

Disciplinary Orders and Regulatory Decisions

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INVESTIGATION COMMITTEE ORDERS

ORDER – 24 November 2020

1. Mitchell Glanville Limited

With the agreement of Mitchell Glanville Limited of Cheltenham, United Kingdom the Investigation Committee made an order that the firm be severely reprimanded, fined £10,150 and pay costs of £8,437 with respect to complaints that:

1. Mitchell Glanville Ltd, following a QAD visit in March 2009, failed to fulfil an assurance given on its behalf by Mr “X” that ‘We shall bring the trust letter up to date’. At a subsequent QAD visit conducted on 25 and 26 May 2016 it was found this matter had not been addressed.
2. Between 1 April 2009 and 29 June 2018, Mitchell Glanville Ltd failed to comply with Regulations 14c and/or Regulation 16 of the Clients’ Money Regulations in that they did not pay or credit to the client the bank interest received in Appendix 1, or obtain written instructions from clients.
3. Between 1 April 2009 and 12 March 2018, Mitchell Glanville Ltd failed to comply with Regulation 13 of the Clients’ Money Regulations in that they failed to transfer money which exceeded £10,000 for more than 30 days for the clients detailed in Appendix 2.
4. Between 1 April 2009 and 24 March 2017, Mitchell Glanville Ltd failed to comply with Regulation 21 of the Clients’ Money Regulations in that payments were made from the client bank accounts for the clients detailed in Appendix 3 which were greater than the credit balance held for those clients.
5. Between 1 April 2009 and 21 August 2017, Mitchell Glanville Ltd failed to comply with Regulation 20 of the Clients’ Money Regulations in that the bank charges in Appendix 4 were withdrawn from the client bank account.

038687/MATT

ORDER – 25 November 2020

2. Creaseys LLP

With the agreement of Creaseys LLP of Tunbridge Wells, United Kingdom, the Investigation Committee made an order that the firm be severely reprimanded, fined £13,725 and pay costs of £4,638.33 with respect to complaints that:

1. On 15 December 2010, Creaseys LLP issued an unqualified audit opinion on the financial statements of “A” Ltd for the year ended 31 August 2010 which stated that the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland), when the audit had not been conducted in accordance with the following International Standards on Auditing (UK and Ireland):
 - a. International Standard on Auditing (UK and Ireland) 320 “Audit materiality” in that the auditor failed to assess whether the aggregate of uncorrected misstatements identified during the audit were material;

And/or
 - b. International Standard on Auditing (UK and Ireland) 500 “Audit evidence” in that the auditor failed to obtain sufficient appropriate audit evidence regarding:
 - i. trade debtors; and/or
 - ii. trade creditors.
2. On 22 December 2011, Creaseys LLP issued an unqualified audit opinion on the financial statements of “A” Limited for the year ended 31 August 2011 which stated that the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland), when the audit had not been conducted in accordance with the following International Standards on Auditing (UK and Ireland):
 - a. International Standard on Auditing (UK and Ireland) 450 “Evaluation of misstatements identified during the audit” in that the auditor failed:
 - i. to evaluate the effect of uncorrected misstatements on the audit and the financial statements; and/or
 - ii. to communicate the misstatements to the appropriate level of management on a timely basis.

And/or

b. International Standard on Auditing (UK and Ireland) 500 “Audit evidence” in that the auditor failed to obtain sufficient appropriate audit evidence regarding:

i. trade debtors; and/or

ii. trade creditors.

046942

ORDER – 25 November 2020

3. Creaseys Group Limited

With the agreement of Creaseys Group Limited of Tunbridge Wells, United Kingdom the Investigation Committee made an order that the firm be severely reprimanded, fined £6,900 and pay costs of £2,319.17 with respect to a complaint that:

3. On 23 December 2013, Creaseys Group Limited issued an unqualified audit opinion on the financial statements of “A” Ltd for the year ended 31 August 2013 which stated that the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland), when the audit had not been conducted in accordance with the following International Standards on Auditing (UK and Ireland):

a. International Standard on Auditing (UK and Ireland) 450 “Evaluation of misstatements identified during the audit” in that the auditor failed:

i. to evaluate the effect of uncorrected misstatements on the audit and the financial statements; and/or

ii. to communicate the misstatements to the appropriate level of management on a timely basis.

And/or

b. International Standard on Auditing (UK and Ireland) 500 “Audit evidence” in that the auditor failed to obtain sufficient appropriate audit evidence regarding:

i. trade debtors; and/or

ii. trade creditors.

041863

ORDER – 26 November 2020

4. Mr Simon Robert Haskew

With the agreement of Mr Simon Robert Haskew of Bristol, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £7,000 and pay costs of £5,092 with respect to complaints that:

1. In his capacity as Joint Administrator of “A” Limited, between 13 November 2014 and 18 February 2016 Mr Haskew failed to identify in accordance with paragraph 400.29 of the Code of Ethics (Part D) (the Code) that an assignment of the secured debt from “B” Plc to “C” Limited on 12 November 2014 created a potential conflict of interest and a threat to the Fundamental Principle of Objectivity as set out in the Code.
2. In his capacity as Joint Administrator of “A” Limited, Mr Haskew failed to identify in accordance with Paragraph 400.29 of the Code of Ethics (Part D) (the Code) that entry into an option agreement with “X” Limited on 29 April 2015 created a self-interest threat and/or a familiarity threat to compliance with the Fundamental Principle of Objectivity as set out in the Code.

029435

ORDER – 26 November 2020

5. Haines Watts Leeds LLP

With the agreement of Haines Watts Leeds LLP of Leeds, United Kingdom the Investigation Committee made an order that the firm be severely reprimanded, fined £45,000 and pay costs of £11,251 with respect to complaints that:

1. On or around 15 December 2011, Haines Watts Leeds LLP (formerly HW (Leeds) LLP) issued an Accountant’s Report to “A” (the Administrator) and/or “B” Limited (the Operator) in relation to the following syndicates, which stated that the Administrator and Operator have confirmed that the loan arrangement fees had been paid in accordance with the Information Memorandum and the Limited Recourse Loan Agreement when the loan arrangement fees had not been paid in accordance with the Information Memorandum and/or the Limited Recourse Loan Agreement:
 - a. “X” Syndicate 1; and/or
 - b. “X” Syndicate 2; and/or
 - c. “X” Syndicate 3; and/or
 - d. “X” Syndicate 4; and/or
 - e. “X” Syndicate 5; and/or
 - f. “X” Syndicate 6
2. On 15 November 2011, Haines Watts Leeds LLP (formerly HW (Leeds) LLP) signed an unqualified audit report on the financial statements of “C” Limited for the period ended 30 June 2011 which stated that the audit had been conducted in accordance with International Standards on Auditing (UK & Ireland), when the audit was not conducted in accordance with:
 - a. International Standard on Auditing 500 ‘Audit Evidence’ in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions regarding:
 - i. The ownership, valuation and existence of leasehold land; and/or

- ii. The existence and valuation of long term debtors; and/or
- iii. Whether revenue was recognised in compliance with Financial Reporting Standard 5 'Reporting the substance of transactions';

And/or

b. International Standard on Auditing 230 'Audit Documentation' in that the auditor failed to prepare audit documentation that was sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the significant professional judgments made in reaching conclusions on significant matters arising during the audit, in respect of:

- i. The ownership, valuation and existence of leasehold land; and/or
- ii. The existence and valuation of long term debtors; and/or
- iii. Whether revenue was recognised in compliance with Financial Reporting Standard 5 'Reporting the substance of transactions'.

And/or

c. International Standard on Auditing 570 'Going Concern' in that the auditor failed to obtain sufficient and appropriate audit evidence about the appropriateness of management's use of the going concern assumption.

3. On 20 December 2012, Haines Watts Leeds LLP (formerly HW (Leeds) LLP) signed an unqualified audit report on the financial statements of "C" Limited for the year ended 30 June 2012 which stated that the audit had been conducted in accordance with International Standards on Auditing (UK & Ireland), when the audit was not conducted in accordance with:

a. International Standard on Auditing 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions regarding:

- i. The ownership, valuation and existence of leasehold land; and/or
- ii. The existence and valuation of long term debtors; and/or
- iii. Whether revenue was recognised in compliance with Financial Reporting

Standard 5 'Reporting the substance of transactions';

And/or

b. International Standard on Auditing 230 'Audit Documentation' in that the auditor failed to prepare audit documentation that was sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the significant professional judgments made in reaching conclusions on significant matters arising during the audit, in respect of:

- i. The ownership, valuation and existence of leasehold land; and/or
- ii. The existence and valuation of long term debtors; and/or
- iii. Whether revenue was recognised in compliance with Financial Reporting Standard 5 'Reporting the substance of transactions'.

And/or

c. International Standard on Auditing 570 'Going Concern' in that the auditor failed to obtain sufficient and appropriate audit evidence about the appropriateness of management's use of the going concern assumption.

4. On 2 April 2014, Haines Watts Leeds LLP signed an unqualified audit report on the financial statements of "C" Limited for the year ended 30 June 2013 which stated that the audit had

been conducted in accordance with International Standards on Auditing (UK & Ireland), when the audit was not conducted in accordance with:

a. International Standard on Auditing 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions regarding:

- i. The ownership, valuation and existence of leasehold land; and/or
- ii. The existence and valuation of long term debtors; and/or

iii. Whether revenue was recognised in compliance with Financial Reporting Standard 5 'Reporting the substance of transactions';

And/or

b. International Standard on Auditing 230 'Audit Documentation' in that the auditor failed to prepare audit documentation that was sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the significant professional judgments made in reaching conclusions on significant matters arising during the audit, in respect of:

- i. The ownership, valuation and existence of leasehold land; and/or
- ii. The existence and valuation of long term debtors; and/or
- iii. Whether revenue was recognised in compliance with Financial Reporting Standard 5 'Reporting the substance of transactions'.

And/or

c. International Standard on Auditing 570 'Going Concern' in that the auditor failed to obtain sufficient and appropriate audit evidence about the appropriateness of management's use of the going concern assumption.

033714

ORDER – 30 November 2020

6. PKF Littlejohn LLP

With the agreement of PKF Littlejohn LLP of London, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £5,000 and pay costs of £1,353 with respect to a complaint that:

3. On 29 November 2017, PKF Littlejohn LLP issued an unqualified audit report on the financial statements of "A" Limited for the year ended 30 June 2017 which stated:

a. that the financial statements had been prepared in accordance with International Financial Reporting Standards as adopted by the European Union when the requirements of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' had not been complied with.

042469

ORDER – 3 December 2020

7. Mr John William Edwards

With the agreement of Mr John William Edwards of Birmingham, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £1,750 and pay costs of £1,506 with respect to a complaint that:

1. Between 11 May 2018 and 24 November 2018, Mr John William Edwards ACA, on behalf of “A” Ltd (formerly “B” Ltd) accepted/and or continued appointment and signed audit reports for the entities listed in Appendix 1, in breach of paragraph 2.61 of the Revised FRC Ethical Standard 2016 as the firm was not permitted to accept appointment as auditor, as “C” Ltd, a network firm, was appointed as an officer of the company (company secretary) to those clients.

047546

ORDER – 3 December 2020

8. Mr Gary Woodhall

With the agreement of Mr Gary Woodhall of Northampton, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £1,750 and pay costs of £1,466 with respect to a complaint that:

1. Between 4 December 2013 and 30 September 2014, Mr Gary Woodhall ACA accepted/and or continued appointment and signed audit reports for the entities listed in Appendix 1, on behalf of “A” Ltd in breach of paragraph 54 of Ethical Standard 2 as the firm was not permitted to accept appointment as auditor, as Mr “X”, the owner of “A” Ltd, was also a director of “B” Ltd, who was appointed as an officer of the company (company secretary) to those clients.

048256

ORDER – 8 December 2020

9. Mr Stephen Mark Quinn

With the agreement of Mr Stephen Mark Quinn of Altrincham, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £1,250 and pay costs of £2,105 with respect to a complaint that:

That Mr Stephen Mark Quinn FCA, as supervisor of the Individual Voluntary Arrangement of Ms “X”:

- b) Between 19 May 2014 and 10 September 2015 failed to terminate the arrangement in a timely manner at the request of the debtor.

026344

ORDER – 8 December 2020

10. Mr Stephen Mark Quinn

With the agreement of Mr Stephen Mark Quinn of Altrincham, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £1,250; and pay costs of £4,455 with respect to a complaint that:

Between 2 May 2013 and 20 October 2015, Mr Stephen Quinn FCA, in his capacity as Supervisor of Mr Y's Individual Voluntary Arrangement (IVA) failed to issue the termination certificate in a reasonable timeframe following the termination of Mr Y's IVA by creditors which was a breach of paragraph 9 of Statement of Insolvency Practice 3.

027980

ORDER – 8 December

11. Mr Stephen Mark Quinn

With the agreement of Mr Stephen Mark Quinn of Altrincham, United Kingdom, the Investigation Committee made an order that he be reprimanded, fined £1,500 and pay costs of £2,700 with respect to a complaint that:

Mr Stephen Quinn FCA in his role as Supervisor of the IVA of Miss "Z":

- b) After 19 June 2014 failed to act in accordance with the resolutions passed at a creditors meeting called to terminate the IVA; and
- c) Between 19 June 2014 and 26 May 2015 failed to issue a Certificate of Termination in a timely manner.

027981

ORDER – 8 December 2020

12. Mr Stephen Mark Quinn

With the agreement of Mr Stephen Mark Quinn of Altrincham, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £2,000 and pay costs of £4,275 with respect to a complaint that:

As Supervisor of the Individual Voluntary Arrangement of Mrs "A", Mr Stephen Mark Quinn:

- a) Misled Mrs "A" in communications between 6 November 2013 and 28 November 2014 when she was incorrectly advised that her IVA could not be concluded whilst PPI mis-selling claims were ongoing; and/or
- b) Failed to issue a Certificate of Completion in a timely manner between 1 April 2014 and 21 October 2015.

030303

REGULATORY PENALTY ORDERS

INVESTIGATION COMMITTEE FIXED PENALTY ORDERS

ORDER – 5 November 2020

13. Mr Maxime David

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 Mr Maxime David, the Investigation Committee ordered that Mr Maxime David, of St Hellier, Jersey be reprimanded with respect to a complaint that:

On 7 August 2020 on the Island of Jersey Mr Maxime David, failed to self-isolate when required to do so under Regulation 4 of the Covid-19 (Screening, Assessment and Isolation) (Jersey) Regulations 2020.

056917

ORDER – 6 November 2020

14. Mr Saif Khalil

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 Mr Saif Khalil, the Investigation Committee ordered that Mr Saif Khalil, of Sutton Coldfield, United Kingdom be reprimanded with respect to a complaint that:

On 14 June 2020 Mr Saif Khalil drove a motor vehicle whilst under the influence of alcohol in excess of the legal limits.

056024

ORDER – 9 December 2020

15. Mr Michael Clegg

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 Mr Michael Clegg, the Investigation Committee ordered that Mr Michael Clegg, of Wilpshire, United Kingdom be reprimanded with respect to a complaint that:

On 22 November 2018, Mr Michael Clegg was convicted of drink-driving and issued a driving ban of 12 months, reduced to 9 months for attending a drink-driving awareness course.

057225

ORDER – 13 November 2020

16. Hornbeam Accountancy Services Ltd

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 Hornbeam Accountancy Services Ltd, the Investigation Committee ordered that Hornbeam Accountancy Services Ltd, of Norwich, 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:

Hornbeam Accountancy Services Ltd, following a QAD visit on 9 August 2010, confirmed:

‘We had identified our failure to document risk assessments in our 2010 Practice Assurance Compliance Review. We have circulated our staff with the Mercia standard forms and instructions for completing them. The principle instruction is that staff must check whether the money laundering forms are on the permanent file before starting an assignment and either prepare forms or update them before progressing further.’

But at a subsequent QAD visit on 18 March 2019 it was found that these assurances had not been complied with.

053423

ORDER – 10 December 2020

17. Mrs Isobel Rowe

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 Mrs Isobel Rowe, the Investigation Committee ordered that Mrs Isobel Rowe, of Somerset, 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:

Between 14 February 2020 and 12 October 2020 Mrs Isobel Jennifer Rowe ACA engaged in public practice, without holding a practising certificate contrary to Principal Bye-law 51a.

056827

PRACTICE ASSURANCE COMMITTEE

18. Goodale Mardle Limited

ORDER – 19 November 2020

Goodale Mardle Limited of Midhurst, United Kingdom has agreed to pay a practice assurance penalty of £700. This was in view of the firm's admitted breach of Practice Regulation 4 (2008 Regulations). The firm had failed to comply with a written assurance, given by the Practice Assurance Principal on behalf of the firm, in response to the closing record, that it would:

- document anti-money laundering client risk assessments and ongoing client due diligence.
- complete reviews of compliance with anti-money laundering policies and procedures; and
- provide regular anti-money laundering training to staff and sub-contractors.

056163

INSOLVENCY LICENSING COMMITTEE

19. Mr P O'Brien

ORDER – 14 OCTOBER 2020

Publicity Statement

Mr P O'Brien of Swansea, United Kingdom to pay a regulatory penalty of £2,100 for breach of the fundamental principle of professional competence and due care in the Code of Ethics, in relation to the current position on case 1, employee claim issues on cases 1 and 2 and the payment of trading liabilities on case 1.

056362

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