

## Discipline Notice

Commencing on February 15, 2022, a panel of the Discipline Committee (the "Panel") of Chartered Professional Accountants of Manitoba ("CPA Manitoba"), held a hearing into charges of professional misconduct (the "Charges") against Ms. Achamyelesh Asfaw, CPA, CGA, a registered member of CPA Manitoba (the "Member").

The Member appeared before the Panel with legal representation and entered a plea of not guilty to the Charges.

The Panel heard evidence from a witness on behalf of the Complaints Investigation Committee ("CIC") that:

- On January 19, 2018, CPA Manitoba sent the Member correspondence reminding the Member that her public practice permit had expired December 31, 2017 and which correspondence set out the steps the Member would take in order to maintain her public practice permit.
- The Member applied to renew her public practice permit, but her application under the audit stream had not been approved and she was advised on March 14, 2018 that her firm remained inactive and that she was not permitted to provide public accounting or other regulated services.
- On May 3, 2018, CPA Manitoba advised the Member that she was continuing to provide public accounting and other regulated services and requested that she cease doing so failing which, the matter would be brought forward to the Registration Committee.
- On June 14, 2018 the Member appealed CPA Manitoba's decision to deny the renewal of her public practice licence. A decision of the CPA Manitoba Appeal Committee dated August 13, 2018 confirmed the decision of the Registration Committee.
- The matter was brought to the CIC on May 21, 2019 as the Member was continuing to hold herself out as being able to provide public accounting and other regulated services through her firm, including advertising these services on her website.
- There were multiple attempts by CPA Manitoba to the Member requesting that the Member comply with the legislation.
- CIC's investigation indicated that while the Member did not appear to be conducting audit or review engagement work, she was performing individual income tax preparation work which would require the Member to have a permit to perform other regulated services.
- CIC's investigation indicated that the Member was aware that she was holding herself out to the public as being licenced to provide public accounting services including audit and review engagements and was choosing to disregard the legislation, bylaws, rules of professional conduct and prior communication from CPA Manitoba.

The Panel heard submissions from the Member that:

- Her website was formed in 2017 when she had a conditional licence to provide the services and had not taken any steps to revise the website after her permit expired.
- She believed she was in compliance with the legislation and to the extent she was not in compliance, it was an error on her part, through no fault on her own.
- The Member did not believe she was actively advertising through the website and that some of the information was posted by others.
- The Member ultimately obtained her other regulated services permit after meeting with the CIC in 2020.

Decision:

- The Panel found the Member guilty in relation to Charges 1 and 2 in that the Member had breached the following sections of The Chartered Professional Accountants Act (“CPA Act”) and CPA Bylaws:
  - **CPA Act subsection 38(2) Exclusive right to provide reserved public accounting services:** which identifies persons that are permitted to provide reserved public accounting services.
  - **Bylaw subsection 801(1) Registration for the practice of public accounting or any other regulated service:** which states that Members shall not provide public accounting services or other regulated services unless they have registered a firm and have been granted a permit with CPA Manitoba.
  - **Bylaw subsection 801(3) Eligibility Criteria:** which states that Members who meet certain criteria are eligible to register a firm to provide public accounting or any other regulated services.

The Panel found that the Member did, knowingly and falsely, represent herself to the public as being eligible and qualified to provide public accounting services when the Member was not eligible and qualified to do so. In addition, the Panel found that the Member did perform other regulated services without being registered to do so and without obtaining a permit.

- The Panel acquitted the Member in relation to Charge 3 as they did not find that the Member breached subsections 871(1) and (2) of the CPA Manitoba By-Law 800.
  - **Bylaw subsection 871(1) Professional Liability Insurance:** Every firm that is registered with CPA Manitoba to provide public accounting or any other regulated services shall obtain and maintain professional liability insurance in accordance with the policy adopted or established by the Board for that purpose.
  - **Bylaw subsection 871(2) Coverage requirements:** The policy adopted or established by the Board pursuant to paragraph (1) may address professional liability insurance matters.

The Panel ordered:

- That the Member pay a fine of Ten Thousand (\$10,000.00) Dollars on Charges 1 and 2;

- That the Member serve a suspension of one month or until their website is brought into compliance with the CPA Act (whichever period is longer).
- That the Member take an ethics course at the member's own cost as selected by CPA Manitoba.
- That the Member contribute to costs in the amount of Thirty Thousand (\$30,000.00) Dollars.
- That this decision including the name of the Member be made available to the public subject to section 84(1) of the Chartered Professional Accountants Act.

Inquiries regarding this matter or the complaint process can be obtained from:

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