



SUMMARY OF SANCTION AGREEMENT DOUGLAS GORDON BIJOU

Douglas Gordon Bijou was contracted, on a part-time basis, to perform the year end accounting for Company X in or around August 2008. In February 2009, Mr. Bijou was hired by Company X as an employee with the title of Controller, working four days a week. Mr. Bijou did not make daily journal entries in Quickbooks, but he used a master forecast spreadsheet ("Master Spreadsheet") to track daily cash balances, including receipts and payments, and to forecast sales, purchasing, vendor payables, and payroll, and then made consolidated entries in Quickbooks. Neither Employer A or B were aware of a Master Spreadsheet.

An employment agreement was entered between Company X and Mr. Bijou in February 2010. According to the agreement, Mr. Bijou was responsible for "managing the financial operations of Company X (all store locations) and for providing accurate information to the Board of Directors, including analysis, budgeting, forecasting and preparing financial reports". Mr. Bijou was also responsible for recording and reviewing journal entries and preparing CRA remittances and filings for the Company but was not authorized to sign remittances or filings.

In the spring of 2010, Company X was not submitting payroll remittances. Mr. Bijou told the owners that GST credits would offset payroll remittances owed by Company X. Mr. Bijou provided a letter to the owners addressed to CRA that stated:

"The difference in the account in excess of required remittances is primarily the result of transfers to the account from other program accounts (Oct 27, 2009) being offset by interest and penalty charges. The amounts withheld from the employees has been accounted for and remitted to CRA in accordance with the program requirements".

In the fall of 2010, Employer A asked if Company X's GST returns were filed; Mr. Bijou responded that all returns were filed and that there was nothing to worry about. On January 13, 2011, in an email to Mr. Bijou, Employer A asked for a timeline for completion of GST. In an email dated January 14, 2011, Mr. Bijou provided a completion date of January 21, 2011 for GST/Payroll.

On January 30, 2011, Employer A telephoned CRA to confirm Company X's status regarding payroll remittances and GST returns. CRA informed Employer A that GST returns had not been filed and/or GST had not been remitted for Company X since the fourth quarter of 2009. The CRA also informed Employer A that Company X was significantly in arrears with respect to payroll remittances, as no payroll remittances had been made for 2010. On January 31, 2011, Employer A asked Mr. Bijou about the status of Company X's payroll remittances and GST returns. Mr. Bijou advised Employer A that everything was prepared, and ready for signature and filing. Mr. Bijou claimed that he was not responsible for actually signing and filing the remittances or the GST returns. Mr. Bijou was terminated on January 31, 2011.

CRA undertook an examination of Company X, which was completed on January 9, 2012. On completion, CRA stated that Company X's GST was in arrears from December 31, 2009 to June 30, 2011 and that Company X owed \$34,282, including penalties and interest of \$6,072.92, relating to the failure to remit 2010 payroll as required.

In a Notice of Reassessment dated May 25, 2012, Employer A was reassessed \$20,162.59 for 2010 due to Mr. Bijou issuing a cheque from Company X to Employer A personally for both Employer A & B's management fees, instead of to their holding company.



Employer A filed a complaint with the ICAA on March 23, 2012. June 18, 2012 Mr. Bijou finally signed for a letter from the CIC Secretary enclosing the complaint and requesting a response within 30 days. Mr. Bijou did not respond.

On October 18, 2013, the Complaints Inquiry Committee approved and accepted a sanction agreement pursuant to the provision of s.74 of the *Regulated Accounting Profession Act*, R.S.A. 2000, c. R-12 ("*RAPA*").

ADMISSIONS

Douglas Gordon Bijou, admitted that he is guilty of unprofessional conduct with respect to his employment with Company X during the period of August, 2008 to January, 2011 in that he:

1. failed to perform his duties with due care in having:
 - a. recorded unusual accounting entries made without adequate supporting documentation;
 - b. made significant errors in the 2009 corporate tax return for Employer A & B Inc., Employer A and Employer B's holding company, including recording income as a loan payable to Company X;
 - c. failed to ensure, in a timely manner, that the 2008 corporate income tax return for Company X was filed; and
 - d. failed to ensure, in a timely manner, that the 2008 personal income tax returns for Employer A & B were filed.
2. made representations that he knew or should have known were false or misleading by:
 - a. informing Employer A and/or Employer B on more than one occasion between 2008 and 2011 that all of Company X's GST returns were filed;
 - b. advising Employer A that credits for GST would offset payroll remittances owed by Company X; and
 - c. providing Employer A & B a work flow document in or around January 13, 2011, which summarized GST and Payroll remittance work completed and outstanding.
3. failed to ensure that Company X's GST returns and/or remittances were filed during the period of October 1, 2009 to January 30, 2011, thereby causing Company X to become in arrears for GST by \$34,590.52;
4. failed to ensure that payroll remittances were made on behalf of Company A to the Canada Revenue Agency for 2010;
5. failed to respond to the letter from the Institute of Chartered Accountants of Alberta, dated March 28, 2012, requesting a response to the complaint.



SANCTIONS

AND, Douglas Gordon Bijou, and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof are:

1. cancellation of registration;
2. payment of fines of \$5,000 within one year of the issuance of the statement of costs;
3. payment of costs of the investigation, hearing and compliance with the orders, within one year of the issuance of the statement of costs;
4. a summary of the sanction agreement's admissions and sanctions be provided to all provincial institutes, the Institute of Chartered Accountants of Bermuda and any other professional organization to which Douglas Gordon Bijou belongs and the Institute is aware, as of the date of this order;
5. notification of the sanction agreement's admissions and sanctions be provided to all provincial institutes to which Douglas Gordon Bijou applies for membership at any time following this order;
6. notification of the sanction agreement's admissions and sanctions be provided to anyone who directs an enquiry to the Institute about the discipline history of Douglas Gordon Bijou;
7. a summary of the sanction agreement's admissions, the nature of the conduct, any orders made as a result of the findings be published on the Institute's public website on a named basis;
8. the sanction agreement with all third parties' names replaced by pseudonyms, be published on the Institute's public website on a named basis and a copy of that written decision be provided to Quicklaw in accordance with the bylaws;
9. any re-application for membership in the Institute will not be considered until Douglas Gordon Bijou completes a course on workplace ethics;
10. a notice of the cancellation of registration, including the nature of the conduct, any orders made, the terms of the sanction agreement, and any conditions to be met prior to any application for reinstatement be published to all chartered accountants; and
11. a notice of cancellation be placed in the *Edmonton Journal* and the *Calgary Herald* and that more information can be obtained from the Institute.

Discipline Tribunal Secretary
October 18, 2013