

Disciplinary Orders and Regulatory Decisions



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INVESTIGATION COMMITTEE CONSENT ORDERS

1. Mr Michael Peter George FCA

Consent order made on 19 June 2020

With the agreement of Mr Michael Peter George of Luton, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £3,500 and pay costs of £2,103 in respect of the complaint that:

1. Mr Michael Peter George FCA signed a statement attached to the Actual Costs of Landlord (“X”) report (“the service charge accounts”) for “Y” for the following financial periods, which included a “fair and true” opinion, without specifying the work undertaken to reach that “fair and true” opinion:

- a. Year ended 2 August 2017; opinion signed 26 February 2018; and/or
- b. Year ended 2 August 2018; opinion signed 12 September 2018.

049407

2. Mr Alan John Clark ACA

Consent order made on 3 July 2020

With the agreement of Mr Alan John Clark of Essex, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £2,500, and pay costs of £3,752.50 in respect of the complaints that:

1. Between 8 June 2012 and 10 April 2019 Mr Alan John Clark ACA, in his capacity as Liquidator of five insolvent estates, breached the fundamental principle of Professional Competence and Due Care, by failing to implement and monitor adequate controls over employee claims in insolvent estates. If proven Mr Clark may be liable to disciplinary action pursuant to Disciplinary Byelaw 4.1b.

and/or

2. Between 8 June 2012 and 10 April 2019 Mr Alan John Clark ACA, in his capacity as Liquidator of five insolvent estates breached paragraph 3.10 of the Insolvency Licencing Regulations as he failed to comply with article 27 of Dear IP Issue number 37 and article 21 of Dear IP Issue number 35. If proven Mr Clark may be liable to disciplinary action pursuant to Disciplinary Byelaw 4.1c.

044829

3. **Ms Leslie-Ann Reed ACA**

Consent order made on 3 July 2020

With the agreement of Ms Leslie-Ann Reed of London, United Kingdom the Investigation Committee made an order that she be reprimanded, fined £1,050; and pay costs of £1,750 in respect of the complaints that:

1. Between 1 May 2018 and 31 October 2018, Ms Leslie-Ann Reed ACA engaged in public practice without a practicing certificate, contrary to Principal Bye-law 51a.
2. Between 1 May 2018 and 8 October 2018, Ms Leslie-Ann Reed ACA engaged in public practice without professional indemnity insurance contrary to Regulation 3.1 of the Professional Indemnity Insurance Regulations.

045151

4. **Mr Keith Khounsombath**

Consent order made on 10 July 2020

With the agreement of Mr Keith Khounsombath of Hayes, United Kingdom, the Investigation Committee made an order that he be severely reprimanded and pay costs of £3,573 with respect to complaints that:

1. Between 23 January 2017 and 30 January 2017, Mr Keith Khounsombath breached the fundamental principle of Integrity, in particular section 110 of ICAEW Code of Ethics, in that while engaged in the audit of the financial statements of "A" plc for the year ended 31 December 2016, he changed sample items within his custodian testing which had been reported as having exceptions, instead of carrying out further investigation to resolve the exceptions.
2. Between 1 November 2016 and 30 November 2016, Mr Keith Khounsombath breached the fundamental principle of Integrity, in particular section 110 of ICAEW Code of Ethics, in that he encouraged a junior member of staff within the audit team to take steps to change a sample that would, if followed, have required that staff member to breach the firm's audit procedures.

040603

INVESTIGATION COMMITTEE FIXED PENALTY ORDERS

5. Miss Sandra Richardson

Penalty order made on 29 May 2020

Under Disciplinary Bye-law 14A the Investigation Committee has exercised its powers under delegation to consider this complaint by way of fixed penalty.

With the agreement of Miss Sandra Richardson, the Investigation Committee ordered that Miss Sandra Richardson, of Northumberland, United Kingdom be reprimanded with respect to a complaint that:

On 20 December 2018 Miss Sandra Richardson drove a motor vehicle whilst under the influence of alcohol in excess of the legal limits.

054904

6. Litchfields

Penalty order made on 24 February 2020

Under Disciplinary Bye-law 14A the Investigation Committee has exercised its powers under delegation to consider this complaint by way of fixed penalty.

With the agreement of Litchfields, the Investigation Committee ordered that Litchfields, of 5 Luke Street, London, United Kingdom be reprimanded, and given a fixed penalty of £700 representing a financial penalty of £1,000 to which a discount of 30% has been applied with respect to a complaint that:

Following a QAD visit on 17 May 2010, Litchfields confirmed in respect of carrying out client due diligence and risk assessments on all clients:

'We have already commenced reviewing all clients to ensure a checklist together with supporting documentation is placed on permanent file...It is anticipated that we will complete this exercise by the end of June'.

But at a subsequent QAD visit on 26 February 2019 it was found that the assurance had not been complied with.

052055

7. Duncan Boxwell & Company Limited

Penalty order made on 13 March 2020

Under Disciplinary Bye-law 14A the Investigation Committee has exercised its powers under delegation to consider this complaint by way of fixed penalty.

With the agreement of Duncan Boxwell & Company Limited, the Investigation Committee ordered that Duncan Boxwell & Company Limited, of Montrose House, Clayhill Park, Neston, Cheshire, CH64 3RU, United Kingdom be reprimanded, and given a fixed penalty of £700 representing a financial penalty of £1,000 to which a discount of 30% has been applied with respect to a complaint that:

Duncan Boxwell & Company Limited, following a QAD visit on 6 September 2010, confirmed in respect of due diligence procedures not being complete on all clients:

'Some legacy clients and a few new clients do not have evidence of risk assessment documented. Each client is reviewed on an annual basis when accounts and or tax returns are prepared...This is an ongoing process which has been in place for some time.'

but at a subsequent QAD visit on 7 September 2018 it was found that this assurance had not been complied with.

049102

8. **Mattocks Grindley Limited**

Penalty order made on 13 March 2020

Under Disciplinary Bye-law 14A the Investigation Committee has exercised its powers under delegation to consider this complaint by way of fixed penalty.

With the agreement of Mattocks Grindley Ltd, the Investigation Committee ordered that Mattocks Grindley Ltd, of 18 Mulberry Avenue, Turnstone Business Park, Widnes, Cheshire, WA8 0WN, United Kingdom be reprimanded, and given a fixed penalty of £700 representing a financial penalty of £1,000 to which a discount of 30% has been applied with respect to a complaint that:

Mattocks Grindley Ltd, following a QAD visit in February 2015, confirmed that:

'We will be shortly starting a review of all of our client's to ensure that the appropriate CDD has been conducted and is held on the firms Anti-Money laundering file.

Due date: 31 July 2015'

'We note the need for a regular review of the risk-assessment (and also to ensure that we continue to hold the appropriate CDD) for existing clients. We intend to implement a process whereby, as part of our firms year end, we conduct a risk assessment of each of our clients.

Due date: 31 July 2015'

'Following on from this initial review, this review will be conducted annually. At the same time, consideration will be given to the CDD held for each client and whether this is still appropriate. This should ensure that CDD is kept up to date.

Due date: annual process'

'We note the need for a regular review of our firms compliance with the anti-money laundering regulations. We intend to conduct a review on an annual basis. We intend to follow the guidance contained within the ICAEW Practice Assurance Compliance review checklist (Money Laundering Regulations section) when conducting our annual AML compliance review.

Due date: 31 July 2015 and annually thereafter.'

'The MLRO is to produce an internal document for circulation amongst staff. This document will form part of our firm's internal training manuals. The MLRO will, as part his annual compliance review, annually review the content of this document to ensure that it is up to date and reflects bestpractice, including any new guidance issued by ICAEW.

Due date: 31 July 2015.'

but at a subsequent QAD cyclical visit conducted on 24 April and 13 May 2019 it was found these matters had not been addressed.

053425

AUDIT REGISTRATION COMMITTEE

ORDER – 10 JUNE 2020

9. **Publicity Statement**

Friend-James Ltd, Brighton, United Kingdom, has agreed to pay a regulatory penalty of £1,050 which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 4.04 for allowing audit reports to be signed between December 2018 and June 2019 by an individual in the firm who was not, at the time, a responsible individual.

053687

ORDER – 10 JUNE 2020

10. **Publicity Statement**

Lawfords Consulting Limited, Walton-on-Thames, United Kingdom, has agreed to pay a regulatory penalty of £700, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 4.04 for allowing audit reports to be signed by an individual who was not, at the time, a responsible individual.

054854

ORDER – 10 JUNE 2020

11. **Publicity Statement**

BSS & Co (Accountancy Services) Limited, Shifnal, United Kingdom, has agreed to pay a regulatory penalty of £700, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulations 2.03b, 2.11, 2.07 and 6.06 for failing to ensure that it was controlled by an entity that was eligible for audit registration, for failing to notify ICAEW within 10 business days of the change in structure, for continuing to act as a registered auditor when it did not meet the eligibility requirements, signing audit reports while ineligible and for signing two audit reports without first having an external hot file review carried out, despite previously giving an undertaking to do so.

054991

ORDER – 10 JUNE 2020

12. **Publicity Statement**

Montgomery Taff Ltd, Shifnal, United Kingdom, has agreed to pay a regulatory penalty of £350, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 2.03b for failing to ensure that it was controlled by individuals who have an appropriate qualification and audit regulation 2.11 for failing to notify ICAEW within 10 business days of the change in shareholdings.

054976

ORDER – 10 JUNE 2020

13. **Publicity Statement**

Joseph Meer Ltd, London, United Kingdom, has agreed to pay a regulatory penalty of £3,586, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulations 2.03a, 2.11, 2.07 and 6.06 for its failure to ensure that it was eligible to hold registration between July 2017 and April 2020, in that one of its principals did not hold the required affiliate status, for its failure to notify ICAEW of changes within 10 business days, for continuing as a registered auditor whilst ineligible and for incorrectly completing its 2017-2019 annual returns by not disclosing the additional director.

055101

INSOLVENCY LICENSING COMMITTEE

ORDER – 3 JUNE 2020

14. **Publicity Statement**

Mr Stewart Trevor Bennett FCA to pay a regulatory penalty of £1,500 for failure to pay dividends in a timely manner given the repeat breaches and potential material prejudice to creditors on a case.

054985

ORDER – 3 JUNE 2020

15. **Publicity Statement**

Mr Stewart Trevor Bennett FCA to pay a regulatory penalty of £5,000 for breach of the Code of Ethics given his failure to take adequate steps pre-appointment or pre-distribution to establish the potential tax liability, and the significant delay in converting an MVL to a CVL.

054985

PRACTICE ASSURANCE COMMITTEE

ORDER – 21 MAY 2020

16. Publicity statement

Ms Josephine Yin-On Chan MBA BSc FCA ATII of Stockport, United Kingdom has agreed to pay a practice assurance penalty of £700, which was decided by the Practice Assurance Committee. The Committee decided to offer Ms Chan a Practice Assurance penalty under PA Regulation 35, for a breach of Practice Assurance Regulation 4 (2008 Regulations); in that she failed to comply with written assurances to send all clients details of the firms' fees and complaints procedures as required by the Code of Ethics (240.2b [2011]) and ICAEW Disciplinary Bye-law 11; and carry out and document AML risk assessments or document regular ongoing reviews, as required by the Money Laundering Regulations 2007.

053732

ORDER – 21 MAY 2020

17. Publicity statement

Davis Bonley Limited of Barnet, United Kingdom has agreed to pay a practice assurance penalty of £350, which was decided by the Practice Assurance Committee. This was in view of the firm's admitted breach of the requirements of Regulation 5d(ii) of the Regulations governing the use of the description Chartered Accountants & ICAEW general affiliates in using the description 'chartered accountants' between 10 April 2014 and 18 February 2020, when it was not eligible to do so.

054218

ORDER – 21 MAY 2020

18. Publicity statement

H.L. Barnes & Sons of Stratford-Upon-Avon, United Kingdom has agreed to pay a practice assurance penalty of £700. This was in view of the firm's admitted breach of Practice Assurance Regulation 4 (2008 Regulations); in that the firm failed to comply with a written assurance to document a risk assessment for each existing client, as required by the Money Laundering Regulations 2007.

054083

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