

**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 Delford Blythe

B E T W E E N:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Delford Blythe

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

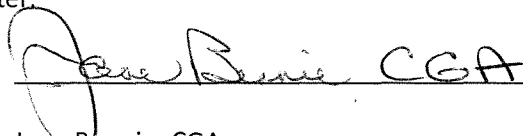
Members of the Professional Conduct Tribunal Panel:

Jane Bennie, CGA, Chair
Robert Haliburton, CGA
Leona Tranter, 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, Sandy Whyte, FCGA, January 8, 2014 and signed by Delford Blythe, January 23, 2014. The Professional Conduct Tribunal Panel has also reviewed its own decision dated February 27, 2014 along with the additional submissions by Ms. Jolley as contained in a letter dated April 14, 2014 with enclosures. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 7th day of May, 2014

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 Delford Blythe, a member of the
Certified General Accountants Association of Ontario**

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

1. Delford Blythe ("Blythe") became a member of CGA Ontario in 1998.
2. Blythe's CGA Ontario certificate number is 13149 and his CGA Canada certificate number is 338646.

Failure to Register a Compilation Engagement Practice

3. It came to the attention of CGA Ontario (the "Association") in February 2007 that Blythe appeared to be preparing financial statements when he was not registered to do so. He was advised at that time that he was required to register his practice.
4. In response, Blythe advised that he had started the process of registering and would do so to ensure that his practice conformed to all the rules of the Association.
5. Despite Blythe's 2007 representation that he would register, from that date to present he failed to register his practice as required and as particularized below.
6. For the calendar years 2008 to 2013, inclusive Blythe was not registered with CGA Ontario (the "Association") to prepare compilation engagements as required by the Code of Ethical Principles and Rules of Conduct (the "Code").
7. In the calendar years 2008 through 2013 inclusive, Blythe compiled balance sheets and income statements for clients and prepared notices to reader with respect to financial statements he had prepared when he was not registered with the Association to do so.
8. In the calendar year 2008 Blythe prepared approximately 6 financial statements and accompanying notices to reader for the tax year 2007.

9. In the calendar year 2009 Blythe prepared approximately 11 financial statements and accompanying notices to reader for the tax year 2008.
10. In the calendar year 2010 Blythe prepared approximately 12 financial statements and accompanying notices to reader for the tax year 2009.
11. In the calendar year 2011 Blythe prepared approximately 15 financial statements and accompanying notices to reader for the tax year 2010.
12. In the calendar year 2012 Blythe prepared approximately 13 financial statements and accompanying notices to reader for the tax year 2011.
13. In the calendar year 2013 Blythe prepared approximately 9 financial statements and accompanying notices to reader for the tax year 2012.
14. In summary in the calendar years 2008 to 2013, Blythe prepared approximately 66 financial statements and accompanying notices to reader when he was not registered with the Association to prepare compilation engagements.

Failure to Register an Income Tax Preparation Practice

15. For the calendar years 2007 through 2013, inclusive, Blythe was not registered with the Association to prepare income tax returns as required by the Code.
16. For the period 2007 through 2013 inclusive, Blythe prepared corporate tax returns for clients when he was not registered with the Association to do so.
17. For the period 2008 to 2013 inclusive, Blythe also prepared personal income tax returns for clients when he was not registered with the Association to do so.
18. In the calendar year 2007 Blythe prepared 2 corporate income tax returns for the tax year 2007.
19. In the calendar year 2008 Blythe prepared approximately 497 personal income tax returns and 9 corporate income tax returns for the tax year 2007.
20. In the calendar year 2009 Blythe prepared approximately 523 personal income tax returns and 16 corporate income tax returns for the tax year 2008.
21. In the calendar year 2010 Blythe prepared approximately 535 personal income tax returns and 15 corporate income tax returns for the tax year 2009.
22. In the calendar year 2011 Blythe prepared approximately 489 personal income tax returns and 15 corporate income tax returns for the tax year 2010.

23. In the calendar year 2012 Blythe prepared approximately 485 personal income tax returns and 13 corporate income tax returns for the tax year 2011.
24. In the calendar year 2013 Blythe prepared approximately 467 personal income tax returns and 10 corporate income tax returns for the tax year 2012.
25. In summary in the calendar years 2007 to 2013, Blythe prepared approximately 2,996 personal income tax returns and 80 corporate income tax returns when he was not registered with the Association to prepare income tax returns.
26. Blythe earned income from carrying on the practice that he was operating in violation of the Code.
27. Rule 515 of the Code requires a member to adhere to the practice inspection requirements of the Association.
28. Blythe did not undergo an inspection of his compilation practice with the Association as he had not registered that practice as required.
29. Rule 516 of the Code requires a member engaged in the preparation of compilation engagements or tax returns part-time or full-time to maintain professional liability insurance.
30. Blythe did not maintain insurance for his full time practice for any of the calendar years 2008 to 2013, inclusive.
31. The total cost of professional liability insurance for the years 2008 to 2013 inclusive was \$ 6,599.69 inclusive of tax.
32. Blythe was required to but did not purchase the Public Practice Manual (the "PPM") or the CICA Handbook (the "Handbook") for the years 2008 through 2013 when he was engaged in the preparation of compilation engagements and notices to reader.
33. The total cost of the PPM and applicable renewals was \$1,725.25 inclusive of tax for the years in question.
34. The total cost of the Handbook was \$2,990.05 inclusive of tax for the years in question.

Use of Designation in Dealings with Clients

35. On the exterior signage of the building in which Blythe practices, he prominently displays the CGA designation and offers "accounting & taxes".

36. The interior signage on Blythe's office door to his suite states: "Delford L. Blythe, B.Sc., CEB, CGA, Certified General Accountant."
37. The tenant directory in the business where Blythe works listed him at Suite 214 as "Delford Blythe CGA".
38. Blythe's business card, available in a holder on Blythe's desk, prominently displays the CGA designation and describes the member as "Delford Blythe, B.Sc, CGA, Certified General Accountant."
39. Blythe prominently displays his CGA Ontario and CGA Canada membership certificates in his office, mounted on the wall behind his desk and visible from the guest chair in the office.
40. On his LinkedIn profile, Blythe is described as a "Certified General Accountant ... [who] leads a private accounting and tax practice serving numerous corporate businesses and non-profit clients across the Greater Toronto Area, as well as sole proprietorship; individual; and corporate tax return clients."
41. Blythe is listed with 411.ca, with yellowpages.ca, canpages.ca, yelp.ca and Toronto.com, among other sites as "Blythe Delford CGA and CPA".
42. Blythe represented to the public in his visible use of the CGA designation that he was authorized to carry on the compilation practice and tax preparation practice that he had, when such was not the case.
43. Blythe's conduct amounted to professional misconduct.

B. AGREED UPON RESOLUTION

1. Blythe recognizes that it was contrary to the Code for him to be engaged in the preparation of compilation engagements or tax returns part time or full time (the "Registrable Services") when he was not registered with the Association to do so.
2. Blythe agrees that he provided Registrable Services to the public when he had not complied with the Association's practice inspection requirements, which was contrary to the Code.
3. Blythe agrees that he profited from his breaches of the Code by offering Registrable Services that he was not permitted to offer.
4. Blythe agrees that it was contrary to the Code for him to be engaged in the preparation of compilation engagements and the issuance of notices to reader without a practice inspection and without the PPM and Handbook.

5. Blythe agrees that it was contrary to the Code for him to offer or perform the Registrable Services without maintaining professional liability insurance.
6. Blythe agrees that his conduct amounted to a violation of Rules 514, 515 and 516 of the Code.
7. Blythe accepts a reprimand from the Association as a result of his breaches of the Code.
8. Blythe accepts a suspension of his membership for a period of three months, from the date of ratification of this agreement by the Professional Conduct Tribunal.
9. Along with his acceptance of this resolution, Blythe has enclosed both his CGA Ontario membership certificate and his CGA Canada membership certificate to be held for the duration of his suspension.
10. Blythe understands and agrees that he will not offer Registrable Services until he has registered and completed the requirements associated with such a practice and until his suspension has been completed.
11. Blythe accepts a fine of \$3,000, being comprised of a fine of \$1,000 for each violation of the Code, namely Rule 514, 515 and 516.
12. Blythe agrees to pay the sum of \$6,599.69 representing the cost of professional liability insurance that he should have paid for the years 2008 to 2013, inclusive.
13. Blythe agrees to pay the sum of \$2,990.05 representing the cost of the Handbook that he should have paid for the years 2008 to 2013, inclusive.
14. Blythe agrees to pay the sum of \$1,725.25 representing the cost of the PPM that he should have paid for the years 2008 through 2013, inclusive.
15. Blythe understands that the discipline committee (the "Committee") is not seeking any costs payable from him. 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 the committee will be seeking costs of that hearing from him.
16. Blythe understands that, as required by the bylaws, the terms of the resolution will be published in Statements in print and online and the full resolution will be posted on the Association's website.
17. Blythe 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 20 and 28 of Article 9 of the bylaw.

- 18. Blythe further understands that if he and the Committee 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:

8 January 2014

Name:

Sandy Whyte

Sandy Whyte, FCGA
Chair, Discipline Committee

Date of Acceptance:

Jan 23, 2014

Name:

Delford Blythe
Delford Blythe