

**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 Jonathan Scott

BETWEEN:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Jonathan Scott

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

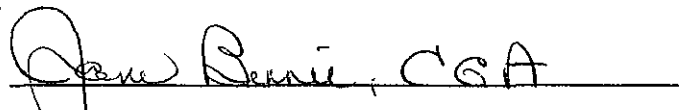
Members of the Professional Conduct Tribunal Panel:

Jane Bennie, CGA, Chair
John Biancucci, 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 Bocti, FCGA, February 21, 2012 and signed by Jonathan Scott, CGA, February 21, 2012. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 6th day of March, 2012

I, Jane Bennie, CGA, 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.


Jane Bennie, CGA

**THE CERTIFIED GENERAL ACCOUNTANTS
ASSOCIATION OF ONTARIO**

**IN THE MATTER OF A PROCEEDING UNDER SUBSECTION 36(1)
OF THE CERTIFIED GENERAL ACCOUNTANTS ACT, 2010
AND THE ASSOCIATION'S BYLAWS**

**IN THE MATTER OF Jonathan Scott, a member of the
Certified General Accountants Association of Ontario**

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

1. Jonathan Scott ("Scott") became a member of CGA Ontario in 1982.
2. Scott registered in public practice in 1984.
3. Scott de-registered from public practice in 1992 indicating that he was moving to British Columbia.
4. Scott returned to Ontario and re-registered in public practice on or about 3 October 1994.
5. On or about 27 April 2001 Scott de-registered from public practice.
6. On or about 21 August 2001 Scott re-registered in public practice.
7. On or about 2 November 2005 the Association advised Scott of his upcoming practice inspection.
8. On or about 30 August 2006 Scott requested an exemption from the practice inspection, advised the Association that he had withdrawn from public practice and was de-registered accordingly.
9. On or about 23 January 2012 Scott re-registered in public practice.
10. For the period 30 August 2006 to 23 January 2012, Scott was not registered in public practice.
11. Throughout the period 2006 to 2012, inclusive, the Rules of the Association's Code of Ethical Principles and Rules of Conduct (the "Code") required a member

engaged in the practice of public accounting or engaged in a professional practice, as they were defined from time to time, to register with the Association.

12. Although he was not registered in public practice, for each of the years 2006 to 2011 inclusive, Scott prepared corporate income tax returns and compiled balance sheets, statements of income and retained earnings for clients.
13. Additionally, during the period 2006 to 2011 Scott operated his professional practice as outlined above without undergoing the required practice inspection.
14. The Code governing the period 2006 to September 2007 provided that:

“a member shall, if engaged in the practice of public accounting part-time or full-time, register in accordance with the requirements prescribed by the Association.”

“Public Practice” was further defined as:

“offering to perform or performing for a client (a) one or more types of professional services involving the use of accounting or auditing skills; (b) one or more types of management advisory or consulting services, or (c) the furnishing of advice on tax matters, or (d) any such other service as may, from time to time, be recognized by the Association.”

15. From 2006 up to and including 2007, Scott was engaged in the practice of public accounting as defined, including the preparation of corporate tax returns and compilation of balance sheets and income statements.
16. In 2007, the registration provision of the Code was reworded to provide as follows:

“a member shall, if engaged in a professional practice or the practice of public accounting part-time or full-time, register in accordance with the requirements prescribed by the Association.”

It further defined a “professional practice” as the offering of professional services.

“Professional services” were defined as:

“any accounting, assurance, taxation services, management advisory or consulting services or other related services as may from time-to-time be recognized by the Association that is performed or offered to be performed by a member for a client or employer, whether or not the member asserts membership in the Association.”

17. From 2007 to April 2010, Scott operated a professional practice, as defined, and was required to register that practice. His work included, among other things, preparation of corporate tax returns and compilation of balance sheets and income statements.
18. In April 2010, the registration provision of the Code was again changed to provide as follows:

“A member shall, if engaged in the practice of public accounting or the preparation of compilation engagements or tax returns part-time or full-time, register in accordance with the requirements prescribed by the Association.”
19. From April 2010 throughout 2011 Scott prepared compilation engagements and corporate income tax returns.
20. Throughout the period 2006 to 2011, Rule 514 of the Code (or its then equivalent) required Scott to register his practice with the Association.
21. From August 2006 throughout 2011, Scott was not registered as operating a public accounting practice (2006-2007) or as operating a professional practice (2007-April 2010) or preparation compilation engagements and tax returns (2010-2011) (together described as “professional services” hereinafter) with the Association.
22. Scott was not permitted by the Association to offer the professional services he provided to the public.
23. Scott engaged in a full time practice and earned income from carrying on that practice from 2006 throughout 2011 in violation of the Code.
24. Throughout the period 2006 to 2011, Rule 515 of the Code (or its then equivalent) required Scott to adhere to the practice inspection requirements of the Association.
25. Scott did not undergo a practice inspection with the Association as he was not registered to carry on the practice that he was operating.
26. Throughout the applicable period, Scott was required to subscribe to the CICA Handbook (the “Handbook”).
27. From 2006 to 2009, Scott did not subscribe to the Handbook.
28. The total cost of the Handbook and applicable renewals, inclusive of taxes, was \$1,914.40 for the years 2006 to 2009.

29. Although he was not permitted to offer his services to the public as he was not registered to do so, Scott used the CGA designation in connection with this practice to offer professional services.
30. Scott's letterhead on which he issued Notices to Reader on compiled statements read: "Jonathan E. Scott, Certified General Accountant" and he signed the Notices as "Certified General Accountant".
31. In failing to register his public practice for the period 2006-2011 and in failing to undergo practice inspections during that same period, Scott breached Rules 514 and 515 of the Code.
32. Scott acknowledges that his conduct, in particular, his ongoing breaches of Rules 514 and 515 of the Code, amounted to professional misconduct.

B. AGREED UPON RESOLUTION

1. Scott recognizes that it was contrary to the Code for him to provide professional services or to be engaged in the practice of public accounting, as defined, when he was not registered with the Association to do so.
2. Scott agrees that he was providing professional services to the public and engaged in public accounting, when he had not complied with the Association's practice inspection program, which was contrary to the Code.
3. Scott agrees that he was providing professional services to the public and engaged in public accounting, when he had not complied with the Association's requirement that he subscribe to the Handbook.
4. Scott agrees that he did not provide clients with accurate information about his status when he represented through the use of the CGA designation on his letterhead that he was permitted to operate a public accounting practice or offer professional services.
5. Scott profited from his breaches of the Code by carrying on a full time professional practice that he was not permitted to offer.
6. Scott agrees that his conduct amounted to a violation of Rules 514 and 515 of the Code.
7. Scott agrees to pay a fine of \$2,000 representing a fine of \$1,000 for each Rule breached.
8. Scott agrees to pay the sum of \$1,914.40 representing the cost of the Handbook that he should have paid for the years 2006 through 2009.

9. Scott understands that the committee is not seeking any costs payable from him in the event he accepts this resolution. **However, he understands that if he does not accept this resolution, the matter will proceed to a disciplinary hearing before the Professional Conduct Tribunal and committee will be seeking its full costs of that hearing from him. This resolution is offered as a compromise.**
10. Scott understands and agrees that the terms of the resolution will be published in Statements.
11. Scott understands 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 25 and 28 of Article 9 of the bylaws.
12. Scott further understands that if the committee and he 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.