

Practice Advisory

The Case of the Discipline Dodger

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This is the second in a series of articles to help members become better informed about the provisions of the new Chartered Accountants Act, 2010. This issue's article focuses on CAs in trouble – both from the perspective of the struggling CA and the CA who has taken on the former's clients.

Dear Advisor:

I'm a sole practitioner. I'm having family troubles and haven't been focused on my practice for a long time. Now I'm in trouble. A client is about to file a complaint. Can I just resign to avoid the discipline process – and stay out of the *Disciplinary Notices* in *CheckMark*?

– *Troubled in Toronto*

Dear Troubled:

Resigning won't prevent you from possibly being disciplined. You may be surprised to find out that the *Chartered Accountants Act, 2010* gives the Institute authority over former CAs. In fact, pursuant to the new *CAAct*, the Institute has up to six years after someone resigns or otherwise stops being a member to start an investigation for acts committed while a member. The former member is required to provide any information and documents, including those kept electronically, that an investigator thinks is relevant. If he or she fails to do so, they can be charged with an offence and, if found guilty by the courts, fined up to \$25,000. It's an equally serious offence to destroy, hide or alter any documents.

These provisions can be found in Sections 19, 49 and 50 of the *Chartered Accountants Act, 2010*. There is a link to the *Act* on the Institute's website at www.icao.on.ca.

– *Advisor*

Dear Advisor:

I've just taken on the client of a former CA who left everything in a mess. I'm really frustrated and this does not seem fair! Is there anything that can make this easier on me?

– *Angry in Acton*

Dear Angry:

While the Institute can't make the mess go away, it can investigate and discipline the former CA, as set out above. I would encourage you and your client to consider making a complaint through the Institute's Standards Enforcement department. Also, if you cannot gain access to your client's files from the former CA, the Institute may be able to help, through its custodianship powers – as discussed in the last issue of *CheckMark*.

– *Advisor*