

*Canadian Public Accountability Board
and
Manning Elliott LLP*

Part I – Preamble

1. The Canadian Public Accountability Board's (CPAB) mandate includes the oversight of firms that conduct audits of Canadian reporting issuers¹. In 2024, CPAB conducted an inspection of two reporting issuer files audited by Manning Elliott LLP (the "Firm" or "Manning Elliott") pursuant to Section 400 of the Rules of the Canadian Public Accountability Board (the "Rules"), as authorized by the *Canadian Public Accountability Board Act*, R.S.O. 2006, C. C-33 (the "Act").
2. During the 2024 inspection, one significant inspection finding was identified.² In consideration of Manning Elliott's current and historic inspection results, CPAB determined it appropriate to continue the previously imposed restriction and certain requirements (or "enforcement actions"). Two previously imposed requirements were terminated. These actions have been taken in accordance with CPAB's mandate to foster confidence in the integrity of financial reporting by Canadian reporting issuers.

PART II – The Parties

3. Manning Elliott is a limited liability partnership located in the province of British Columbia. It has a public company audit practice, and at the time of CPAB's 2024 inspection, the Firm audited approximately 100 reporting issuers.
4. Pursuant to National Instrument 52-108 – Auditor Oversight, auditors of Canadian reporting issuers are required to be registered with CPAB as a Participating Audit Firm. Participating Audit Firms are authorized to audit financial statements issued by Canadian reporting issuers. Manning Elliott was, at all relevant times, registered with CPAB pursuant to Rule 200.

PART III – Facts

5. Manning Elliott is inspected annually by CPAB. As a consequence of significant inspection findings identified in each inspection from 2020 to 2022, certain enforcement actions were imposed on the Firm. Such actions included a restriction on the acceptance of new medium-

¹A reporting issuer is a company that has gone public by issuing securities under a prospectus or is listed on a recognized stock exchange. Reporting issuer is defined within Part/Section 1 of each province and territories *Securities Act*.

² A significant inspection finding is defined as a significant deficiency in the application of generally accepted auditing standards related to a material financial balance or transaction stream where the audit firm must perform additional audit work in the current year to support the audit opinion and/or is required to make significant changes to its audit approach.

and high- risk reporting issuers. More information on previous enforcement actions imposed on the Firm can be viewed [here](#).

6. In 2023, CPAB inspected four files and no significant inspection findings were identified. Based on various factors including the Firm's demonstrated commitment to, and improvement of, audit quality, CPAB modified the restriction to a prohibition on the acceptance of new high-risk reporting issuers only. Certain other requirements were either continued or terminated. See the [2024 enforcement report](#) for more information.
7. During the 2024 inspection, CPAB inspected two audit files, and one significant inspection finding was identified.

Part IV – Enforcement actions terminated

8. In view of various factors, including the improvement in the Firm's inspection results over the last two consecutive inspections compared to previous years, and compliance with all enforcement actions imposed, CPAB determined appropriate to terminate the following requirements:
 - The Firm shall continue to engage an external professional, acceptable to CPAB, to perform internal quality monitoring for completed reporting issuer audit engagements.
 - The Firm shall continue with its current in-flight review program. The selection criteria shall include newly accepted medium-risk reporting issuer engagements.

Part V – Enforcement actions continued

9. In view of various factors including the Firm's current and historic inspection results, enforcement history and in view of contributing to public confidence in the integrity of financial reporting by public companies, CPAB determined it appropriate to continue the following restriction:
 - The Firm continues to be prohibited from accepting new high-risk reporting issuer clients, including those resulting from initial public offerings, reverse takeovers, or other transactions.
10. The Firm also continues to be subject to enhanced oversight from CPAB in the form of quarterly meetings and continues to be required to pay a monetary assessment to recover the costs of enhanced oversight and monitoring of the Firm's compliance with the restriction.
11. Each enforcement action shall continue until the Firm has, to CPAB's satisfaction, demonstrated sustained improvement in audit quality or until the above noted enforcement actions are otherwise terminated pursuant to an application under Rule 605.