal Panel:

Peter J. Vaillancourt, CGA, Chair
Alan Jones, CGA
Daniel Iggers, Public Representative

Pursuant to section 25, Article 9 of the Bylaws, the Professional Conduct Tribunal Panel has reviewed the Statement of Facts and Resolution proposed by the parties in this matter, signed by the Chair of the Discipline Committee Pierre Bocti on the 21st day of March, 2012 and signed by Yi Qun Wang on the 27th day of March, 2012. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 18th day of April, 2012

I, Peter J. Vaillancourt, sign this Decision as Chair of the Panel of the Professional Conduct Tribunal on behalf of the members of the Panel that heard this matter.



Peter J. Vaillancourt, CGA

**THE CERTIFIED GENERAL ACCOUNTANTS
ASSOCIATION OF ONTARIO**

**IN THE MATTER OF A PROCEEDING UNDER SUBSECTION 36(1)
OF THE CERTIFIED GENERAL ACCOUNTANTS ACT, 2010
AND THE ASSOCIATION'S BYLAWS**

**IN THE MATTER OF Yi Qun (Mary) Wang, a member of the
Certified General Accountants Association of Ontario**

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

1. Yi Qun Wang ("Wang") became a member of CGA Ontario in 2005.
2. Wang's CGA Ontario certificate number is 18651 and her CGA Canada certificate number is 357831.
3. Wang does not hold a licence to practise public accounting under the *Public Accounting Act*.
4. On or about 21 November 2011 Wang prepared a Notice to Reader wherein she compiled the balance sheet of a company and its statement of operations and retained earnings. Wang prepared the Notice for a client of a friend and did not charge for her services.
5. The Notice to Reader was signed "Yi Qun Wang, CGA, Accountant".
6. While Wang noted in the Notice that she had not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information nor determined whether the statements contained departures from GAAP, she knew that the statements were being sent to a third party, the Business Development Bank of Canada in connection with its review of the company's loan application.
7. In the Notice to Reader you stated as follows:

"I have compiled the balance of sheet of [] as at September 30, 2011, and the statement of operations and retained earnings for the year then ended from information provided by management. I have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information nor have I attempted to determine whether these statements contain departures from

generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes.”

8. The practice of public accounting is defined in the *Act* to include, among other things, compilation services, if it can reasonably be expected that all or any portion of the compilations or associated materials prepared by the person providing the services will be relied upon or used by a third party.
9. Wang did not hold a licence to practise public accounting when she signed the Notice to Reader.
10. Ontario law requires persons who practise public accounting to be licensed in accordance with the *Public Accounting Act* unless (a) the engagement is done without reward and the preparer has professional liability insurance or (b) the Notice follows the format prescribed by Regulation.
11. While Wang did not receive a fee for her services, because she did not register as a volunteer with the Association and carry professional liability insurance, she was not eligible for the ‘without reward’ exemption under the *Act*.
12. Further, the Notice to Reader format she used was not the form prescribed by Regulation. Among other things, it omitted the required statement that “I express no assurance thereon”.
13. In providing compilation services where it could reasonably be expected that all or any portion of the compilations or associated materials prepared by the person providing the services will be relied upon – or used – by a third party, and in not falling within any exclusion to the Act, Wang violated the *Public Accounting Act*.
14. Rule 102 of the Association's Code of Ethical Principles and Rules of Conduct (the "Code") provides that "a member shall not participate in, or provide services to, any activity that the member knows, or which a reasonable and informed third party, would believe, to be unlawful."
15. It was unlawful, i.e. contrary to the law of Ontario, for Wang to issue the Notice to Reader where she knew or ought to have known that it would be used by a third party, where it did not follow the form required by regulation and where she did not have insurance.
16. Had Wang been prosecuted under the *Public Accounting Act*, she may have been liable to a fine of up to \$25,000.
17. Wang's conduct amounted to professional misconduct.

B. AGREED UPON RESOLUTION

1. Wang agrees that in issuing the Notice to Reader without either (a) having a public accounting licence or (b) registering as volunteer with the Association, maintaining professional liability insurance and providing the service without a fee, (c) following the prescribed form, and knowing that the Notice would be delivered to the Business Development Bank of Canada for its use, Wang was in violation of the *Public Accounting Act*. As such, she was engaged in unlawful activity contrary to Rule 102.
2. Wang recognizes that if she had been charged with an offence under the *Public Accounting Act* and found guilty, she could have been fined by the court up to \$25,000.
3. Wang agrees that because her actions violated an Ontario statute, namely the *Public Accounting Act*, she was in breach of Rule 102 – Unlawful Activity.
4. Wang accept a reprimand from the Association as a result of her breach of the Code.
5. Wang agrees that the terms of the resolution will be published in Statements in print and online.
6. Wang understands that the committee is not seeking any costs payable from her. Nor is it seeking a fine or period of suspension. However, she understands that if she does not accept this resolution, the matter will proceed to a disciplinary hearing before the Professional Conduct Tribunal and the committee will be seeking costs of that hearing from her along with the imposition of further disciplinary sanctions.
7. Wang understands that, after a ten day waiting period from the date of acceptance of this proposed resolution, the Committee will present this proposed agreed resolution of this complaint to the Professional Conduct Tribunal. The Tribunal may accept or reject the resolution. If it accepts the resolution of the complaint, this ratification shall be the final disposition of the complaint. Where the Tribunal refuses to accept the proposed resolution, it may grant this committee an opportunity to return before it within 10 days or such other reasonable time as shall be stipulated by the Tribunal, with an amended proposed agreed resolution. Where the Tribunal refuses to ratify a proposed resolution and does not grant the committee an opportunity to return before it with an amended proposed agreed resolution, a Professional Conduct Tribunal panel of three members shall be appointed to conduct a formal hearing pursuant to sections 25 and 28 of Article 9 of the bylaws.

8. Wang further understands that if the committee and she are unable to resolve this complaint through an agreed upon resolution process, the matter will be referred to the Professional Conduct Tribunal for a hearing.