

*Canadian Public Accountability Board
And
PKF Antares Professional Corporation, Chartered Professional
Accountants*

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 one reporting issuer file audited by PKF Antares Professional Corporation, Chartered Professional Accountants (the “Firm” or “PKF Antares”) 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, no significant inspection findings² were identified. In consideration of PKF Antares’ improved inspection results, compliance with all previously imposed enforcement actions and recommendations outlined in the 2023 inspection report, CPAB removed a restriction on the acceptance of medium risk reporting issuers under Rule 601(f) and terminated various requirements under Rule 601 (a), (b) and (c). However, the restriction that prohibits the Firm from accepting high-risk reporting issuers under Rule 601(f) as well as certain requirements under Rule 601(c) and (i) are continuing. 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. PKF Antares is a professional corporation headquartered in the province of Alberta. It has a public company audit practice and at the time of CPAB’s 2024 inspection, the Firm audited fewer than 50 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. PKF Antares was, at all relevant times, registered with CPAB pursuant to Rule 200.

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.

PART III – Facts

5. PKF Antares is subject to periodic inspections by CPAB. One audit file was reviewed in each of the last three consecutive inspections. In 2019, CPAB identified two significant inspection findings in the Firm's application of the Canadian Generally Accepted Auditing Standards related to a material financial statement balance or transaction stream. In 2021, two significant inspection findings were also identified. During CPAB's 2023 inspection, five significant inspection findings were identified.
6. As a consequence of the three inspections and in the interest of improving audit quality at the Firm, certain enforcement actions were imposed on the Firm in 2023.
7. During the 2024 inspection, CPAB inspected one audit file and no significant inspection findings were identified.

PART IV – Enforcement actions terminated

8. In view of various factors, including the Firm's demonstrated commitment to, and improvement of, audit quality, and compliance with all enforcement actions and recommendations imposed in the prior year, CPAB determined it appropriate to terminate the following enforcement action:
 - The Firm is prohibited from accepting new medium risk reporting issuer audit clients, including those resulting from initial public offerings, reverse takeovers, or other transactions.
9. In addition to the above, CPAB terminated the following requirements: i) completion of a detailed root cause analysis and development of an audit quality action plan; and ii) engagement of an external party to provide professional education and training on specified auditing and accounting topics to all reporting issuer assurance partners, directors and staff.

PART V – Enforcement action continued

10. Given the Firm's elevated significant inspection findings over the previous three inspections (2019, 2021 and 2023) 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 enforcement actions:
 - The Firm continues to be prohibited from accepting new high-risk reporting issuer audit engagements,³ including those resulting from initial public offerings, reverse takeovers or other transactions.
11. CPAB continued various requirements aimed at maintaining the Firm's improvements in audit

³ In compliance with this restriction, the Firm has provided definitions of high-risk reporting issuer engagements that are acceptable to CPAB.

quality, including the engagement of an external party to conduct a review of all existing high risk reporting issuer audits and review, at a minimum, 25 per cent of existing medium risk reporting issuer audits, prior to issuance of the audit reports. The Firm also continues to be required to pay a monetary assessment to recover the costs of monitoring of the Firm's compliance with the enforcement actions.

12. Each enforcement action imposed on the Firm shall continue until the Firm has, to CPAB's satisfaction, demonstrated a sustained improvement in audit quality or until the above noted enforcement actions are otherwise terminated pursuant to an application under Rule 605.