

IN THE MATTER OF
**CHARTERED PROFESSIONAL ACCOUNTANTS
OF BRITISH COLUMBIA**

("CPABC")

AND
A COMPLAINT AGAINST

ARTHUR BRIAN TEED, CPA, CGA and TEED & COMPANY

("Member")

DECISION

1. The Member received his CGA designation in 1970 and engages in public practice through Teed & Company. The Statement of Complaint alleges multiple violations by the Member of the *CPABC Code of Professional Conduct* which the CPABC contends warrant cancellation of his membership. The Member did not attend the hearing and did not contest the allegations.

Background

2. In 2017, CPABC conducted a regular practice inspection of Teed & Company ("Firm"). It was given a Zone 3 assessment, the worst assessment a registered firm can receive in regard to compliance with professional standards.
3. In January 2018, CPABC conducted the first re-inspection of the Teed & Company practice. It was again found not to meet professional standards and was again assessed as a Zone 3.
4. In January 2019, CPABC conducted a second re-inspection of the Teed & Company practice. It received another Zone 3 assessment and, in March 2019, CPABC's Public Practice Committee issued a Determination and Recommendation ("D&R") to the Member detailing how he and the Firm were to deal with its professional standards deficiencies. It included the requirement of engaging a CPA as an independent Engagement Quality Control Reviewer ("EQCR") of every assurance engagement undertaken by the Firm, with a written confirmation of each review provided to CPABC.

5. In April 2019, the Member accepted the D&R and agreed to comply with its terms.
6. In January 2020 and March, 2020, CPABC conducted a third re-inspection of the Teed & Company practice. Although the Firm had complied with the March 2019 D&R, it yet again received a Zone 3 assessment for failing to meet professional standards and, in July 2020, CPABC's Public Practice Committee issued another D&R to the Member detailing how the Firm was to deal with the identified professional standards deficiencies and requiring the Member to continue engaging an EQCR and submitting EQCR reports.
7. The Member accepted and agreed to comply with the terms of the July D&R and, in August 2020, gave an undertaking to CPABC not to release any assurance engagements until:

... the EQCR Reviewer has completed and signed off on the Firm's checklist for the File Quality Review.

8. In December 2020, CPABC's Associate Director of Practice Review asked the Member to provide CPABC with a complete list of the Firm's current assurance engagements, in response to which the Member listed two review engagements and one trust review engagement.
9. The Member subsequently disclosed to the Associate Director of Practice Review that the Firm also had four audits underway which he had not included in the list and had not disclosed to the Practice Review Officer who conducted the third re-inspection. One of the audits the Member had not disclosed related to an audit report the Member had issued in September 2021 in regard to a company's 2018 and 2019 year ends.
10. In March 2021 and May 2021, CPABC conducted a fourth re-inspection of the Teed & Company practice and, in June 2021, the Public Practice Committee determined, for the fifth consecutive time, that the Firm had not met the requirements of CPABC's practice review.
11. During the fourth re-inspection, it was also discovered that the Member had not provided any files to the EQCR for review, and that the Member had issued assurance reports, trust reports, and audit reports without providing the files to the EQCR for review.

12. The member subsequently admitted to the Director of Practice Review that he had arranged for the release of the reports without first providing the files to the EQCR for review.
13. In June 2021, CPABC's Public Practice Committee issued another D&R providing that the Member and the Firm be restricted from performing any further assurance engagements, and resign from all assurance engagements with copies of the letters of resignation from all assurance engagements provided to CPABC.
14. The Member refused to agree with the D&R and the Practice Review Committee referred the matter for investigation by the CPABC's Investigation Committee.
15. From August to October 2021, the Member engaged in several rounds of correspondence with CPABC's Investigator regarding the Member's practice standards and his failure to comply with the prior D&Rs to which he had agreed. The Members communications were non-responsive to the Investigator's detailed questions and repeated requests for documents.

Considerations

16. In these circumstances, CPABC contends that the Member's conduct contravened the *Chartered Professional Accountants Act* as well as other conduct requirements of the *CPABC Code of Professional Conduct*, with the contraventions constituting professional misconduct under section 53(2)(c) of the *Act*.
17. Section 51(6) of the *Act* provides:

51(6) A person who receives a [reviewer or investigator] request ... must comply with the request.

And the mainly relevant provisions of the *Code of Professional Conduct* provide:

101.1(b) All registrants ... shall comply with the *Chartered Professional Accountants Act* of British Columbia, bylaws and regulations of CPABC ...

104.1 A registrant shall comply with the regulatory processes of CPABC.

104.2 A registrant shall:

- (a) promptly reply in writing to any communication from CPABC in which a written reply is specifically required;
- (b) promptly produce documents when required to do so by CPABC;

105.1 A registrant shall not , directly or indirectly hinder any regulatory process of CPABC ...

201.1 A registrant shall act at all times ... in a manner which will maintain the good reputation of the profession and serve the public interest.

202.1 A registrant shall perform professional services with integrity and due care.

206.1 A registrant shall perform professional services in accordance with generally accepted standards of practice of the profession.

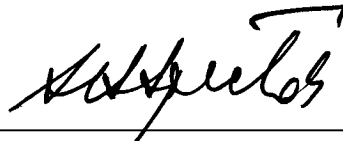
18. The allegations against the Member in the Statement of Complaint are uncontroverted, and were completely proved to the full satisfaction of the Panel by the testimony and documents adduced in evidence at the hearing.
19. Contrary to his professional duty to cooperate with CPABC, the Member openly refused to comply with or abide by his regulatory obligations, commitments, and undertakings. He was not forthright, and demonstrated disdain for the profession. His conduct reflects contempt for the profession, contempt for CPABC, and contempt for his professional designation. He showed no willingness to improve or upgrade his standards of practice, and there are no extenuating or exculpatory circumstances to ameliorate his behavior. Whether looked at individually or cumulatively, the multiple and continuous examples of his professional misconduct show that he is demonstrably ungovernable.
20. Considering the evidence adduced at the hearing, the Panel concluded that the Member's conduct contravened Section 51(6) of the *Chartered Professional Accountants Act*, as well as Rules 101.1(b), 104.1, 104.2, 105.1, 201.1, 202.1, and 206.1(a) of the *CPABC Code of Professional Conduct*, and that the contraventions constitute professional misconduct under section 53(2) of the *Act*.

Conclusion

21. Accordingly, the Panel hereby orders that:
 - a. the membership of Arthur Brian Teed in CPABC is hereby cancelled, and the registration of Teed & Company as a registered CPABC firm is hereby cancelled; and

- b. Arthur Brian Teed pay to CPABC, in accordance with the *Tariff of Costs* in Bylaw Regulation 1208/1, its costs relating to conduct of the hearing and the investigation resulting in the hearing immediately upon being presented with its Statement of Costs, with regard to which the Panel reserves the jurisdiction to determine the amount of the costs in the event of a disagreement between Mr. Teed and CPABC.

October 12, 2022



For the Panel:

Stephen Spector, FCPA,FCGA, Chair

Bruce Hurst, FCPA,FCGA

Stephen Quinn, RCN (Ret)