

Ralph Christopher Taylor: Summary, as Published in *CheckMark*

Ralph Christopher Taylor, of Windsor, was found guilty of a charge under Rule 203.2 of failing to cooperate in the attempted inspection of his practice. He was fined \$1,000 and ordered to deliver certain files to practice inspection within a specified period of time or else be expelled from the Institute. Mr. Taylor complied with the order.

CHARGE(S) LAID re Ralph Christopher Taylor

The Professional Conduct Committee hereby makes the following charge against Ralph C. Taylor, CA, a member of the Institute:

1. THAT, the said Ralph C. Taylor, during the period ~~March 9~~ **October 20**^{**}, 1999 to March 21, 2000, failed to cooperate with officers, servants or agents of the Institute who were appointed to arrange or conduct an inspection of his practice, contrary to Rule 203.2 of the rules of professional conduct.

Dated at Toronto this 21st day of March, 2000.

UWE MANSKI, FCA
DEPUTY CHAIR, PROFESSIONAL CONDUCT COMMITTEE

^{**} *This charge was amended at the hearing on July 6, 2000.*
BWS

DISCIPLINE COMMITTEE re Ralph Christopher Taylor

DECISION AND ORDER IN THE MATTER OF: A charge against **RALPH CHRISTOPHER TAYLOR, CA**, a member of the Institute, under **Rule 203.2**, of the Rules of Professional Conduct, as amended.

DECISION AND ORDER MADE JULY 6, 2000

DECISION

THAT, having seen and considered the evidence, and having heard the plea of guilty to the charge, the Discipline Committee finds Ralph Christopher Taylor guilty of the charge.

ORDER

IT IS ORDERED in respect of the charge:

1. THAT Mr. Taylor be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Taylor deliver the files specified in the letter to him from practice inspection dated October 5, 1999 on or before July 31, 2000.
3. THAT Mr. Taylor be and he is hereby fined the sum of \$2,000, to be remitted to the Institute by August 31, 2000, provided that in the event Mr. Taylor complies with paragraph 2, the fine shall be reduced to \$1,000 if paid by July 31, 2000.
4. THAT notice of this Decision and Order, disclosing Mr. Taylor's name, be given after this Decision and Order becomes final under the bylaws:
 - (a) to the Public Accountants Council for the Province of Ontario;
 - (b) to the Canadian Institute of Chartered Accountants; and
 - (c) by publication in *CheckMark*.
5. THAT in the event Mr. Taylor fails to comply with the requirements of paragraphs 2 and 3, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 4, and in the *Windsor Star*.

DATED AT TORONTO THIS 10TH DAY OF JULY, 2000
BY ORDER OF THE DISCIPLINE COMMITTEE

BRYAN W. STEPHENSON, BA, LLB
SECRETARY - DISCIPLINE COMMITTEE

DISCIPLINE COMMITTEE re Ralph Christopher Taylor

REASONS FOR DECISION AND ORDER IN THE MATTER OF: A charge against **RALPH CHRISTOPHER TAYLOR, CA**, a member of the Institute, under **Rule 203.2**, of the Rules of Professional Conduct, as amended.

REASONS FOR THE DECISION AND ORDER MADE JULY 6, 2000

This panel of the discipline committee of the Institute of Chartered Accountants of Ontario met on July 6, 2000 to hear evidence and submissions concerning a charge brought by the professional conduct committee against Mr. Ralph C. Taylor.

Ms. Deborah McPhadden represented the professional conduct committee. Mr. Taylor, who attended without counsel, said he understood that he had the right to be represented by counsel.

The hearing concluded on July 6, 2000, and the panel's decision and order was issued on July 10, 2000. These reasons, issued in writing pursuant to Bylaw 574, contain the panel's decision and order, and the charge laid by the professional conduct committee, as well as the reasons of the panel.

The Charge

The charge dated March 21, 2000 was filed as an exhibit at the hearing. This charge, for the reasons set out below, was later amended and as amended reads:

THAT, the said Ralph C. Taylor, during the period October 20, 1999 to March 21, 2000, failed to cooperate with officers, servants or agents of the Institute who were appointed to arrange or conduct an inspection of his practice, contrary to Rule 203.2 of the rules of professional conduct.

Mr. Taylor entered a plea of guilty to the charge prior to the amendment, and confirmed he was aware that on the basis of his plea of guilty, and on that basis alone, he could be found guilty.

The Evidence Re: the Charge

The facts in this case are not complicated. Neither Ms. McPhadden nor Mr. Taylor called oral evidence.

Ms. McPhadden filed an affidavit of Grant Dickson, FCA, the director of practice inspection, sworn May 1, 2000, and a document brief consisting of correspondence between the practice inspection staff of the Institute and the member.

The correspondence made it clear that Mr. Taylor had not submitted the files which he was asked to submit and which he agreed to submit. Mr. Taylor acknowledged that he had still not submitted the files. He explained that he had done the work but the files were not documented as well as he understood they should be to satisfy a practice inspection.

Mr. Taylor made several comments by way of submissions which were more relevant to the issue of sanction and are referred to below.

Amending the Charge under Rule 564(2)

The charge laid alleged that Mr. Taylor did not cooperate between March 9, 1999 and March 21, 2000. During the deliberations it appeared to the panel that while there was something less than full cooperation by Mr. Taylor from and after March 9, 1999, he had sent in his client list as requested and had been granted extensions for sending in the identified files. There was a complete failure to cooperate from and after October 20, 1999. By letter dated October 5, 1999, Mr. Taylor was asked to send in the files for three identified clients by October 20, 1999, so that the practice inspector could conduct a desk inspection. While a further extension was granted to November 15, 1999, Mr. Taylor had still not sent in the files when the charge was laid on March 21, 2000. In fact, he had not sent in the files at the date of the hearing.

The panel thought it best to amend the charge to conform to the evidence that he had not cooperated between October 20, 1999 and the date the charge was laid on March 21, 2000. Both Ms. McPhadden and Mr. Taylor agreed that the amendment was appropriate.

After deliberation, the panel found Mr. Taylor guilty of the charge.

The panel's decision and order made on July 6, 2000 is as follows:

DECISION

THAT, having seen and considered the evidence, and having heard the plea of guilty to the charge, the Discipline Committee finds Ralph Christopher Taylor guilty of the charge.

ORDER

IT IS ORDERED in respect of the charge:

1. THAT Mr. Taylor be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Taylor deliver the files specified in the letter to him from practice inspection dated October 5, 1999 on or before July 31, 2000.
3. THAT Mr. Taylor be and he is hereby fined the sum of \$2,000, to be remitted to the Institute by August 31, 2000, provided that in the event Mr. Taylor complies with paragraph 2, the fine shall be reduced to \$1,000 if paid by July 31, 2000.
4. THAT notice of this Decision and Order, disclosing Mr. Taylor's name, be given after this Decision and Order becomes final under the bylaws:
 - (a) to the Public Accountants Council for the Province of Ontario;
 - (b) to the Canadian Institute of Chartered Accountants; and
 - (c) by publication in *CheckMark*.
5. THAT in the event Mr. Taylor fails to comply with the requirements of paragraphs 2 and 3, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 4, and in the *Windsor Star*.

Reasons for the Order as to Sanction

On behalf of the professional conduct committee, Ms. McPhadden requested a reprimand in writing from the chair of this panel as a specific deterrent to Mr. Taylor; a fine in the range of \$1,000 to \$2,000 as a specific deterrent to Mr. Taylor and a general deterrent to all members; an order that Mr. Taylor comply with the request set out in the letter from practice inspection dated October 5, 1999 within seven days of the decision and order becoming final under the bylaws, failing which Mr. Taylor would be expelled; and the usual notice to the Public Accountants Council and the Canadian Institute of Chartered Accountants, and by publication in *CheckMark*.

Ms. McPhadden referred to the cases involving Mr. Newman, Mr. Desing and Mr. Humphries, which she submitted were similar to this case.

Mr. Taylor, in his submissions, said that he understood the need for practice inspection and his obligation to comply with the request to send in the files. He acknowledged that despite his agreement to do so and his wish to do so, he had not submitted the files and now faced the ultimate inducement to submit them - the prospect of expulsion. He asked that the fine be as low as possible and that he be allowed time to pay it. He also asked that there be no notice in *CheckMark* unless he was expelled.

In his submissions with respect to guilt or innocence, Mr. Taylor told the panel that he had been unable to deal with the practice inspection process and the need to have his files inspected because of the stress this generated for him. He said he was able to deal with client issues and client pressures but that somehow, when it was his work which was being inspected, he was unable to organize and prepare the files to be submitted for the inspection.

When asked how long it would take him to submit the files, Mr. Taylor replied "two weeks". When he was reminded that he had been urged at the assignment hearing to submit the files prior to the hearing itself and several weeks had gone by, he again referred to the fact he had found the preparation of the files for inspection too stressful and that he had dealt with clients' emergencies rather than his own. Mr. Taylor said that he would not do any more client work until he had taken care of this work for himself, and that he recognized he was being given one more chance.

Deliberation with Respect to Sanction

While the three general principles which apply when determining a sanction, general deterrence, specific deterrence and rehabilitation, are all relevant to the sanction imposed, in this case the panel determined that the priority should be given to an order which would specifically deter Mr. Taylor from delaying longer, and thereby help to rehabilitate him, at least in the sense of being able to send in the files for the inspection. Accordingly, in setting the order, the panel was concerned that Mr. Taylor be required to submit the files at an early date so that he would not be tempted to put the matter off.

The panel was also concerned that if Mr. Taylor could become dysfunctional when faced with the stress of a practice inspection, he might become dysfunctional when faced with client pressures. He was urged to seek medical advice to help him deal with stress, both for his own sake and for that of his clients.

Reprimand

The panel believes that a reprimand in writing from the chair of the hearing will stress to Mr. Taylor the unacceptability of his conduct as a chartered accountant.

Production of Files for Practice Inspection

It became apparent on hearing evidence from Mr. Taylor that only when his back was up against the wall might he produce the files required for practice inspection. It was also apparent that the longer the time allowed for Mr. Taylor to produce the files, the less likely it would be that the files would ever be submitted. The panel considered that providing Mr. Taylor with a reasonable deadline with a specific date would be in both his best interest and that of practice inspection. Accordingly, the panel ordered that Mr. Taylor deliver the files on or before July 31, 2000.

Fine

As stated above, Ms. McPhadden asked that a fine be levied against Mr. Taylor in the range of \$1,000 to \$2,000. Mr. Taylor indicated that since his was a small practice he could pay \$1,000 almost immediately but would need until the end of August to come up with \$2,000. Ms. McPhadden told the panel that the professional conduct committee had no problem with allowing Mr. Taylor an extension of time for the payment of the fine.

The panel agreed that a fine of \$2,000 was appropriate in this case, both as a general deterrent to like-minded members, and as a demonstration to the public of the profession's dim view of the type of non-cooperative behaviour exhibited by Mr. Taylor. His failure to cooperate with practice inspection is unacceptable and will not be tolerated.

However, the panel also noted that in all the cases referred to by Ms. McPhadden the members in question had not attended their discipline hearings, nor had any of them cooperated to the extent of Mr. Taylor, who had at least attended both the assignment hearing and the hearing, and had replied to letters from the Institute, even though he did not provide the information requested in those letters. Accordingly, in a effort to give Mr. Taylor an added incentive to submit the requested files as soon as possible, the panel determined that, so long as he produces the required files on or before July 31 as ordered, the fine would be reduced to \$1,000 if also paid by July 31.

Notice

The giving of notice of the panel's decision and order, disclosing Mr. Taylor's name, is in the opinion of the panel a general deterrent. It is the discipline committee's responsibility to ensure that members of the profession and the general public are made aware that failure on the part of members to cooperate with the regulatory processes of the Institute will result in the imposition of serious sanctions.

Failure to Comply

The panel in its order required Mr. Taylor to cooperate with practice inspection within a specified time. He has been given several previous opportunities to cooperate, and this is the final one. Failure to comply with any of the requirements of this order within the prescribed time frames will result in Mr. Taylor's immediate expulsion from membership in the Institute.

DATED AT TORONTO THIS 25TH DAY OF AUGUST, 2000
BY ORDER OF THE DISCIPLINE COMMITTEE

P.B.A. CLARKSON, CA – DEPUTY CHAIR
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

L.G. BOURGON, CA
B.L. HAYES, CA
J.M. MULHALL, CA
B.A. YOUNG (Public representative)