

## **SUMMARY OF DISCIPLINE RICHARD KRUSHELNICKI**

A discipline hearing was held on June 30, 2015 regarding the conduct of Richard Krushelnicki. An oral decision was given followed by the discipline tribunal's written decision, dated October 7, 2015. After consideration of the verbal and written evidence and the submissions placed before it, the tribunal found that Richard Krushelnicki acting alone or as a representative of MKS Chartered Accountant is guilty of unprofessional conduct in having:

1. failed to cooperate with practice review by:
  - a. failing to provide an updated Scheduling Questionnaire which would have included an updated Clientele Profile List and an amendment regarding his partner's involvement in the firm as requested by the Practice Reviewer;
  - b. failing to provide a client listing as requested on March 2, 11 and 20, 2014;
  - c. failing to provide a copy of the Monitor's Report on both March 25 and March 26, 2014 which would have documented any compliance with the Canadian Standard on Quality Control in accordance with the CPA Canada Handbook; and
  - d. failing to acknowledge receipt of and providing member comments on the practice review report following numerous attempts to elicit some from May 15, 2014 to June 18, 2014.
2. issued unqualified auditor's reports on the financial statements of a Community Kindergarten for the years ended August 31, 2012 and August 31, 2013 although:
  - a. he failed to comply or document compliance with Canadian Auditing Standards as published from time to time in the CPA Canada Handbook; and
  - b. he failed to obtain and/or document sufficient audit evidence to support the opinions on the financial statements.

## **ORDERS**

In accordance with Section 93 of *RAPA*, the Tribunal ordered that Richard Krushelnicki:

1. will complete the courses recommended by the Practice Review Committee: Auditing Refresher and Quality Control: Maintaining & Monitoring;
2. must have a successful practice review in accordance with the established practices and procedures of practice review within a year;
3. is prohibited from engaging in the practice of accounting except under the supervision of a chartered accountant approved by the CIC Chair to include, at least, a review of working paper files prior to release of any financial statements. Richard Krushelnicki is to comply with the recommendations of the supervisor.

In accordance with Section 94(1) of *RAPA* the tribunal orders:

1. pay all the cost of the investigation and hearing and compliance within 30 days of the issuance of the statement of costs;
2. pay a fine of \$20,000 to be paid within one year, details of the payments shall be arranged with the



Institute of Chartered Accountants of Alberta.

The terms can be negotiated with the Institute of Chartered Accountants. If the costs and/or fines are not paid within the time stipulated, the registration of Richard Krushelnicki is immediately cancelled.

Failure to comply with any orders shall result in the cancellation of registration of Richard Krushelnicki.

## **PUBLICATION**

A summary of the Tribunal's findings and any orders made shall be provided on a name basis to all provincial institutes or their successor bodies, the Chartered Professional Accountants of Bermuda and any other professional organization that Richard Krushelnicki belongs to and that CPA Alberta is aware of as of the date of the order;

A notice of the Tribunal's findings and any orders are to be provided to all provincial institutes and their successor bodies to which Richard Krushelnicki applies for membership at any time following the order;

A summary of the Tribunal's findings and orders shall be provided to any member of the public who directs a written inquiry to the CPA Alberta about the discipline history of Richard Krushelnicki or MKS Chartered Accountants.

A summary of the Tribunal's findings, the nature of the conduct and any orders made as a result of the findings be published on the CPA Alberta website on a named basis.

The Tribunal's written decision with the names of third parties replaced by pseudonyms be published on a named basis on the CPA Alberta website and be provided to Quicklaw.

Discipline Tribunal Secretary