

**IN THE MATTER OF a Proceeding under  
the Certified General Accountants Act, 2010  
and the Association's Bylaws**

**IN THE MATTER OF a Complaint against Neil Mathieson, CGA**

BETWEEN:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Neil Mathieson, CGA

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**DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL**

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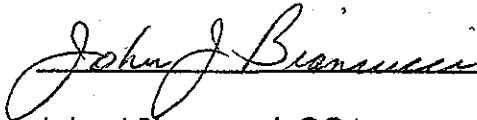
Members of the Professional Conduct Tribunal Panel:

John J Biancucci, CGA, Chair  
Jane Bennie, CGA  
Victoria Corbett, Public Representative

Pursuant to section 25, Article 9 of the Bylaws, the Professional Conduct Tribunal Panel has reviewed the Statement of Facts and Resolution proposed by the parties in this matter, signed by the Chair of the Discipline Committee Pierre Bockt, FCGA on the 27<sup>th</sup> of January, 2011 and signed by Neil Mathieson, CGA on the 1<sup>st</sup> of February, 2011. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 4<sup>th</sup> day of March, 2011

I, John J Biancucci, sign this Decision as Chair of the Panel of the Professional Conduct Tribunal on behalf of the members of the Panel that heard this matter.



John J Biancucci, CGA

## STATEMENT OF FACTS AND RESOLUTION

### A. AGREED UPON STATEMENT OF FACTS

1. You became a member of CGA Ontario in 1973.
2. You acted as the accountant for Martin Dzatko ("Dzatko") from 1993 to 2010. You were retained to complete personal income tax returns for Dzatko and GST returns, annual financial statements and T2 corporate income tax returns for Dzatko's company Float in the Sky Corporation (or Float in the Sky Inc.) and, starting in 2001 for an additional Dzatko company, Quad4 Inc.
3. Canada Revenue Agency ("CRA") audited Dzatko and Float in the Sky in 2005.
4. Dzatko instructed you to file a notice of objection in response to the audit.
5. The deadline to file the notice of objection was the later of 90 days after the day the notice of assessment was mailed or one year after the date of the return's filing deadlines for individuals and, otherwise, 90 days after the day the notice of assessment was mailed.
6. While you advised Dzatko that you filed the notice of objection, you are unable to provide him with a copy of what you say was filed. CRA did not receive a copy.
7. You did not apply for an extension of time to file the notice of objection in the event that the notice was not filed in time due to circumstances beyond Dzatko's control.
8. No notice of objection or appeal was undertaken with CRA until November 2007.
9. By that time all deadlines had passed and any requests for extensions of time were out of time.
10. The Association's Code of Ethical Principles and Rules of Conduct (the "Code") requires members to act with due care and professional judgment.
11. In failing to either file the notice of objection on time, keep a copy of the notice, obtain some proof of delivery or file for an extension, you did not act with due care.
12. It was your experience with Dzatko that he did not keep any or any sufficient form of document or receipt for cash payments he made in his business. With respect to vehicles, he did not keep documentation such as gas receipts, insurance or repair bills or track use or provide a breakdown of use between personal and business.

13. He withdrew funds from the corporate accounts to his personal account without adequate or any documentation.
14. With respect to meals and entertainment, he did not keep a note of with whom he had dined or whom he had entertained.
15. Although you were aware that Dzatko did not keep appropriate records to support his income or expenses and you did not have credible or reliable documentation from him, you continued to prepare corporate financial statements and income tax returns and personal income tax returns for him and his companies from 1993 to 2009.
16. You knew or ought to have known that any summary information prepared by Dzatko's contract bookkeeper suffered from the same shortcomings in terms of lack of credible documentation and source information.
17. Rule 402 of the Code prohibits members from associating with any report, statement, representation, financial statement or tax filing that the member knows, or should know, is false or misleading, regardless of any disclaimer of responsibility.
18. You knew or ought to have known that you did not have documentation that could support proper statements and returns. You knew or ought to have known that the statements and returns you were preparing for Dzatko and his companies were false or misleading given the complete absence of supporting documentation you were given.
19. It is recognized that your intention was not to prepare or file any misleading information but that you remained involved in the preparation and filing of the financial statements and income tax returns after it was clear to you that they were not supportable.

**B. AGREED UPON RESOLUTION**

1. You agree that in either (a) failing to file a notice of objection, (b) failing to keep a copy of the notice of objection, (c) failing to obtain some confirmation of delivery of the notice or (d) failing to request an extension of time to file a notice of objection, you did not proceed with due care and professional judgment. As such, you violated the Code Principle of Due Care and Professional Judgment.
2. You agree that by continuing to prepare statements and file income tax returns when you knew or ought to have known that there was no credible or reliable information or documentation to support the filings, you violated Rule 402 of the Code.

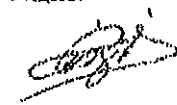
- 3. You accept a reprimand from the Association as a result of your breaches of the Code.
- 4. You accept a fine of \$1,000 as a result of your violations of the Code.
- 5. You understand that the committee is not seeking any costs payable from you. However, you understand that if you do not accept this resolution, the matter will proceed to a disciplinary hearing before the Professional Conduct Tribunal and the committee will be seeking costs of that hearing from you in addition to any other appropriate penalty.
- 6. You understand that, after a ten day waiting period from the date of acceptance of this proposed resolution, the Committee will present this proposed agreed resolution of this complaint to the Professional Conduct Tribunal. The Tribunal may accept or reject the resolution. If it accepts the resolution of the complaint, this ratification shall be the final disposition of the complaint. Where the Tribunal refuses to accept the proposed resolution, it may grant this committee an opportunity to return before it within 10 days or such other reasonable time as shall be stipulated by the Tribunal, with an amended proposed agreed resolution. Where the Tribunal refuses to ratify a proposed resolution and does not grant the committee an opportunity to return before it with an amended proposed agreed resolution, a Professional Conduct Tribunal panel of three members shall be appointed to conduct a formal hearing pursuant to sections 20 and 29 of Article 9 of the bylaw.
- 7. You further understand that if the committee and you are unable to resolve this complaint through an agreed upon resolution process, the matter will be referred to the Professional Conduct Tribunal for a hearing.

I hereby agree to this above statement of facts and resolution.

Date of Offer:

Name:

27 January 2011

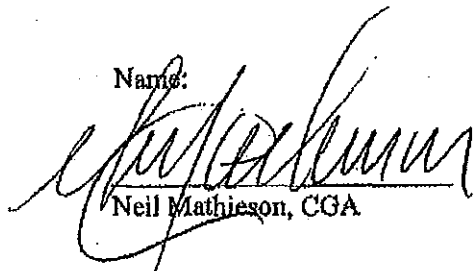


Pierre Bocti, FCGA  
Chair, Discipline Committee

Date of Acceptance:

Name:

1 FEBRUARY 2011



Neil Mathieson, CGA