



Disciplinary Orders and Regulatory Decisions

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Disciplinary orders

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DISCIPLINARY COMMITTEE TRIBUNAL ORDERS

1

Butterworth Barlow Ltd of

Prescot House, 3 High Street, Prescot, Merseyside, L34 3LD.

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 23 January 2018

Type of Member Firm

Terms of complaint

1. Between 7 November 2014 and 5 March 2015 Butterworth Barlow Ltd failed to comply with regulation 21 of the Clients' Money Regulations as the firm failed to ensure that the credit balances held for all clients was at least equal to the total balance held in all client bank accounts by making the following unauthorised withdrawals:
 - a) £5,000 on 23 September 2014
 - £5,000 on 7 November 2014
 - £5,000 on 25 November 2014
 - £3,000 on 24 February 2015
 - £7,041.40 on 5 March 2015
2. Butterworth Barlow Ltd failed to comply with regulation 13 of the Clients' Money Regulations because the firm did not pay the sum of £17,151.70 received from a client "Company A Limited" on 29 September 2014 into a designated client account within 30 days of receipt of the monies from the client.
3. Between 27 November 2011 and 15 June 2015 Butterworth Barlow Limited failed to comply with regulation 9b of the Clients' Money Regulations as the firm did not obtain from the bank in writing confirmation of the trust status of the firm's client bank account.
4. Between November 2011 and November 2015 Butterworth Barlow Limited failed to comply with regulation 25 of the Clients' Money Regulations as the firm did not, at least once every five weeks, reconcile the total balances on all its Client Bank Accounts with the total corresponding credit balances in respect of its clients.
5. Butterworth Barlow Ltd failed to comply with regulation 10 of the Clients' Money Regulations as on 15 July 2015 client funds of £980 were paid in to the firm's office bank account.

Butterworth Barlow is therefore liable to disciplinary action under Disciplinary Bye-law ('DBL') 5.1.c which states:

'A member-firm or contracted firm (both hereinafter referred to as 'respondent firm') shall be liable to disciplinary action under these bye-laws in any of the following cases:

...

c. if it has committed a breach of the bye-laws or of any regulations or has failed to comply with any order, direction or requirement made, given or imposed under them'

Hearing dates	23 January 2018
Previous hearing dates	N/A
Pre-hearing review or final hearing	Final hearing
Heads of complaint found proved	1, 2, 3 and 4
Head of complaint withdrawn	5
Sentencing order	Severe reprimand Fine £3,000 Costs £3,896
Procedural matters and findings	
Parties and representation	The Investigation Committee ('IC') was represented by Ms Jessica Sutherland-Mack The defendant was present and was represented by Mr Christopher Cope
Hearing in public or private	The hearing was in public
Decision on service	The Tribunal was satisfied that service was in accordance with regulations 3 and 5 of the Disciplinary Committee Regulations ('DCR')
Documents considered by the tribunal	The Tribunal considered the documents contained in the Investigation Committee's bundle, the defendant's Regulation 13 answers and the defence bundle.

Preliminary matters

1. Butterworth Barlow Ltd ('the defendant') is an ICAEW member firm. Its directors, Mr Gavin Butterworth and Mr Barry Barlow are Fellows of the Institute. The complaint concerned the handling of client money by the defendant in 2014 and 2015. Mr Butterworth and Mr Barlow faced related complaints. The Tribunal exercised its discretion under DCR 32 to hear the complaints against Mr Butterworth and Mr Barlow together with the complaint against the defendant.
2. At the outset of the hearing Ms Sutherland-Mack offered no evidence on bullet point 5 of head of complaint 1. This was on the basis that the IC accepted that the sum in question, namely £7,041.40, was withdrawn from the client account to pay a tax liability and therefore was not an unauthorised transfer.

3. Ms Sutherland-Mack also offered no evidence on head of complaint 5 on the basis that the evidence showed the defendant requested the client in question to make the payment into its client account but the client paid it into its office account in error. In those circumstances the payment could not be said to amount to a breach by the firm.
4. Accordingly the Tribunal allowed bullet point 5 of head of complaint 1 and head of complaint 5 to be withdrawn.

The Investigation Committee's case

5. On 9 March 2015 the Quality Assurance Department of ICAEW ('QAD') undertook a routine practice assurance visit to the defendant. The QAD found evidence of a number of breaches of ICAEW's Clients' Money Regulations ('CMR'). Those breaches are set out in the heads of complaint faced by the defendant.

Head of complaint 1: unauthorised withdrawals

6. The QAD found that on five occasions between September 2014 and March 2015 money was withdrawn from the defendant's client account and transferred to its office account. The IC alleged that the purpose of these transfers was to assist the defendant's cashflow. The IC's case was that these withdrawals were in breach in of Regulation 21 of the CMR which states:

The firm must ensure that at all times the sum of the credit balances held for all clients is at least equal to the total balance held in all Client Bank Accounts and that no amount may be withdrawn for any client which is greater than the credit balance held for that client.

7. The withdrawals were as follows.

£5,000 on 23 September 2015. The defendant's overdraft limit on its office account was £25,000. At the close of business on 22 September 2015 the office account was overdrawn by £20,283.44 and a wages payment of £3,146.93 was due to be paid out of the account the following day. Thus without this transfer of £5,000 the office account would have been at risk of exceeding its overdraft facility. The money was repaid to the client account on 29 September 2014 when the defendant was in a better financial position.

£5,000 on 7 November 2014 and £5,000 on 25 November 2014. On 29 September 2014 the defendant had received a sum of £17,151.70 from one of its clients, Company A Ltd, to settle a tax liability. The tax was not due to be paid to HMRC until April 2015. The IC's case is that the defendant made the above transfers, totalling £10,000, from its client account to its office account to meet cashflow problems. The tax liability was paid to HMRC directly from the office account by payments made on 5 and 6 March 2015. Thus between November 2014 and March 2015 the defendant held £10,000 of Company A's money in its office account. Had it not been for this the account would have exceeded its overdraft limit of £25,000 during this period.

£3,000 on 24 February 2015. By close of business on 23 February 2015 the office account was overdrawn by £21,271.79. The following day wages of £3,345.18 were paid out. This sum of £3,000 was transferred from the client account to prevent the defendant trading close to its overdraft limit. This money was repaid to the client account on 27 February 2015.

Head of complaint 2: failure to transfer client funds to designated account

8. This head of complaint relates to the sum of £17,510.70 that the defendant received from Company A on 29 September 2015 in respect of its tax liability. Where a sum in excess of £10,000 is held for a client for a period of more than 30 days, regulation 13 of the CMR requires that sum to be paid into a designated account for that client. The defendant held this money of Company A for over five months, until the tax liability was paid in March 2015, without placing it in a designated client account.

Head of complaint 3: trust status bank letter

9. On opening a client bank account a member firm must, per regulation 9b of the CMR, obtain from the bank a letter known as a bank trust letter. The letter must state, among other things, that the bank acknowledges it is not entitled to exercise a claim on funds in the client account in order to meet the firm's own liabilities.
10. On 27 November 2011 the defendant opened a client bank account. The QAD discovered at the practice assurance visit in March 2015 that the defendant had not obtained a bank trust letter for this account. This was subsequently remedied by the defendant and the appropriate letter from the bank was obtained on 16 June 2015.

Head of complaint 4: minimum fifth week account reconciliations

11. Regulation 25 of the CMR requires a firm to reconcile the balance on its client account with the sums held on behalf of clients every five weeks. When the QAD visited the defendant in March 2015 there was no evidence that the minimum five-weekly reconciliations had been performed. This has subsequently been remedied by the defendant.

Liability to disciplinary action

12. Breach of the CMR renders the defendant liable to disciplinary action under DBL 5.1.c.

The defendant's case

13. In light of the withdrawal of bullet point 5, the defendant admitted head of complaint 1. The defendant also admitted heads of complaint 2, 3 and 4.

Conclusions and reasons for decision

Decision on complaint

14. The Tribunal allowed bullet point 5 of head of complaint 1 and head of complaint 5 to be withdrawn.
15. The Tribunal found heads of complaint 1, 2, 3 and 4 proved on the defendant's admission.

Matters relevant to sentencing

16. There were no previous disciplinary matters recorded against the defendant. It had immediately admitted the complaints once discovered and expressed contrition. The defendant had accepted the advice given by the QAD and had appointed an external reviewer to report on its compliance with the clients' money rules. The Tribunal was satisfied that the deficiencies identified in the QAD inspection had been appropriately addressed.
17. Nonetheless the defendant had committed serious breaches of its obligations in respect of client money. The most serious of those was using client money to meet the firm's outgoings, as set out in head of complaint 1. The more significant mischief lay in the fact that two transfers, totalling £10,000, were used by the firm to fund its business for a period of over three months and were only capable of being repaid without breaching the firm's overdraft limit because the firm had been able to negotiate a loan. The Tribunal considered that the failings set out in heads of complaint 2, 3 and 4 were also substantial departures from the firm's obligations to its clients.
18. The Tribunal had regard to the ICAEW's *Guidance on Sanctions*. The firm had used a substantial sum of client money for its own benefit for a long period of time. It had disregarded other important obligations in respect of holding client money. This was conduct which was worthy of nothing less than a severe reprimand. In addition the Tribunal considered the imposition of a fine was appropriate. In light of the matters that had been proved against the defendant, and taking into account the orders made in respect of the other defendants, the Tribunal considered the appropriate fine was £3,000.
19. The IC applied for costs in the sum of £9,566 against all three defendants. The Tribunal was satisfied that there was no reason in principle why these costs should not be met by the defendants. The Tribunal considered that the appropriate share of this total for the defendant to pay in respect of costs was £3,896.

Sentencing order

20. The order made by the Tribunal is therefore as follows:

Butterworth Barlow Ltd is severely reprimanded;

Butterworth Barlow Ltd is fined £3,000;

Butterworth Barlow Ltd shall pay costs to the ICAEW of £3,896;

The fine and the costs shall be paid by Butterworth Barlow Ltd in instalments of not less than £333.33 per month with the first payment on 1 March 2018.

Decision on publicity

21. The Tribunal directed that a record of this decision shall be published and the defendant shall be named in that record.

Non Accountant Chairman

Mr Richard Farrant

Accountant Member

Mr Mike Ranson FCA

Non Accountant Member

Miss Jane Rees

Legal Assessor

Mr Andrew Granville Stafford

030070

Mr Barry Craig Barlow FCA of

Butterworth Barlow Ltd, Prescott House, 3 High Street, Prescott, Merseyside, L34 3LD

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 23 January 2018

Type of Member Member

Terms of complaint

1A Mr Barry Barlow FCA, director of Butterworth Barlow Ltd, allowed the following sums to be transferred from the firm's client bank account when he knew or was reckless as to whether this was contrary to Regulation 21 Clients' Money Regulations:

- a. £5,000 on 23 September 2014
- b. £5,000 on 7 November 2014
- c. £5,000 on 25 November 2014
- d. £3,000 on 24 February 2015
- e. £7,041.40 on 5 March 2015

OR IN THE ALTERNATIVE:

1B Mr Barry Barlow FCA, director of Butterworth Barlow Ltd, allowed the following sums from the firm's client bank account to be transferred to the office bank account in breach of Regulation 21 Clients' Money Regulations:

- a. £5,000 on 23 September 2014
- b. £5,000 on 7 November 2014
- c. £5,000 on 25 November 2014
- d. £3,000 on 24 February 2015
- e. £7,041.40 on 5 March 2015

Mr Barry Craig Barlow is therefore liable to disciplinary action under Disciplinary Bye-law (DBL) 4.1.a in respect of head 1A or DBL 4.1.c in respect of head 1B.

Hearing date	23 January 2018
Previous hearing dates	N/A
Pre-hearing review or final hearing	Final hearing
Complaint found proved	Yes to 1A, on the basis of knowledge
Sentencing order	Severe reprimand Fine £2,000 Costs £2,835

Procedural matters and findings

Parties and representation The Investigation Committee ('IC') was represented by Ms Jessica Sutherland-Mack

The defendant was present and was represented by Mr Christopher Cope

Hearing in public or private

The hearing was in public

Decision on service

The Tribunal was satisfied that service was in accordance with regulations 3 and 5 of the Disciplinary Committee Regulations ('DCR')

Documents considered by the tribunal

The Tribunal considered the documents contained in the Investigation Committee's bundle, the defendant's Regulation 13 answers and the defence bundles

Preliminary matters

1. Mr Barry Craig Barlow FCA ('the defendant') has been a member of ICAEW since 2001. He is a director of Butterworth Barlow Ltd ('the firm'). The complaint relates to handling clients' money and is linked to complaints made against the firm and against the defendant's fellow director, Mr Gavin Butterworth FCA. With the agreement of the parties, the Tribunal exercised its discretion under DCR 32 to hear the complaints together.
2. At the outset of the hearing, with the concurrence of the parties, the Tribunal allowed an amendment to head of complaint 1A. The words 'to the office bank account' were added after the words 'from the firm's client bank account' in order to make the allegation clear and to make its wording consistent with head of complaint 1B.

The Investigation Committee's case

3. On 9 March 2015 the Quality Assurance Department of the ICAEW ('QAD') undertook a routine practice assurance visit of the firm. The QAD found evidence of failure to comply with the ICAEW's Clients' Money Regulations ('CMR').
4. The QAD found that on five occasions between September 2014 and March 2015 money was withdrawn from the firm's client account and transferred to its office account. The purpose of these transfers was to assist the firm's cashflow. The IC's case was that these withdrawals were in breach of Regulation 21 of the CMR which states:
The firm must ensure that at all times the sum of the credit balances held for all clients is at least equal to the total balance held in all Client Bank Accounts and that no amount may be withdrawn for any client which is greater than the credit balance held for that client
5. The withdrawals were as follows.
£5,000 on 23 September 2015. The firm's overdraft limit on its office account was £25,000. At the close of business on 22 September 2015 the office account was overdrawn by £20,283.44 and a wages payment of £3,146.93 was due to go out of the account the following day. Thus without this transfer of £5,000 the office account would have been close to going over its overdraft limit. The money was repaid to the client account on 29 September 2014 when the firm was in a better financial position.

£5,000 on 7 November 2014; £5,000 on 25 November 2014 and £7,041.40 on 5 March 2015. On 29 September 2014 the defendant had received a sum of £17,151.70 from one of its clients, Company A Ltd, to settle a tax liability. The tax was not due to be paid until April 2015. Between receiving the funds and paying them to HMRC the defendant made three transfers, as set out above, from its client account to its office account. The IC's case is that this was done to meet cashflow problems. The tax liability was paid to HMRC directly from the office account by payments of £9,000 on 5 March 2015 and £8,041.40 on 6 March 2015. Thus between November 2014 and March 2015 the defendant held £10,000 of Company A's money in its office account. Had it not been for this the office account overdraft limit of £25,000 would have been exceeded during this period.

£3,000 on 24 February 2015. By close of business on 23 February 2015 the office account was overdrawn by £21,271.79. The following day wages of £3,345.18 were paid out and this sum of £3,000 was transferred from the client account to prevent the defendant trading close to its overdraft limit. This was repaid to the client account on 27 February 2015.

6. Head of complaint 1A alleged that the defendant knew the transfers in question were contrary to Regulation 21 of the CMR or was reckless as to whether they were. This, it was alleged, renders him liable to disciplinary action under DBL 4.1.a.
7. Head of complaint 1B, which was a lesser alternative to 1A, alleged that the defendant was liable to disciplinary action under DBL 4.1.c on the basis that the transfers in question amounted to a breach of regulation 21 of the CMR. The Tribunal was only required to consider this head of complaint in the event that head of complaint 1A was found not proved.

The defendant's case

8. In respect of head of complaint 1A:
 - (a) The defendant denied that the transfer of £7,041.40 on 5 March 2015 was in breach of CMR 21. His case was that this was an authorised transfer which was made in order to facilitate the tax payment on behalf of Company A. He accepted that the other four withdrawals were in breach of CMR 21.
 - (b) The defendant denied that he knew at the time the withdrawals were contrary to CMR 21 but admitted that he was reckless as to whether they were or not.
9. As the defendant made an admission to head of complaint 1A it was not necessary to put the alternative head of complaint 1B.

Issues of fact and law

10. The issues for the Tribunal to decide were:
 - Whether the defendant knew the transfers were contrary to CMR 21, as opposed to being reckless as to whether they were.
 - Whether the withdrawal of £7,041.40 on 5 March 2015 was contrary to CMR 21.

Conclusions and reasons for decision

Decision on complaint

11. The Tribunal heard oral evidence from the defendant and his fellow director Mr Butterworth. It considered the documents in the IC's bundle and the defence bundle and it heard submissions from the parties. It bore in mind that the burden of proof was on the IC and the standard of proof was proof on the balance of probabilities.
12. The Tribunal first considered the issue regarding the £7,041.40 withdrawal. Mr Cope referred the Tribunal to the firm's office account bank statements which showed this sum being transferred into the account on the same day that £9,000 was transferred out of the account in part-payment of the corporation tax liability. The Committee did not however agree that this meant that the £7,041.40 withdrawal was not in breach of CMR 21. The defendant accepted in his evidence that the £7,041.40 had not been paid out until the following day (being part of the £8,041.40 payment made to HMRC on 6 March 2015).
13. Therefore the Tribunal was satisfied that the withdrawal of £7,041.40 from the client account on 5 March 2015 was contrary to CMR 21.
14. The Tribunal went on to consider whether the defendant knew the five withdrawals identified in the complaint were in breach of CMR 21.
15. The defendant's evidence was that during 2014 he had a large number of personal problems which affected his working capacity. As a result his ability to earn income for the firm reduced. He agreed that the transfers were made because the firm was in a precarious financial position. He accepted that with hindsight it looked bad but told the Tribunal that because of the stress he was under at the time his judgment was clouded.
16. The Tribunal was quite satisfied that the defendant fully appreciated that these transactions were contrary to the rules on holding clients' money. The Tribunal accepted that the defendant was under personal stress and his firm were under considerable financial pressure at the time the transfers were made. However, the point of having rules relating to client money is to deal with situations such as this. The Tribunal was in no doubt that the defendant was fully aware that he was authorising transactions which breached the regulations regarding clients' money.
17. The Tribunal therefore found that the defendant authorised the five transfers knowing that they were contrary to CMR 21. Head of complaint 1A was therefore found proved on the basis of knowledge rather than just recklessness.

Matters relevant to sentencing

18. The Tribunal accepted that the following were mitigating factors:
 - There were no previous disciplinary matters recorded against the defendant.
 - No loss had been suffered by any client.
 - The defendant had shown contrition.
 - There was evidence that the defendant's firm had acted on lessons learned from the QAD inspection.
 - There had been no repetition since the incident in question and it was unlikely that similar breaches of the rules on client money would occur in the future.

19. Nonetheless, using client money to settle the firm's financial liabilities is clearly a serious breach of an accountant's obligations. There was clear potential in the circumstances that existed in this case for client money to be put at risk. In respect of three of the five transfers the money was only in the office account for relatively short periods. The more significant mischief lay in the fact that two transfers, totalling £10,000, were used by the firm to fund its business for a period of over three months and were only capable of being repaid without breaching the firm's overdraft limit because the firm had been able to negotiate a loan.
20. The Tribunal had regard to ICAEW's *Guidance on Sanctions*. Section 11 deals with clients' money offences. The Tribunal considered in particular the suggested starting point for cases where a medium sum of client money is held in an overdrawn account for a long period. The sums of money involved could not be described as small sums bearing in mind the size of the firm and the types of clients it was acting for. The money was held in the office bank account for an appreciable period, during the entirety of which the account was overdrawn. This amounted to an obvious and unacceptable risk to clients.
21. Had this not been a first offence, the appropriate sanction may well have been exclusion from membership. In light of the fact that the defendant had a previous unblemished record and had shown remorse the Tribunal decided that the appropriate penalty was a severe reprimand and a fine. In assessing the appropriate level of the fine the Tribunal bore in mind that the totality of the fines imposed on the defendant, his fellow director and his firm should not be disproportionate to the overall gravity of the misconduct. The Tribunal considered that a fine of £2,000 was proportionate.
22. Ms Sutherland-Mack informed the Tribunal that the Institute's claim for costs against all three defendants totalled £9,566. She accepted that the costs incurred in respect of the firm were higher than those in respect of the defendant and his fellow director Mr Butterworth. She provided the Tribunal with schedules setting out the costs incurred by the Institute and invited the Tribunal to make an appropriate apportionment of those costs. Mr Cope did not argue that the costs claimed were either unreasonable in amount or had been unreasonably incurred. He asked the Tribunal to take into account the financial circumstances of the defendants in making an order for a fine and costs and he invited the Tribunal to make an order for payment by instalments.
23. The Tribunal considered that it was appropriate to order the defendant to pay costs to ICAEW in the sum of £2,835. In light of the information it received about the defendants' financial circumstance, the Tribunal allowed payment by instalments which, aggregated for the three defendants, would be £1,000 per month.

Sentencing order

24. The Tribunal made the following order:

Mr Barry Barlow is severely reprimanded;

Mr Barry Barlow is fined £2,000.

Mr Barry Barlow shall pay costs to the ICAEW of £2,835;

The fine and the costs shall be paid by Mr Barry Barlow in instalments of not less than £333.33 per month with the first payment on 1 March 2018.

Decision on publicity

25. The Tribunal directed that a record of this decision shall be published and the defendant shall be named in that record.

Non Accountant Chairman
Accountant Member
Non Accountant Member
Legal Assessor

Mr Richard Farrant
Mr Mike Ranson FCA
Miss Jane Rees
Mr Andrew Granville Stafford

035255

Mr Gavin Butterworth FCA of

Butterworth Barlow Ltd., Prescot House, 3 High Street, Prescot, Merseyside, L34 3LD

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 23 January 2018

Type of Member Member

Terms of complaint

1A Mr Gavin Butterworth FCA, director of Butterworth Barlow Ltd, transferred the following sums from the firm's client bank account when he knew or was reckless as to whether this was contrary to Regulation 21 Clients' Money Regulations:

- a. £5,000 on 23 September 2014
- b. £5,000 on 7 November 2014
- c. £5,000 on 25 November 2014
- d. £3,000 on 24 February 2015
- e. £7,041.40 on 5 March 2015

OR IN THE ALTERNATIVE:

1B Mr Gavin Butterworth FCA, director of Butterworth Barlow Ltd, transferred the following sums from the firm's client bank account to the office bank account in breach of Regulation 21 Clients' Money Regulations:

- a. £5,000 on 23 September 2014
- b. £5,000 on 7 November 2014
- c. £5,000 on 25 November 2014
- d. £3,000 on 24 February 2015
- e. £7,041.40 on 5 March 2015

Mr Gavin Butterworth is therefore liable to disciplinary action under Disciplinary Bye-law (DBL) 4.1.a in respect of head 1A or DBL 4.1.c in respect of head 1B.

Hearing date	23 January 2018
Previous hearing dates	N/A
Pre-hearing review or final hearing	Final hearing
Complaint found proved	Yes to 1A, on the basis of knowledge
Sentencing order	Severe reprimand Fine £2,000 Costs £2,835

Procedural matters and findings

Parties and representation

The Investigation Committee ('IC') was represented by Ms Jessica Sutherland-Mack
The defendant was present and was represented by Mr Christopher Cope

Hearing in public or private

The hearing was in public

Decision on service

The Tribunal was satisfied that service was in accordance with regulations 3 and 5 of the Disciplinary Committee Regulations ('DCR')

Documents considered by the tribunal

The Tribunal considered the documents contained in the Investigation Committee's bundle, the defendant's Regulation 13 answers and the defence bundles

Preliminary matters

1. Mr Gavin Butterworth FCA ('the defendant') has been a member of ICAEW since 2002. He is a director of Butterworth Barlow Ltd ('the firm'). The complaint relates to handling clients' money and is linked to complaints made against the firm and against the defendant's fellow director Mr Barry Barlow FCA. With the agreement of the parties, the Tribunal exercised its discretion under DCR 32 to hear the complaints together.
2. At the outset of the hearing, with the concurrence of the parties, the Tribunal allowed an amendment to head of complaint 1A. The words 'to the office bank account' were added after the words 'from the firm's client bank account' in order to make the allegation clear and to make its wording consistent with head of complaint 1B.
- 3.

The Investigation Committee's case

4. On 9 March 2015 the Quality Assurance Department of the ICAEW ('QAD') undertook a routine practice assurance visit of the firm. The QAD found evidence of failure to comply with the ICAEW's Clients' Money Regulations ('CMR').
5. The QAD found that on five occasions between September 2014 and March 2015 money was withdrawn from the firm's client account and transferred to its office account. The purpose of these transfers was to assist the firm's cashflow. The IC's case was that these withdrawals were in breach of regulation 21 of the CMR which states:
The firm must ensure that at all times the sum of the credit balances held for all clients is at least equal to the total balance held in all Client Bank Accounts and that no amount may be withdrawn for any client which is greater than the credit balance held for that client.

6. The withdrawals were as follows.

£5,000 on 23 September 2015. The firm's overdraft limit on its office account was £25,000. At the close of business on 22 September 2015 the office account was overdrawn by £20,283.44 and a wages payment of £3,146.93 was due to go out of the account the following day. Thus without this transfer of £5,000 the office account would have been close to going over its overdraft limit. The money was repaid to the client account on 29 September 2014 when the firm was in a better financial position.

£5,000 on 7 November 2014; £5,000 on 25 November 2014 and £7,041.40 on 5 March 2015. On 29 September 2014 the defendant had received a sum of £17,151.70 from one of its clients, Company A Ltd, to settle a tax liability. The tax was not due to be paid until April 2015. Between receiving the funds and paying them to HMRC the defendant made three transfers, as set out above, from its client account to its office account. The IC's case is that this was done to meet cashflow problems. The tax liability was paid to HMRC directly from the office account by payments of £9,000 on 5 March 2015 and £8,041.40 on 6 March 2015. Thus between November 2014 and March 2015 the defendant held £10,000 of Company A's money in its office account. Had it not been for this the office account overdraft limit of £25,000 would have been exceeded during this period.

£3,000 on 24 February 2015. By close of business on 23 February 2015 the office account was overdrawn by £21,271.79. The following day wages of £3,345.18 were paid out and this sum of £3,000 was transferred from the client account to prevent the defendant trading close to its overdraft limit. This was repaid to the client account on 27 February 2015.

7. Head of complaint 1A alleged that the defendant knew the transfers in question were contrary to Regulation 21 of the CMR or was reckless as to whether they were. This, it was alleged, renders him liable to disciplinary action under DBL 4.1.a.
8. Head of complaint 1B, which was a lesser alternative to 1A, alleged that the defendant was liable to disciplinary action under DBL 4.1.c on the basis that the transfers in question amounted to a breach of regulation 21 of the CMR. The Tribunal was only required to consider this head of complaint in the event that head of complaint 1A was found not proved.

The defendant's case

9. In respect of head of complaint 1A:
- (a) The defendant denied that the transfer of £7,041.40 on 5 March 2015 was in breach of CMR 21. His case was that this was an authorised transfer which was made in order to facilitate the tax payment on behalf of Company A. He accepted that the other four withdrawals were in breach of CMR 21.
 - (b) The defendant denied that he knew at the time the withdrawals were contrary to CMR 21 but admitted that he was reckless as to whether they were or not.
9. As the defendant made an admission to head of complaint 1A it was not necessary to put the alternative head of complaint 1B.

Issues of fact and law

10. The issues for the Tribunal to decide were:
 - Whether the defendant knew the transfers were contrary to CMR 21, as opposed to being reckless as to whether they were.
 - Whether the withdrawal of £7,041.40 on 5 March 2015 was contrary to CMR 21.

Conclusions and reasons for decision

Decision on complaint

11. The Tribunal heard oral evidence from the defendant and his fellow director Mr Barlow. It considered the documents in the IC's bundle and the defence bundle and it heard submissions from the parties. It bore in mind that the burden of proof was on the IC and the standard of proof was proof on the balance of probabilities.
12. The Tribunal first considered the issue regarding the £7,041.40 withdrawal. Mr Cope referred the Tribunal to the firm's office account bank statements which showed this sum being transferred into the account on the same day that £9,000 was transferred out of the account in part-payment of the corporation tax liability. The Committee did not however agree that this meant that the £7,041.40 withdrawal was not in breach of CMR 21. The Committee noted that the defendant's co-director, Mr Barlow, accepted in his evidence that the £7,041.40 had not been paid out until the following day (being part of the £8,041.40 payment made to HMRC on 6 March 2015).
13. Therefore the Tribunal was satisfied that the withdrawal of £7,041.40 from the client account on 5 March 2015 was contrary to CMR 21.
14. The Tribunal went on to consider whether the defendant knew the five withdrawals identified in the complaint were in breach of CMR 21.
15. The defendant accepted that withdrawing money from the client account and transferring it to the office account was a breach of the CMR. The defendant however told the Tribunal in his evidence that he was not very familiar with the CMR at the time and, because of the precarious financial position the firm was in, he did not stop to think if he was breaching the rules.
16. The Tribunal was quite satisfied that the defendant knew what he was doing was wrong. The defendant accepted in his evidence that he knew what the purpose of holding client money in a designated client bank account was. He accepted that his motivation for making the transfers was to avoid the firm exceeding its overdraft limit. It is inconceivable that he did not realise he was breaching the rules regarding client accounts.
17. The firm took out a loan of £26,500 on 4 March 2015. £10,000 from this loan was designated to repay the amounts transferred from Client A's deposit, thereby enabling it to pay Company A's corporation tax liability on 5 and 6 March 2015. It was of some significance that this was some seven weeks before the tax had to be paid. As the defendant said in evidence, he just wanted to get it out of the way due to the stress it was causing. This is evidence that he not only understood exactly what he was doing but that he knew he should not have been doing it.
18. The Tribunal therefore found that the defendant made each of the five transfers knowing that they were contrary to CMR 21. Head of complaint 1A was therefore found proved on the basis of knowledge rather than just recklessness.

Matters relevant to sentencing

19. The Tribunal accepted that the following were mitigating factors:
- There were no previous disciplinary matters recorded against the defendant.
 - No loss had been suffered by any client.
 - The defendant had shown contrition.
 - There was evidence that the defendant's firm had acted on lessons learned from the QAD inspection.
 - There had been no repetition since the incident in question and it was unlikely that similar breaches of the rules on client money would occur in the future.
20. Nonetheless, using client money to settle the firm's financial liabilities is clearly a serious breach of an accountant's obligations. There was clear potential in the circumstances that existed in this case for client money to be put at risk. In respect of three of the five transfers the money was only in the office account for relatively short periods. The more significant mischief lay in the fact that two transfers, totalling £10,000, were used by the firm to fund its business for a period of over three months and were only capable of being repaid without breaching the firm's overdraft limit because the firm had been able to negotiate a loan..
21. The Tribunal had regard to ICAEW's *Guidance on Sanctions*. Section 11 deals with clients' money offences. The Tribunal considered in particular the suggested starting point for cases where a medium sum of client money is held in an overdrawn account for a long period. The sums of money involved could not be described as small sums bearing in mind the size of the firm and the types of clients it was acting for. The money was held in the office bank account for an appreciable period, during the entirety of which the account was overdrawn. This amounted to an obvious and unacceptable risk to clients.
22. Had this not been a first offence, the appropriate sanction may well have been exclusion from membership. In light of the fact that the defendant had a previous unblemished record and had shown remorse the Tribunal decided that the appropriate penalty was a severe reprimand and a fine. In assessing the appropriate level of the fine the Tribunal bore in mind that the totality of the fines imposed on the defendant, his fellow director and his firm should not be disproportionate to the overall gravity of the misconduct. The Tribunal considered that a fine of £2,000 was proportionate.
23. Ms Sutherland-Mack informed the Tribunal that the Institute's claim for costs against all three defendants totalled £9,566. She accepted that the costs incurred in respect of the firm were higher than those in respect of the defendant and his fellow director Mr Barlow and invited the Tribunal to make an appropriate apportionment of those costs. Mr Cope did not argue that the costs claimed were either unreasonable in amount or had been unreasonably incurred. He asked the Tribunal to take into account the financial circumstances of the defendants in making an order for a fine and costs and he invited the Tribunal to make an order for payment by instalments.
24. The Tribunal considered that it was appropriate to order the defendant to pay costs to ICAEW in the sum of £2,835. In light of the information it received about the defendants' financial circumstance, the Tribunal allowed payment by instalments which, aggregated for the three defendants, would total £1,000 per month.

Sentencing order

25. The Tribunal made the following order:

Mr Gavin Butterworth is severely reprimanded;

Mr Gavin Butterworth is fined £2,000.

Mr Gavin Butterworth shall pay costs to the ICAEW of £2,835;

The fine and the costs shall be paid by Mr Gavin Butterworth in instalments of not less than £333.33 per month with the first payment on 1 March 2018.

Decision on publicity

26. The Tribunal directed that a record of this decision shall be published and the defendant shall be named in that record.

Non Accountant Chairman
Accountant Member
Non Accountant Member
Legal Assessor

Mr Richard Farrant
Mr Mike Ranson FCA
Miss Jane Rees
Mr Andrew Granville Stafford

035254

Miss Deepa Haria [ACA] of
101 Evelyn Drive, Pinner, MIDDLESEX, HA5 4RN,

A Tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 30th January 2018

Type of Member Member

Terms of Complaint

On multiple occasions between 1 January 2014 and 25 February 2015, Miss Deepa Haria ACA requested the tax records of a number of individuals from a HMRC employee and thereby encouraged and/or assisted in the wrongful disclosure of customs information, an offence contrary to section 19(1) and (4) of the Commissioners for Revenue and Customs Act 2005. As a result of this behaviour Miss Deepa Haria was convicted of an offence contrary to Section 44 Serious Crime Act 2007.

Miss Deepa Haria is therefore liable to disciplinary action under Disciplinary Bye-law 4.1.a.

Hearing dates 30th January 2018

Previous hearing dates N/A

Pre-hearing review or final hearing Final hearing

Complaint found proved Yes

Sentencing order Exclusion
Costs of £4,000

Procedural matters and findings

Parties and representation The Investigation Committee ('IC') was represented by Ms Lauren Jennings
Miss Deepa Haria ('the defendant') was not present and not represented

Hearing in public or private The hearing was in public

Decision on service The Tribunal was satisfied that service was in accordance with Regulations 3 and 5 of the Disciplinary Committee Regulations

Documents considered by the Tribunal The Tribunal considered the documents contained in the Investigation Committee's bundle, the defendant's Regulation 13 Answers and her statement of financial means

Proceeding in absence

1. The hearing had originally been listed for 13 February 2018 but had been postponed at the request of the defendant. The defendant confirmed by email on 6 December 2017 that she was able to attend a hearing on 30 January 2018. Formal notice of the hearing date was sent by first class post to the defendant at her registered address on 11 December 2017. The Tribunal was therefore satisfied that service was in accordance with the rules.
2. In her Regulation 13 Answers, signed on 15 January 2018, the defendant said she could not definitely say whether or not she would attend the hearing.
3. On the morning of the hearing the defendant sent an email to the ICAEW apologising and stating that she was not able to attend the hearing. She did not give any reason as to why she was not able to attend and she did not apply for an adjournment.
4. The Tribunal considered that in these circumstances no useful purpose would be served by adjourning the hearing. It was therefore satisfied that it was in the interests of justice to proceed in the defendant's absence.

The Investigation Committee's case

5. The defendant was admitted to membership of the ICAEW in 2008.
6. On 6th May 2016 the defendant pleaded guilty at Harrow Crown Court to one count of intentionally encouraging or assisting the commission of an offence contrary to section 44 of the Serious Crime Act 2007. The facts of the offence are as follows.
7. A close member of the defendant's family, Ms A, was employed by HMRC. The defendant and another family member, Ms B, encouraged Ms A to obtain information from the tax records of relatives and associates and pass it on to them. These included the defendant's husband, her aunts, uncles and cousins and her work colleagues.
8. Between January 2014 and February 2015, when the offending was discovered, there were 23 unlawful disclosures by Ms A to the defendant and Ms B. The information largely related to the income earned by the individuals whose files were accessed. Investigators found emails and a text message in which the defendant and Ms A discussed obtaining this information and the details disclosed.
9. The defendant was arrested on 24 February 2015. Print-outs of tax returns for three of the individuals were found in a search of her address. During her police interview the defendant maintained her right to silence. She was charged on 23 February 2016 and self-reported to the ICAEW on 24 February 2016.
10. Miss Haria pleaded guilty to the offence of intentionally encouraging or assisting the commission of an offence and was sentenced on 6 May 2016. Ms B pleaded guilty to the same offence and Ms A pleaded guilty to an offence of wrongful disclosure of HMRC information.
11. In his sentencing remarks the judge, Mr Recorder Mann QC, said the individuals whose information had been accessed would be horrified to know that people in their community were bandying about private and confidential information which in the wrong hands could be used to commit criminal offences. He gave all three of the defendants' credit for their previous good character and their pleas of guilty. He recognised that the offences would bring shame on themselves and their family and acknowledged that they were unlikely to find themselves before a court again.

12. The judge said all the offences passed the threshold for the imposition of a custodial sentence. He sentenced the defendant to two months' imprisonment suspended for two years. He gave Ms B the same sentence and he sentenced Ms A to four months' imprisonment.
13. Under Disciplinary Bye-law 7.1 the commission of an indictable offence is conclusive evidence of an act rendering a member liable to disciplinary action.

The defendant's case

14. The defendant admitted the complaint in her Regulation 13 Answers.
15. In her written mitigation, the defendant said that at the time she was going through a difficult period in her personal life and was suffering from health problems. She said she had not been motivated by financial gain and nor had there been any malicious intent. She admitted she had made a very serious mistake and she apologised for her actions.

Conclusions and reasons for decision

Matters proved by admission

16. The Tribunal found the complaint proved by admission.

Matters relevant to sentencing

17. There were no previous disciplinary matters recorded against the defendant. She is currently employed by an accountancy firm and she provided some details of her personal and financial circumstances which the Tribunal took into account.
18. The defendant had fully admitted her wrongdoing and had shown remorse. She had self-reported to the ICAEW. The Tribunal accepted that this misconduct was unlikely to be repeated. Nonetheless this was such a bad error of judgment and such a gross departure from acceptable professional standards that the reputation of the profession has undoubtedly been diminished in the eyes of the public. The misconduct continued over a lengthy period and resulted in the imposition of a prison sentence, albeit one that was suspended. Of note was the fact that the suspended sentence is still current and will not expire until May 2018. The Tribunal was made aware of the comments of the High Court in the case of *Council for the Regulation of Healthcare Professionals v GDC and Fleischmann* [2005] EWHC 87 which indicate that a person who is convicted of a serious offence should not ordinarily be allowed to practice as a member of the profession until the sentence has been satisfactorily completed, however the Tribunal did not rely solely on this case in reaching its' decision.
19. The Tribunal had regard to ICAEW's *Guidance on Sanctions*. The suggested starting point for offences which result in a sentence of imprisonment is exclusion. The Tribunal was satisfied that there was no reason to depart from this guidance. Adherence to good ethical practice in relation to trust and confidence lies at the heart of the profession. In the light of the defendant's breach of those responsibilities the Tribunal was satisfied no sanction less than exclusion would be appropriate.
20. The Committee did not consider it was appropriate to additionally impose a fine on the defendant, given that the defendant made no financial gain from her misconduct and in light of the fact she has been sentenced by the court for the criminal offence.
21. The IC applied for costs in the sum of £5,799.50.

22. The Tribunal considered that in principle the defendant should pay the costs of the investigation and the hearing. However, it considered that it was appropriate to make some reduction, given the relatively limited nature of the investigation required in this case and the information the defendant provided about her financial circumstances.

Sentencing order

23. The Tribunal made the following order:

Miss Deepa Haria is excluded from membership of the ICAEW;

Miss Deepa Haria is ordered to pay costs to the ICAEW of £4,000.

Decision on publicity

24. The Tribunal directed that a record of this decision shall be published and the defendant shall be named in that record.

Chairman

Accountant Member

Non Accountant Member

Ms Mary Kelly

Mr Michael Barton FCA

Ms Jane Rees

Legal Assessor

Mr Andrew Granville Stafford

032630

INVESTIGATION COMMITTEE CONSENT ORDERS

5 ORDER

Investigation Committee Decision – 13 February 2018

With the agreement of Hart Shaw of Europa Link, Sheffield Business Park, SHEFFIELD, S9 1XU, the Investigation Committee made an order that the firm be reprimanded, fined £7,500 and ordered to pay costs of £3,518 with respect to a complaint that:

Hart Shaw failed to advise X Ltd that the licence fee payments being made from Y Ltd to Y Ltd should have been subject to VAT.

033368

6 ORDER

Investigation Committee Decision – 13 February 2018

With the agreement of Mrs Joanna Elaine Dowling of 18 Maryland, Finchampstead, Wokingham, RG40 4PB the Investigation Committee made an order that she be severely reprimanded, fined £2,650 and pay costs of 1,585 with respect to a complaint that:

In or around July 2012, Mrs Joanna Dowling ACA breached the fundamental principle of Integrity, in particular Section 110 of ICAEW Code of Ethics, in that she amended an independence file note for the audit of 'X' plc for the 2012 year end on the audit file such that the full content of the original file note was removed.

029480

7 ORDER

Investigation Committee Decision – 13 February 2018

With the agreement of Nyman Libson Paul of Regina House, 124 Finchley Road, London, NW3 5JS, the Investigation Committee made an order that the firm be severely reprimanded, fined £3,000 and pay costs of £4,393 following a complaint that:

Nyman Libson Paul failed to prepare the accounts of 'X' Ltd for the year ended 31 August 2014 by the Companies House filing deadline of 31 May 2015.

035791

8 ORDER

Investigation Committee Decision – 13 February 2018

With the agreement of Mr Michael Alexander Beckett of Kingfisher Court, Plaxton Bridge Road, Woodmansey, Beverley, North Humberside, HU17 0RT, the Investigation Committee made an order that he be reprimanded, fined £2,000 and pay costs of £2,655 following a complaint that:

On 4 April 2017, Mr Michael Beckett FCA on behalf of his firm, issued an unqualified Independent Examiner's Report on the financial statements of 'X' for the year ended 31 December 2016 when the accounts did not comply with paragraphs 2.28 and 2.29 of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

039637

9 ORDER

Investigation Committee Decision – 13 February 2018

With the agreement of Gerald Edelman of Edelman House, 1238 High Road, Whetstone, London, N20 0LH, the Investigation Committee made an order that the firm be reprimanded, fined £5,750 and pay costs of £2,500 following a complaint that:

- 4 On 10 July 2009 Gerald Edelman issued an audit report on the memorandum financial statements of 'X' Ltd for the year ended 5 April 2009, when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit evidence' in that the firm failed to obtain sufficient appropriate audit evidence in respect of:
 - b. the going concern status of the entity.

- 5 On 4 August 2010 Gerald Edelman issued an unqualified audit report on the memorandum financial statements of 'X' Ltd for the year ended 5 April 2010, when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit evidence' in that the firm failed to obtain sufficient appropriate audit evidence in respect of:
 - a. the valuation of property recorded in the financial statements as a tangible fixed asset; and
 - c. the going concern status of the entity.

- 6 On 22 August 2011 Gerald Edelman issued an unqualified audit report on the memorandum financial statements of 'X' Ltd for the year ended 5 April 2011, when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit evidence' in that the firm failed to obtain sufficient appropriate audit evidence in respect of:
 - a. the valuation of property recorded in the financial statements as a tangible fixed asset; and
 - c. the going concern status of the entity.

024980

Investigation Committee Decision – 13 February 2018

With the agreement of Mr Priyesh Shavdia of 75 Park Lane, Croydon, CR9 1XS, the Investigation Committee made an order that he be Severely Reprimanded, fined £4,000 and pay costs of £2,135 following a complaint that:

1. Mr Priyesh Shavdia failed to comply with regulation 21 of the Clients' Money Regulations because, on 130 occasions, he caused or permitted funds to be withdrawn from his firm's client account which were greater than the credit balances held for those clients.
2. Mr Priyesh Shavdia failed to comply with regulation 11 of the Clients' Money Regulations because, on 95 occasions, he paid funds into the client bank account which were personal funds of his firm and not Clients' Money.
3. Mr Priyesh Shavdia failed to comply with regulation 13 of the Clients' Money Regulations on the following dates as he failed to pay client money in excess of £10,000 into a designated account for that client:
 - 16 April 2014
 - 26 September 2014
 - 16 September 2015
 - 14 January 2016
 - 17 March 2016
 - 17 June 2016

035825

11 ORDER

Investigation Committee Decision – 13 February 2018

With the agreement of Mr Ketan Kamdar ACA of 75 Park Lane, Croydon, CR9 1XS, the Investigation Committee made an order that he be severely reprimanded, fined £4,000 and pay costs of £2,135 following a complaint that:

1. Mr Ketan Kamdar ACA failed to comply with regulation 21 of the Clients' Money Regulations because, on 130 occasions, he caused or permitted funds to be withdrawn from his firm's client account which were greater than the credit balances held for those clients.
2. Mr Ketan Kamdar ACA failed to comply with regulation 11 of the Clients' Money Regulations because, on 95 occasions, he paid funds into the client bank account which were personal funds of his firm and not Clients' Money.
3. Mr Ketan Kamdar ACA failed to comply with regulation 13 of the Clients' Money Regulations on the following dates as he failed to pay client money in excess of £10,000 into a designated account for that client:
 - 16 April 2014
 - 26 September 2014
 - 16 September 2015
 - 14 January 2016
 - 17 March 2016
 - 17 June 2016

038344

Investigation Committee Decision – 13 February 2018

With the agreement of Mr Paul Anthony Taylor of 75 Park Lane, Croydon, CR9 1XS, the Investigation Committee made an order that he be Severely Reprimanded, fined £4,000 and pay costs of £2,135 following a complaint that:

1. Mr Paul Taylor FCA failed to comply with regulation 21 of the Clients' Money Regulations because, on 130 occasions, he caused or permitted funds to be withdrawn from his firm's client account which were greater than the credit balances held for those clients.
2. Mr Paul Taylor FCA failed to comply with regulation 11 of the Clients' Money Regulations because, on 95 occasions, he paid funds into the client bank account which were personal funds of his firm and not Clients' Money.
3. Mr Paul Taylor FCA failed to comply with regulation 13 of the Clients' Money Regulations on the following dates as he failed to pay client money in excess of £10,000 into a designated account for that client:
 - 16 April 2014
 - 26 September 2014
 - 16 September 2015
 - 14 January 2016
 - 17 March 2016
 - 17 June 2016

038346

Investigation Committee Decision – 8 March 2018

With the agreement of SDC (2012) Limited of 173 Cleveland Street, LONDON, W1T 6QR, the Investigation Committee made an order that the firm be severely reprimanded, fined £16,650 and pay costs of £2,355 with respect to a complaint that:

SDC (2012) Limited issued audit reports in respect of the following financial statements of 'X' Limited when, contrary to Audit Regulation 3.02, the firm failed to comply with Ethical Standard 4 (Fees, Remuneration and Evaluation Policies, Litigation, Gifts and Hospitality) in that the firm failed to resign from the appointment when total audit fees for audit and non audit services had regularly exceeded 15% of the firm's annual fee income.

<i>Year end</i>	<i>Date of audit report</i>	<i>Document</i>
<i>31 December 2009</i>	<i>4 June 2010</i>	<i>26</i>
<i>31 December 2010</i>	<i>3 June 2011</i>	<i>27</i>
<i>31 December 2011</i>	<i>25 May 2012</i>	<i>28</i>
<i>31 December 2012</i>	<i>17 May 2013</i>	<i>29</i>
<i>31 December 2013</i>	<i>19 June 2014</i>	<i>30</i>
<i>31 December 2014</i>	<i>26 June 2015</i>	<i>31</i>

032205

14 ORDER

Investigation Committee Decision – 1 March 2018

With the agreement of Sutton McGrath Hartley Ltd (now known as Sutton McGrath Wills and Probate) of 5 Westbrook Court, Sharrow Vale Road, SHEFFIELD, S11 8YZ, the Investigation Committee made an order that the firm be severely reprimanded, fined £22,500 and pay costs of £7,905 with respect to a complaint that:

1. Between February 2014 and September 2015 Sutton McGrath Hartley Ltd made errors relating to the administration of the estate of the late 'A' in that they:
 - (a) Made provisional overpayments to beneficiaries amounting to £5,935.38
 - (b) Made provisional underpayments to beneficiaries amounting to £14,080.59
2. Between February 2014 and 4 January 2017 Sutton McGrath Hartley Ltd failed to seek approval of their fees from 'B' and 'C' and 'D' and 'E', of the estate of the late 'A', contrary to section 110.1 of the Code of Ethics.
3. Between 27 October 2014 and 3 February 2016, Sutton McGrath Hartley Ltd failed to provide 'B' and 'C' with an itemised list of fees incurred while administering the estate of the late 'A'.

031349

AUDIT REGISTRATION COMMITTEE

ORDER – 17 January 2018

15 Publicity statement

Bracken Rothwell Limited, 2nd Floor, The Le Gallais Building, 54 Bath Street, St Helier, Jersey, JE1 1FW, has agreed to pay a regulatory penalty of £4,350, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of Rules 2.09, 3.10 and 6.06 of the Crown Dependency Audit Rules and Guidance for:

- failing to notify ICAEW of its appointment as auditor of a Market Traded Company audit client; and
- failing to comply with an undertaking to conduct engagement quality control reviews of the 2014-2016 audits of a Market Traded Company audit client.

041308

ORDER – 17 January 2018

16 Publicity statement

Bristow Still, 39 Sackville Road, Hove, East Sussex, BN3 3WD, has agreed to pay a regulatory penalty of £6,350, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 6.06 for failing to disclose details of two audit clients to ICAEW during its 2015 audit monitoring visit and on its 2013-2016 annual returns.

031288

ORDER – 17 January 2018

17 Publicity statement

Foster & Co Ltd, 80 Lytham Road, Fulwood, Preston, Lancashire, PR2 3AQ, has agreed to pay a regulatory penalty of £2,500, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 6.06 for failing to comply with an undertaking to update its Articles of Association.

041716

ORDER – 17 January 2018

18 Publicity statement

Radford & Sergeant Limited, Building 3, Watchmoor Park, Camberley, Surrey, GU15 3YL, has agreed to pay a regulatory penalty of £4,000, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 3.20 for failing to carry out formal annual cold file reviews since 2013.

041052

ORDER – 17 January 2018

19 Publicity statement

Quay Business Advice Limited, 1 Town Quay Wharf, Abbey Road, Barking, Essex, IG11 7BZ, has agreed to pay a regulatory penalty of £915, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of Audit Regulations 2.03a and 2.11 in that the firm failed to notify ICAEW of a new director's appointment within 10 business days and failed to ensure that the new director held audit affiliate status.

041979

INVESTMENT BUSINESS COMMITTEE

ORDER – 20 MARCH 2018

20 Publicity statement

The Designated Professional Body licence of Guilfoyle, Sage & Co, 21 Gold Tops, Newport NP20 4PG was withdrawn on 28 February 2018 under regulation 2.18 of the Designated Professional Body (Investment Business) Handbook 2016 for failure to comply with the Investment Business Committee's decision that it should arrange and submit the results of an external DPB compliance review to ICAEW.

037166

All enquiries to the Professional Conduct Department, T +44 (0)1908 546 293