

*Canadian Public Accountability Board
And
Smythe LLP*

PART I – Preamble

1. The Canadian Public Accountability Board’s (CPAB) mandate includes the oversight of firms that conduct audits of Canadian reporting issuers.¹ In 2025, CPAB conducted an inspection of one reporting issuer file audited by Smythe LLP (the “Firm” or “Smythe”) 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 2025 inspection, no significant inspection findings² were identified. In consideration of Smythe’s demonstrated sustained improvement of inspection results over consecutive inspections and compliance with all previously imposed enforcement actions, CPAB considered it appropriate to terminate the restriction on the acceptance of high-risk reporting issuers and all requirements previously imposed on the Firm. 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. Smythe is a limited liability partnership with offices in the province of British Columbia and is registered with CPAB as a Participating Audit Firm pursuant to section 8 of the Act and section 200 of the Rules. At the time of CPAB’s inspection, the Firm audited fewer than 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. Smythe was, at all relevant times, registered with CPAB pursuant to Rule 200.

PART III – Facts

5. In 2021 and 2022, CPAB inspected two audit files (four in total) and identified nine significant

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 deficiency in the application of auditing or other relevant professional standards, as defined in Section 300 of CPAB’s Rules, where the audit firm must perform additional audit work to support the audit opinion and/or is required to make significant changes to its audit approach.

inspection findings. As a consequence of the 2021 inspection results and in the interests of improving audit quality, certain requirements were imposed on the firm. The results of the 2022 inspection indicated that concerns over audit quality had not been sufficiently addressed. As a consequence, the enforcement actions were escalated and a restriction on the Firm's acceptance of new reporting issuers was imposed.

6. In 2023 CPAB inspected 3 audit files and identified one significant inspection finding. During the 2024 inspection, two files were inspected, and no significant findings were identified. As a result of the Firm's improved inspection results resulting from the 2024 inspection, the restriction was modified to a restriction on the acceptance of high-risk reporting issuers. Various other requirements were also modified. See the [2024 enforcement report](#) for details.
7. During the 2025 inspection, CPAB inspected 1 file and no significant inspection findings were identified.

PART IV – Enforcement actions terminated

8. In view of various factors, including the Firm's demonstrated sustained improvement in inspection results over consecutive inspections and compliance with all previously imposed enforcement actions, CPAB determined it appropriate to terminate all the following remaining enforcement actions effective February 6, 2026:
 - Prohibition on the acceptance of new high-risk reporting issuers.
 - Reperformance of a culture survey.
 - Development and implementation of an audit quality action plan,
 - Enhanced regulatory monitoring.