

*Canadian Public Accountability Board  
And  
Macias Gini & O'Connell 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<sup>1</sup>. In 2025, CPAB conducted an inspection of two reporting issuer files audited by Macias Gini & O'Connell LLP (the "Firm" or "MGO") 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 findings<sup>2</sup> were identified. In consideration of MGO's improved inspection results, CPAB modified a previously imposed restriction on the acceptance of new medium and high-risk reporting issuers to a prohibition on the acceptance of high-risk reporting issuers. 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. MGO is a limited liability partnership headquartered in the city of Los Angeles with multiple locations in the United States. It has a public company audit practice, and at the time of CPAB's 2025 inspection, the Firm audited fewer than 50 Canadian reporting issuers. The Firm does not have offices within Canada.
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. MGO was, at all relevant times, registered with CPAB pursuant to Rule 201.

## **PART III – Facts**

5. MGO is subject to periodic inspections by CPAB. In 2021, CPAB inspected one file and identified two significant inspection findings in the Firm's application of the Canadian Generally Accepted

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<sup>1</sup>A 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 a defined within Part/Section 1 of each province and territories *Securities Act*.

<sup>2</sup> 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.

Auditing Standards.

6. In 2023, CPAB inspected three audit files and identified significant inspection findings in all three files. The 2023 inspection results indicated continued concerns over audit quality and certain enforcement actions were imposed. Such actions included a restriction on the acceptance of new medium and high-risk reporting issuers. See the [2024 enforcement report](#) for details.
7. During the 2025 inspection, CPAB inspected one audit file, and no significant inspection findings were identified.

#### **PART IV – Enforcement actions continued**

8. In view of various factors, including the Firm's improved inspection results, CPAB determined it appropriate to modify the practice restriction to a prohibition on the acceptance of new high-risk reporting issuer engagements<sup>3</sup> including those resulting from initial public offerings, reverse takeovers or other transactions.
9. The Firm continues to be required to pay a monetary assessment to recover the costs of monitoring of the Firm's compliance with the restriction.
10. Each enforcement action imposed on the firm shall continue until CPAB has carried out a follow-up inspection and the Firm has demonstrated a sustained improvement in audit quality or until the enforcement actions are otherwise terminated pursuant to an application under Rule 605.

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<sup>3</sup> In compliance with this restriction, the Firm has provided a definition of what constitutes high-risk reporting issuers that is acceptable to CPAB.