



Disciplinary Orders and Regulatory Decisions

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DISCIPLINARY COMMITTEE TRIBUNAL ORDERS

1. **Mr Richard Henry Smith ACA** of Altrincham, United Kingdom

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 20 October 2020

Type of Member Member

Terms of complaints

1. Between 1 December 2017 and 17 March 2019, Mr Richard Smith ACA failed to comply with the Money Laundering Regulations 2017, because his firm 'A' LLP was not supervised by an appropriate anti-money laundering supervisory authority.

Mr Richard Henry Smith is therefore liable to disciplinary action under Disciplinary Bye-law 4.1b.

2. Mr Richard Smith ACA failed to provide by 3 June 2019 the information, explanations and documents requested in a letter dated 17 May 2019 issued under Disciplinary Bye-law 13.

Mr Richard Henry Smith ACA is therefore liable to disciplinary action under Disciplinary Bye-law 4.1c.

Hearing date

20 October 2020

Previous hearing date(s)

Case Management hearing 5 October 2020

Pre-hearing review or final hearing

Sanctions Hearing

Complaints found proved

Yes, upon admission

Sentencing order

A severe reprimand in respect of each of the Complaints, and an order that Mr Smith pays a financial penalty of £1,000 in respect of Complaint 1, and a financial penalty of £3,000 in respect of Complaint 2. Mr Smith is ordered to pay costs in the sum of £7,192.

Procedural matters and findings

By a case management direction made on 5th October 2020, the hearings of the two Complaints against Mr Smith were directed to be combined

Parties present

Mr Richard Smith appeared in person

Represented

Ms Sonia Stean appeared on behalf of the Investigation Committee (IC)

Hearing in public or private

The hearing was held remotely, notice of the same having been given on the ICAEW website

Decision on service

In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied to service

Documents considered by the tribunal

The tribunal considered the documents contained in the IC's bundle together with financial information and a reference provided by Mr Smith

The Investigation Committee's (IC's) case

The AML Supervisor Complaint

1. As part of the 2007 Money Laundering Regulations (MLR), businesses in the following sectors are required to be registered with an Anti-Money Laundering ('AML') Supervisor:
 - financial and credit businesses
 - independent legal professionals
 - accountants, tax advisers, auditors and insolvency practitioners
 - trust and company service providers
 - estate agents
 - casinos
2. New Money Laundering Regulations came into force with effect from 26 June 2017 and had the same requirement to register with an AML Supervisor.
3. ICAEW is an AML supervisor, as are many accountancy bodies. Any ICAEW member firm is automatically covered for AML supervision under the Practice Assurance Monitoring regime.

Any non-member firms that have a principal who is an ICAEW member can apply to ICAEW for a contract for AML supervision.

4. 'A' LLP provides accountancy services and prior to 18 August 2018 the two members of the LLP were 'B' Ltd and 'C' Ltd. Mr Richard Smith (ICAEW member) was the sole director and shareholder of 'B' Ltd. Mr 'D' (CIMA member) was the sole director and shareholder of 'C' Ltd. On 17 August 2018 Mr Smith and Mr 'D' became the two members of the LLP.
5. 'A' LLP has never been an ICAEW member firm, as it has never been controlled by Mr Smith as a Chartered Accountant. As such, 'A' LLP is not automatically supervised by ICAEW under the Money Laundering regulations and was required to obtain an AML supervisor when it commenced trading.
6. ICAEW first contacted Mr Smith to make enquiries in October 2017 and experienced some difficulty in obtaining confirmation from Mr Smith about the activity of the LLP and therefore its AML supervision requirements.
7. In March 2018 Mr Smith informed ICAEW that 'A' LLP had not yet started to trade. However, in February 2019 Mr Smith explained that the LLP had started to trade with effect from 1 December 2017 with the first invoices being raised in April 2018.
8. As 'A' LLP commenced providing accountancy services on 1 December 2017 it was required to have an AML supervisor from this date.
9. Mr Smith submitted an AML contract application to ICAEW by 23 November 2018. The application was received on 7 December 2018 and was approved on 18 March 2019.

Accordingly, between 1 December 2017 and 18 March 2019 there was no AML supervisor in place, and this was a breach of the money laundering regulations.

PII cover complaint

10. In considering the complaint for his failure to appoint and register an AML supervisor, Mr Smith was asked to provide copies of the PII insurance for 'A' LLP since it began trading.
11. Mr Smith confirmed that 'A' LLP had held PII since it started to trade but only provided details of a PII policy confirming cover from 13 November 2018.
12. Mr Smith was asked to provide a copy of the PII policy for 'A' LLP for the period since December 2017 and in particular since the entity started trading in April 2018, but he failed to do so. Some six reminders were sent, culminating in the sending of a notice under Disciplinary Bye-law 13 which was issued on 17 May 2019. A response was requested by 3 June 2019, but no response was received during this time. It was not until 10 October 2019 that Mr Smith provided a copy of the PII policy that he had been requested to provide for 'A' LLP that showed cover had been held from 13 November 2017. He has therefore now, albeit belatedly, provided the information requested in the letter dated 17 May 2019.

Issues of fact and law

13. Mr Smith made full admissions in respect of both complaints.

Conclusions and reasons for decision

14. The tribunal was satisfied that both complaints had been proven having regard to the admissions made. Mr Smith could provide no real reason for failure to secure an AML supervisor, nor for the protracted failure to furnish details of the PII cover in place, although this was hardly an onerous request. He has now appointed an office manager to administer the office. He told us that his client base was unlikely to give rise to AML issues, and indeed no such issues have been raised during the period when there was no supervision.

Matters relevant to sentencing

15. The Respondent had no previous findings of misconduct. The tribunal considered the *Guidance on Sanctions*. We reminded ourselves that the key principles are protection of the public, maintaining the reputation of the profession, upholding proper standards of conduct within the profession, and the correction and deterrence of misconduct. In respect of the AML supervisor complaint, we considered the closest guidance was under para 19 v, although this is in respect of a firm rather than an individual. The starting point is a reprimand and a category F financial penalty (£1,000). We considered this to be a fair starting point in the circumstances of this complaint as Mr Smith was the only ICAEW member.
16. The aggravating features were the period of time without supervision, some 15 months, and Mr Smith's acting knowingly without AML supervision. We were satisfied that there was a casual attitude towards proper process. The mitigating feature was the admission made and the appointment (albeit late in the day) of an AML supervisor. We had regard to the detailed financial information provided by Mr Smith. We concluded that a reasonable and proportionate sanction is a severe reprimand and a financial penalty of £1,000.
17. In respect of the PII complaint, the Guidance at para 10 a i applies when there has been no response at all to a letter sent in accordance with DBL 13. The starting point is a severe reprimand and a category D penalty (£5,000). Para 10 a ii applies when there has been a response but not all information has been provided, which is more aligned to the situation here. The starting point is a severe reprimand and a category E financial penalty (£3,000). We considered the failure to respond to the ICAEW over a considerable period of time in respect of an important issue to be a serious failure.
18. The aggravating features were that the information required was supplied at the last possible moment, a number of requests had to be made, and there was a four month delay in complying with the requests. The mitigating features were the admissions made. Our conclusion after consideration of all factors was that a reasonable and proportionate sanction is a severe reprimand and a financial penalty of £3,000.
19. The combined costs, which we considered to be reasonable and proportionate, in respect of both complaints amounts to £7,192. We order Mr Smith to make payment of that sum.

Sentencing Order

20. We impose a severe reprimand in respect of each of the complaints, and order that Mr Smith pays a financial penalty of £1,000 in respect of the AML supervisor complaint, and a financial penalty of £3,000 in respect of the PII complaint. We also order that Mr Smith pays the costs of the IC in the sum of £7,192.

Decision on publicity

21. Publication with name.

Chair	Richard Jones QC	
Accountant Member	Martin Ward FCA	
Non Accountant Member	Rachel Forster	050367

2. **Mr Richard Henry Smith ACA** of
Altrincham, United Kingdom

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 20 October 2020

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20 October 2020

Previous hearing date(s)

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Pre-hearing review or final hearing

Sanctions Hearing

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Sentencing order

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Hearing in public or private

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Documents considered by the tribunal

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The Investigation Committee's (IC's) case

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shareholder of 'B' Ltd. Mr 'D' (CIMA member) was the sole director and shareholder of 'C' Ltd. On 17 August 2018 Mr Smith and Mr 'D' became the two members of the LLP.

26. 'A' LLP has never been an ICAEW member firm, as it has never been controlled by Mr Smith as a Chartered Accountant. As such, 'A' LLP is not automatically supervised by ICAEW under the Money Laundering regulations and was required to obtain an AML supervisor when it commenced trading.
27. ICAEW first contacted Mr Smith to make enquiries in October 2017 and experienced some difficulty in obtaining confirmation from Mr Smith about the activity of the LLP and therefore its AML supervision requirements.
28. In March 2018 Mr Smith informed ICAEW that 'A' LLP had not yet started to trade. However, in February 2019 Mr Smith explained that the LLP had started to trade with effect from 1 December 2017 with the first invoices being raised in April 2018.
29. As 'A' LLP commenced providing accountancy services on 1 December 2017 it was required to have an AML supervisor from this date.
30. Mr Smith submitted an AML contract application to ICAEW by 23 November 2018. The application was received on 7 December 2018 and was approved on 18 March 2019.

Accordingly, between 1 December 2017 and 18 March 2019 there was no AML supervisor in place, and this was a breach of the money laundering regulations.

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32. Mr Smith confirmed that 'A' LLP had held PII since it started to trade but only provided details of a PII policy confirming cover from 13 November 2018.
33. Mr Smith was asked to provide a copy of the PII policy for 'A' LLP for the period since December 2017 and in particular since the entity started trading in April 2018, but he failed to do so. Some six reminders were sent, culminating in the sending of a notice under Disciplinary Bye-law 13 which was issued on 17 May 2019. A response was requested by 3 June 2019, but no response was received during this time. It was not until 10 October 2019 that Mr Smith provided a copy of the PII policy that he had been requested to provide for 'A' LLP that showed cover had been held from 13 November 2017. He has therefore now, albeit belatedly, provided the information requested in the letter dated 17 May 2019.

Issues of fact and law

34. Mr Smith made full admissions in respect of both complaints.

Conclusions and reasons for decision

35. The tribunal was satisfied that both complaints had been proven having regard to the admissions made. Mr Smith could provide no real reason for failure to secure an AML supervisor, nor for the protracted failure to furnish details of the PII cover in place, although this was hardly an onerous request. He has now appointed an office manager to administer the office. He told us that his client base was unlikely to give rise to AML issues, and indeed no such issues have been raised during the period when there was no supervision.

Matters relevant to sentencing

36. The Respondent had no previous findings of misconduct. The tribunal considered the *Guidance on Sanctions*. We reminded ourselves that the key principles are protection of the public, maintaining the reputation of the profession, upholding proper standards of conduct within the profession, and the correction and deterrence of misconduct. In respect of the AML supervisor complaint, we considered the closest guidance was under para 19 v, although this is in respect of a firm rather than an individual. The starting point is a reprimand and a category F financial penalty (£1,000). We considered this to be a fair starting point in the circumstances of this complaint as Mr Smith was the only ICAEW member.

37. The aggravating features were the period of time without supervision, some 15 months, and Mr Smith's acting knowingly without AML supervision. We were satisfied that there was a casual attitude towards proper process. The mitigating feature was the admission made and the appointment (albeit late in the day) of an AML supervisor. We had regard to the detailed financial information provided by Mr Smith. We concluded that a reasonable and proportionate sanction is a severe reprimand and a financial penalty of £1,000.

38. In respect of the PII complaint, the Guidance at para 10 a i applies when there has been no response at all to a letter sent in accordance with DBL 13. The starting point is a severe reprimand and a category D penalty (£5,000). Para 10 a ii applies when there has been a response but not all information has been provided, which is more aligned to the situation here. The starting point is a severe reprimand and a category E financial penalty (£3,000). We considered the failure to respond to the ICAEW over a considerable period of time in respect of an important issue to be a serious failure.

39. The aggravating features were that the information required was supplied at the last possible moment, a number of requests had to be made, and there was a four month delay in complying with the requests. The mitigating features were the admissions made. Our conclusion after consideration of all factors was that a reasonable and proportionate sanction is a severe reprimand and a financial penalty of £3,000.

40. The combined costs, which we considered to be reasonable and proportionate, in respect of both complaints amounts to £7,192. We order Mr Smith to make payment of that sum.

Sentencing Order

41. We impose a severe reprimand in respect of each of the complaints, and order that Mr Smith pays a financial penalty of £1,000 in respect of the AML supervisor complaint, and a financial penalty of £3,000 in respect of the PII complaint. We also order that Mr Smith pays the costs of the IC in the sum of £7,192.

Decision on publicity

42. Publication with name.

Chair	Richard Jones QC
Accountant Member	Martin Ward FCA
Non Accountant Member	Rachel Forster

043183

3. Mr Ali Raza [ACA] of
Solihull, United Kingdom

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 13 January 2021

Type of Member Member

Complaint

Between 12 August 2014 and 5 January 2015, Mr Ali Raza ACA submitted expense claims to 'A' LLP relating to stays with Ms X at the 'B' Hotel for the periods set out in Schedule 1.

- a) This conduct was dishonest because he knew Ms X would be making expense claims to 'C' LLP for the same stays.

And/or

- b) This conduct lacked integrity because he did not ensure that Ms X would not be making expense claims for the same stays to 'C' LLP.

Mr Ali Raza is therefore liable to disciplinary action under Disciplinary Bye-law 4.1a for complaints 1a and 1b.

SCHEDULE 1

	FROM	UNTIL
i.	27 July 2014	1 August 2014
ii.	22 October 2014	24 October 2014
iii.	17 November 2014	21 November 2014
iv.	23 November 2014	28 November 2014
v.	30 November 2014	5 December 2014
vi.	7 December 2014	11 December 2014
vii.	14 December 2014	15 December 2014

¹ Disciplinary Bye-law 4.1a (effective 24 July 2013 until 31 December 2015) states:

- 4.1 A member or provisional member shall be liable to disciplinary action under these bye-laws in any of the following cases, whether or not he was a member or provisional member at the time of the occurrence giving rise to that liability**
- a. **if in the course of carrying out professional work or otherwise he has committed any act or default likely to bring discredit on himself, the Institute or the profession of accountancy;**

Hearing dates	13th January 2021
Previous hearing dates	Case Management Hearing on 11th December 2020
Case Management, Sanctions or Final Hearing	Final hearing
Heads of complaint found proved	1(a)
Heads of complaint found not proved	N/A
Sentencing order	Exclusion Fine of £10,000 Costs of £10,723
Procedural matters and findings	
Parties and representation	The Investigation Committee ('IC') was represented by Mrs Silpa Tozar The Respondent was not present and was 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 26 of the Disciplinary Committee Regulations
Documents considered by the Tribunal	The Tribunal considered the documents contained in the Investigation Committee's bundle

Proceeding in absence

1. At the Case Management Hearing ('CMH') on 11 November 2020 the Chair was satisfied that service of the Investigation Committee's papers had been effected in accordance with Regulation 3 of the Disciplinary Committee Regulations ('DCR'). The Chair directed that the matter be listed for a final hearing on 13 January 2021 to take place either in person or remotely. Due to the ongoing Covid-19 pandemic, the hearing took place remotely by video conference.
2. Notice of this hearing was sent email to the Respondent on 19 November 2020. A further email was sent to the Respondent providing him with a link to access the directions given at the CMH. It also reminded him of the date and time of the hearing and provided a link to access the hearing. No reply to either email has been received from the Respondent.

3. The Tribunal considered the following provisions:

DCR 26, which states: 'The directions from the case management hearing and notice of the date, time and location of the final hearing shall be served on the parties by the PCD Committee Secretary within 7 days of the case management hearing.'

Principal Bye-law 67(c) which states 'A communication may be delivered electronically by ICAEW to a member who has provided an email address unless the member has explicitly requested otherwise.'

4. The emails containing the notice of the hearing and the directions from the CMH were sent out of time. However, the notice of hearing was only two days late and the Respondent had had well over a month's notice of this hearing. Therefore, applying the principles set out in *Dorairaj v BSB* [2018] EWHC 2762, the Tribunal did not consider that it was the intention of the rules that such a breach would render service invalid. The Tribunal noted that there had been no engagement from the Respondent since May 2020 and bore particularly in mind that a few days delay in service of these notices would not have caused the Respondent any prejudice.
5. The notices had been sent to the Respondent's registered email address which was also the address he had used to communicate with ICAEW's Professional Conduct Department ('PCD') by email on a number of occasions. Mrs Tozar informed the Tribunal that the Respondent had not made any explicit request for the Institute not to communicate with him by email.
6. The last communication from Mr Raza was on 26 May 2020. He was aware at that stage that the matter was proceeding for consideration by the Investigation Committee. Therefore he is aware of these proceedings. The Tribunal considered that no useful purpose would be served in adjourning the hearing, given that the Respondent had neither requested an adjournment nor indicated that he would attend on a subsequent occasion if an adjournment was granted. This was a serious complaint and the allegations date back to 2014. The Tribunal was satisfied that there was a clear public interest in proceeding in the Respondent's absence.

The Investigation Committee's case

7. The Respondent became a provisional member of ICAEW in 2009 when he commenced a training contract with 'A' LLP. He completed his training contract in December 2013 and became an ACA member on 17 January 2014. He continued to work for 'A' LLP, based at its Manchester office.
8. The complaint related to irregularities uncovered by 'A' LLP's finance department regarding expense claims made by the Respondent for hotel stays.
9. The claims were for stays at the 'B' Hotel in London. The Respondent stayed at the hotel whilst attending two training courses in the London area in July and October 2014 and for periods whilst he was on secondment to the firm's London office in November and December 2014.
10. The Respondent's wife, Ms X, is also a member of ICAEW. At the time she was working for a different accountancy firm, 'C' LLP, and was also spending a number of nights in London. The investigation found that on a number of occasions the Respondent and his wife stayed together in a room at the 'B' but both claimed the cost as an expense from their respective firms.

11. The dates for which both submitted claims in relation to the same accommodation costs are set out in Schedule 1 to the Complaint. The IC's case was that the rooms had been booked by Ms X using her firm's negotiated booking rate. The Respondent had submitted a copy of the invoice as his own expense claim. In some cases the Respondent had altered the details on the invoice to make it look like it had been issued to him. The IC's case was that the false claims submitted by the Respondent totalled £6,384.
12. The invoices on the hotel's system were in the name of Ms X and her firm. However the copies submitted by the Respondent in support of his expense claim were in his own name and omitted the name of his wife's firm. During 'A' LLP's internal investigation meeting on 26 May 2015, the Respondent was asked whether he had changed the name in relation to a particular invoice. His reply was that he did not remember doing so himself but that it had been done by the hotel at his request. He admitted that he had removed the name of his wife's firm, 'C' LLP, from the 'Company Name' section on some of the invoices.
13. The dates on some of the copy invoices submitted by the Respondent differed from the dates on the invoices on the hotel's system. On one occasion the Respondent had arrived in London two days later than his wife. The dates on the copy he used for his claim were just the dates he was in London rather than the full period of the stay. The Respondent agreed he had changed the dates on this invoice.
14. The Respondent was asked if his wife had also incurred expenses in relation to the stays at 'B' Hotel. He confirmed that "she would have incurred them when he wasn't staying but she wouldn't have anything to do with the ones when [he] incurred them".
15. The Respondent subsequently came to an agreement with 'A' LLP to repay the overpaid expenses. He was dismissed by the firm.
16. The matter was reported by 'A' LLP to ICAEW on 12 December 2016. The Professional Conduct Department ('PCD') of ICAEW wrote to the Respondent concerning the allegations on 21 April 2017 and invited his comments.
17. In a telephone conversation with the PCD case manager on 4 April 2019, Mr Raza stated that he knew that his wife had also made expense claims for her hotel stays. The case manager asked the Respondent whether he had changed the name on the invoices he submitted from his wife's name to his as it appeared to be in a different font size to the one used by the hotel. The Respondent said he would look again at the invoices and get back to the case manager with an answer the following day. However he did not do so. An email chasing a response was sent on 26 April 2019. On 10 June 2019 the Respondent replied stating 'I had an idea that my wife would be claiming expenses. She wasn't aware of the expense claims I was submitting and what costs, if any, I was claiming.'
18. In a letter to PCD dated 28 February 2019 the Respondent confirmed he had paid the settlement agreed with 'A' LLP.
19. The IC submitted that, applying the test laid down in *Ivey v Genting Casinos*, the Respondent had acted dishonestly by claiming expenses from his firm when he knew that his wife would also be making claims to her firm in respect of the same expenditure.
20. In the alternative, the IC submitted that, following the guidance laid down by the Court of Appeal in *Wingate & Evans v SRA*, the Respondent's conduct lacked integrity.
21. The IC alleged that, on either basis, the Respondent's conduct was discreditable and rendered him liable to disciplinary action under Disciplinary-Bye Law (DBL) 4.1.a.

The Respondent's case

22. The Respondent did not attend the hearing or the CMH and nor did he provide any formal response to the Complaint.
23. The Respondent was sent a copy of the report to the Investigation Committee on 15 April 2020 and was given the opportunity to make representations. On 26 May 2020 he replied saying 'I don't necessarily agree with everything in the documents but I will go through that with the Committee.' There has been no further communication from the Respondent.

Conclusions and reasons for decision

Decision on complaint

24. The Tribunal considered the documentary evidence before it, the submissions of the IC and the advice of the Legal Assessor. It bore in mind that the burden of proof is on the IC and the standard of proof is the balance of probabilities.
25. The Committee was satisfied on the evidence that the Respondent had made expense claims for the hotel stays listed in Schedule 1 and that his wife had also made claims to her firm in respect of the same expenses. The issue for the Committee was whether the Respondent was dishonest in doing so. The IC put its case on the basis that the Respondent made the claims knowing that his wife was also going to make a claim for these expenses.
26. Significantly in the Tribunal's view, the Respondent has made at least partial admissions. In his email to PCD on 10 June 2019 he stated that he 'had an idea that my wife would be claiming expenses'. The case manager's note of her telephone conversation with the Respondent on 4 April 2019 records an admission that he was aware his wife had also made expense claims in relation to these stays.
27. It was inconceivable, in the Tribunal's view, that the Respondent would not have been aware of his responsibilities regarding expense claims, having worked for a large accountancy firm for a number of years at the time. Any possibility that he might have submitted these claims mistakenly or in error could be ignored, given that he had made admissions to altering the invoices before submitting the claims.
28. On the balance of probabilities, the Tribunal was satisfied that the Respondent's conduct was dishonest in that he made the expense claims set out in Schedule 1 knowing that his wife would also be claiming for the same expenditure. The Tribunal therefore found Complaint 1(a) proved.
29. Fraudulent claims made by an accountant clearly bring discredit on the Respondent and the profession. Given that the Tribunal had found the Respondent made a number of dishonest expense claims, there could be no doubt that his conduct was discreditable, rendering him liable to disciplinary action under DBL 4.1a.
30. In the circumstances, the Tribunal did not need to consider the alternative allegation of acting without integrity in Complaint 1(b).

Matters relevant to sentencing

31. Tribunal took into account that there were no previous disciplinary matters recorded against the Respondent. It also took into account the fact that he had repaid his firm, albeit this only occurred after his wrongdoing had been uncovered. Although there had been some engagement with the investigation, and some admissions made during the course of it, he had not admitted the complaint and there was little evidence of remorse or insight.

32. This was deliberately dishonest conduct committed for personal gain. It was further aggravated by the fact that the Respondent was working in a position of responsibility and trust as a professional accountant.
33. The Tribunal had regard to ICAEW's *Guidance on Sanctions* ('GOS'). There is no specific guidance in the GOS on findings of dishonesty, other than when committed in the context of a criminal offence. The Tribunal accepted the IC's submission that it was relevant to consider the guidance on breach of the fundamental principle of integrity as providing a close analogy. Where a member breaches the integrity principle in a way which is regarded as very serious the starting point for sanction is exclusion and a fine of £10,000.
34. This misconduct was at the higher end of the scale. The Committee was satisfied that the starting point set out in the GOS was, in all the circumstances, appropriate and proportionate and there was no justifiable basis for reducing the penalty from the starting point set out in the GOS.
35. The IC applied for costs in the sum of £10,723. The Tribunal was content that these costs were proportionate and had been reasonably incurred. The Tribunal had no information about the Respondent's financial circumstances. It was satisfied that it was appropriate to award costs in the sum claimed.
36. Under DBL 32.1 and DBL 33.2 any fine and costs imposed shall be paid within 35 days of date on which this written record of decision is served on the Respondent, unless a longer period is permitted. Should the Respondent wish to pay by instalments he should contact the Institute to discuss appropriate arrangements.

Sentencing order

37. Therefore in the Tribunal's view the appropriate and proportionate sanction was to exclude the Respondent from membership of ICAEW and in addition impose a fine of £10,000.
38. The Tribunal ordered the Respondent to pay costs of £10,723.

Decision on publicity

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

Chairman

Mr Ron Whitfield

Accountant Member

Mr Jon Newell

Non Accountant Member

Ms Rachel Forster

Legal Assessor

Mr Andrew Granville Stafford

037067

**4. Miss 'A' of
United Kingdom**

A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 6 January 2021

Type of Member Provisional Member

Terms of complaint

Miss 'A', when completing interim audit work on the financial statements for Bank 'B' for the year ended 31 December 2017:

1. On or around 1 August 2017 Miss 'A' copied a spreadsheet completed by another person on the control testing over the manual adjustments to 'PM' profit and loss account and made the following amendments:
 - i) removed a column headed SBU
 - ii) amended the Product Code column from 'MT' to 'Rates'
 - iii) removed a column headed User Name
 - iv) removed a column headed comment
 - v) amended the details in the approved time stamp column

and presented this spreadsheet as her work on the control testing over the manual adjustments to the Rates profit and loss account.

This was dishonest as she knew that she had not completed the work.

2. On or around 1 August 2017 Miss 'A' copied a spreadsheet completed by another person on the control testing over the manual adjustments to 'PM' profit and loss account and made the following amendments:
 - i) removed a column headed SBU
 - ii) amended the Product Code column from 'MT' to 'Structured Rates'
 - iii) removed a column headed Amount
 - iv) removed a column headed User Name
 - v) removed a column headed Comment
 - vi) amended the name of the person who uploaded the transaction
 - vii) amended the name of the person who approved the transaction
 - viii) amended the details in the approved time stamp column

and presented this spreadsheet as her work on the control testing over the manual adjustments to the Structured Rates profit and loss account.

This was dishonest as she knew that she had not completed the work.

3. On or around 1 August 2017, in responding to a coaching note from Miss 'D' concerning whether Bank 'B' control processes had ensured that its profit and loss results had been reported to appropriate management on a timely basis, Miss 'A' obtained a copy of an email contained on the 2016 audit file, removed the date and some narrative from the email, provided it to Miss 'D' and presented it as work performed in 2017.

This was dishonest as she knew that she had not completed the work.

4. Between 10 July 2017 and 14 August 2017 Miss 'A' copied a spreadsheet confirming the work carried out on the 2016 audit file to compare the value of investments held on Bank 'B's working file, and presented this spreadsheet as her work done to compare the value of investments held on Bank 'B's working file to the total per an independent download for 2017 which she had not performed.

This was dishonest as she knew that she had not completed the work.

Miss 'A' is therefore liable to disciplinary action under Disciplinary Bye-law 4.1a for all complaints:

Disciplinary Bye-law 4.1a (effective from 3 October 2016) states:

- 4.1 'A member, provisional member, foundation qualification holder, provisional foundation qualification holder or CFAB student (all hereinafter referred to as 'respondent') shall be liable to disciplinary action under these bye-laws in any of the following cases, whether or not he was a member, provisional member, foundation qualification holder, provisional foundation qualification holder or CFAB student at the time of the occurrence giving rise to that liability:
 - a if in the course of carrying out professional work or otherwise he has committed any act or default likely to bring discredit on himself, the Institute or the profession of accountancy.'

Hearing date	6 January 2021
Previous hearing dates	Case Management Hearing on 14 December 2020
Case Management, Sanctions or Final Hearing	Sanctions hearing
Complaints found proved	1, 2, 3 and 4 by admission
Complaints found not proved	None
Sentencing order	Ineligible to apply for re-registration as a provisional member for two years Costs of £5,078
Procedural matters and findings	
Parties and representation	The Investigation Committee ('IC') was represented by Ms Vicky Morgan Miss 'A' ('the Respondent') was present and was not represented
Hearing in public or private	The hearing was in private by video-conference
Decision on service	The Tribunal was satisfied that service was in accordance with regulations 3 and 26 of the Disciplinary Committee Regulations
Documents considered by the Tribunal	The Tribunal considered the documents contained in the Investigation Committee's bundle

Preliminary matters

40. On 14 December 2020 the Respondent made an application for her case to be heard in private. At the CMH the Chair gave the following direction:

'The Tribunal shall deal with the Respondent's application for a private hearing as a preliminary issue. The tribunal shall also consider an application for non-publication or anonymisation of the outcome of the Sanctions Hearing.'

41. DCR 34 gives the Tribunal power to hold all or part of hearing in private:

'where it appears desirable to do so in the interests of justice or for any other exceptional reason provided always:

a. the particular circumstances of the case outweigh the public interest in holding a public hearing'.

42. The Respondent applied for the hearing to be in private and publication to be withheld on the basis [PRIVATE].
43. The application for privacy was not opposed by the IC.
44. The Tribunal was satisfied that the Respondent was [PRIVATE]. It was satisfied that, in accordance with DCR 34, the circumstances of the case justified the public being excluded from the hearing and outweighed the normal public interest in an open hearing.

The Investigation Committee's case

45. The Respondent commenced a three-year training contract with Firm 'C', a large accountancy firm, in September 2014. At the relevant time, in July and August 2017, she was a provisional member of ICAEW and was working as a Senior Associate for Firm 'C' in its Banking and Capital Markets division.
46. The complaints allege that the Respondent falsified audit working papers prepared whilst working on the interim audit of a client, Bank 'B', for the year ended 31 December 2017. The Respondent was part of the audit team tasked with performing interim testing over the financial controls implemented by Bank 'B'. Such testing enables the auditor to make judgements as to the assurance that could be placed on the entity's own procedures to have accounted for transactions completely and accurately.
47. Complaints 1 and 2 relate to controls testing for two P&L costs centres, Rates and Structured Rates, that the Respondent was tasked with undertaking.
48. Instead of selecting a sample of her own journal adjustments for each of these P&L areas, the Respondent copied a spreadsheet from the audit working papers already completed by someone else on a different cost centre, namely 'PM'. She made amendments to the spreadsheet to make it appear that she had done testing on both the Rates and Structured Rates costs centres when she had not.
49. The data amended by the Respondent to make it appear like her own work was as follows. In the Rates spreadsheet she:
 - removed the columns titled 'SBU', 'User Name' and 'Comment' which would have identified to a reader that the transactions had been picked from the 'PM' cost centre;
 - amended the detail in the Product Code column to remove reference to 'M', replacing it with 'Rates';
 - altered the 'approval dates and times' column to show a different approval date and time.

In the Structured Rates spreadsheet the Respondent:

- removed the columns titled 'SBU', 'Amount', 'User Name' and 'Comment' on the 'PM' test which would have identified to a reader that the transactions had been picked from the 'PM' cost centre;
- amended the detail in the Product Code (to remove reference to 'M', replacing with 'Structured Rates');
- altered the 'uploaded by', 'approved by' and 'approval dates and times' columns to show a different person uploading, approving and a different approval date and time.

50. Complaint 3 also related to the Respondent's work on P&L testing. She was required to check that the bank's results of its own internal P&L analysis were distributed by email to senior management in a timely fashion.
51. On 29 June 2017 the Respondent's line manager, Ms 'D', queried with the Respondent the fact that the client's internal email, which would confirm distribution of its P&L analysis checks, was missing from the working papers.
52. Instead of obtaining an email for the period being tested, the Respondent copied an email from the previous year, 2016, and changed the date on. She also removed some of the text of the email that would have identified the information being used as being from the previous year. She then submitted the fabricated email to her line manager, purporting to show that she had obtained the necessary evidence when she had not.
53. Complaint 4 related to independent price verification ('IPV') testing. The testing required that amounts were selected from Bank 'B's records and checked to an independent verification source.
54. The Respondent submitted her IPV working paper to Ms 'D' on 14 August 2017. However, rather than carry out the work required for the 2017 audit, the Respondent copied the previous year's spreadsheet. She altered the format of the spreadsheet and presented it as her own work.
55. Ms 'D' became concerned that the Respondent had falsified her work on the audit. She had a discussion broached the matter with the Respondent on 17 August 2017. The Respondent agreed that she had copied some of the previous year's data but did not accept she had done 'anything on purpose'. The following day a further meeting was held and the Respondent admitted she had falsified working papers. She was suspended by the firm.

56. As part of the firm's internal investigation, Firm 'C' asked the Respondent to provide any information she felt was relevant. On 22 August 2017 the Respondent sent an email explaining that [PRIVATE]. She said that she wished she could 'undo her mistake'.
57. Following a disciplinary hearing, the Respondent was dismissed on 31 August 2017, which was the last day of her training contract. As a consequence, her provisional membership of the Institute also came to an end.
58. The IC's case was that the Respondent's actions were dishonest. The four complaints cover a period of about four weeks, suggesting that these actions were not a momentary lapse of judgment. The IC pointed out that the Respondent had worked on ten other banking sector audits since becoming a Senior Associate with Firm 'C' and therefore she should have been familiar with the pressure involved in such work. The IC accepted that it did not appear the Respondent had anything to gain personally, other than complying with her work deadlines, and that her actions had no actual impact on the audit opinion issued as they were discovered prior to the opinion being issued and the work was re-done.

The Respondent's case

59. The Respondent admitted the complaints.
60. The Respondent provided her initial comments on the complaints to the Professional Conduct Department ('PCD') of ICAEW in an email on 28 November 2017. She accepted she had 'copied tabs from one testing template to another'. She said that her actions were completely out of character. She states that she was [PRIVATE].
61. The PCD wrote to the Respondent on 8 April 2020 with a copy of the draft report to the Investigation Committee. The Respondent responded on 7 June 2020. She reiterated that her actions were out of character. She said it was an isolated incident which she attributed to her mental health at the time. She said she had nothing to gain from these actions.
62. In her submissions to the Tribunal the Respondent apologised for her actions and emphasised that she is not normally a dishonest person and that her actions were out of character. She told the Tribunal that [PRIVATE]. She said that with hindsight she should have sought help but did not do so.

Conclusions and reasons for decision

Matters proved by admission

63. At the CMH on 14 November 2020 the complaints were found proved by admission.

Matters relevant to sentencing

64. This was not an isolated incident or a momentary lapse. There were four separate incidents of dishonesty committed over a period of four weeks. The misconduct in question was undoubtedly serious.
65. However, the Tribunal considered there was strong mitigation in this case. There were no previous disciplinary matters recorded against the Respondent. She made early admissions and had apologised for her actions. In light of this the Tribunal accepted she had shown remorse and insight. The Tribunal accepted that at the time she was experiencing both [PRIVATE] in her personal life and pressure at work. It also accepted that no actual harm had been caused and that her motivation had not been for personal gain. The Tribunal took into account that she was relatively inexperienced at the time. Through no fault of the Respondent's, there had been considerable delay in bringing this case to a hearing, which had resulted in a lengthy period in which she had been unable to pursue her ambition to become an accountant.
66. The Tribunal had regard to ICAEW's *Guidance on Sanctions* ('GOS'). There is no specific guidance in the GOS on findings of dishonesty, other than when committed in the context of a criminal offence. The Tribunal accepted the IC's submission that it was relevant to consider the guidance on breach of the fundamental principle of integrity as providing a close analogy. Where a member breaches the integrity principle in a way which is regarded as either serious or very serious the starting point for sanction is exclusion.
67. As the Respondent was a provisional member at the relevant time the available sanctions were set out in DBL 22.7. The Tribunal carefully considered the options open to it, which were limited in light of the fact that the Respondent was not currently a provisional member. Had she still been a provisional member the Tribunal would have ceased her membership. In light of the fact her provisional membership had already terminated, the Tribunal decided that the appropriate and proportionate sanction, bearing in particular in mind the significant personal mitigation, was an order under DBL 22.7b rendering her ineligible for re-registration as a provisional member for a period of two years.
68. The IC applied for costs in the sum of £5,078. The Tribunal accepted that the sum sought was appropriate for the work that had been done and that the Respondent had the financial ability to meet the order.
69. Costs are normally payable within 35 days of date of service of this decision unless a longer period is permitted. The Tribunal directed that the Respondent may pay the costs in twelve monthly instalments of £423.16 starting on 1 March 2021.

Sentencing order

70. Therefore the Tribunal made the following order:

- (1) The Respondent is ineligible to apply for re-registration as a provisional member for a period of two years from the date of this order.
- (2) The Respondent shall pay costs to ICAEW of £5,078. If the Respondent wishes to pay in instalments she may pay in twelve monthly instalments of £423.16 with the first payment by 1 March 2021 and each subsequent payment by the first day of the next month.

Decision on publicity

71. Paragraph 3.8 of the Guidance on Sanctions states:

‘Respondents / respondent firms may request for their names not to be included in the published record of decision.

Given the expectation that ICAEW will be acting transparently and in the public interest in discharging its disciplinary and regulatory functions, the Investigation Committee, the Disciplinary Tribunal and the Regulatory Committees should only accede to requests not to publish names in exceptional circumstances and only where publication is likely to involve the risk of harm to the individual or unfair impact on innocent third parties.’

72. Having found in relation to the privacy application that the Respondent was at risk of harm if her extended family became aware of this finding, the Tribunal considered that, exceptionally, it was appropriate to exercise its discretion to direct that the decision shall be published with the Respondent’s identity anonymised.

Chairman

Mr Ron Whitfield

Accountant Member

Ms Lydia Ebdon

Non Accountant Member

Mr Geoff Baines

Legal Assessor

Mr Andrew Granville Stafford

041147

5. **Mr Peter Benjamin Hosker ACA** of
Chester, United Kingdom

A Tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 3 February 2021

Type of Member Member

Complaints

- A. On or around 16 May 2013 Mr Peter Hosker, ACA, drafted board meeting minutes for 'A' Limited dated 20 January 2012 which stated that:
- (a) The board reviewed and unanimously approved the proposed Asset Purchase Agreement relating to the sale of all online casino related assets and liabilities to 'B'.
 - (b) The board reviewed and unanimously approved the proposed Services Supply Agreement relating to the provision of online marketing, IT support and customer services to 'C'.

The above was dishonest in that he knew:

- i. The sale had not taken place on 31 January 2012; and/or
- ii. The board had not unanimously approved the proposed Asset Purchase Order on 20 January 2012; and/or
- iii. The board had not unanimously approved the proposed Supply of Services Agreement on 20 January 2012

AND / OR

- B. On or around 16 May 2013; Mr Peter Hosker, ACA, drafted board meeting minutes for 'A' Limited dated 20 January 2012 which stated that:
- (a) The board reviewed and unanimously approved the proposed Asset Purchase Agreement relating to the sale of all online casino related assets and liabilities to 'B'.
 - (b) The board reviewed and unanimously approved the proposed Services Supply Agreement relating to the provision of online marketing, IT support and customer services to 'C'.

The above breached s110 of the Code of Ethics in that the board meeting minute asserted that the Asset Purchase Agreement and Services Supply Agreement had been approved on 20 January 2012 when Mr Hosker knew that the Asset Purchase Agreement and/or the Supply Agreement could not have been approved on that date.

Mr Hosker is therefore liable to disciplinary action under Disciplinary Bye-law 4.1a for complaints 1a and 1b. [Bye-laws from 29th September 2011 to 23 July 2013]

Disciplinary Bye-law 4.1a [effective from 29th September 2011] states:

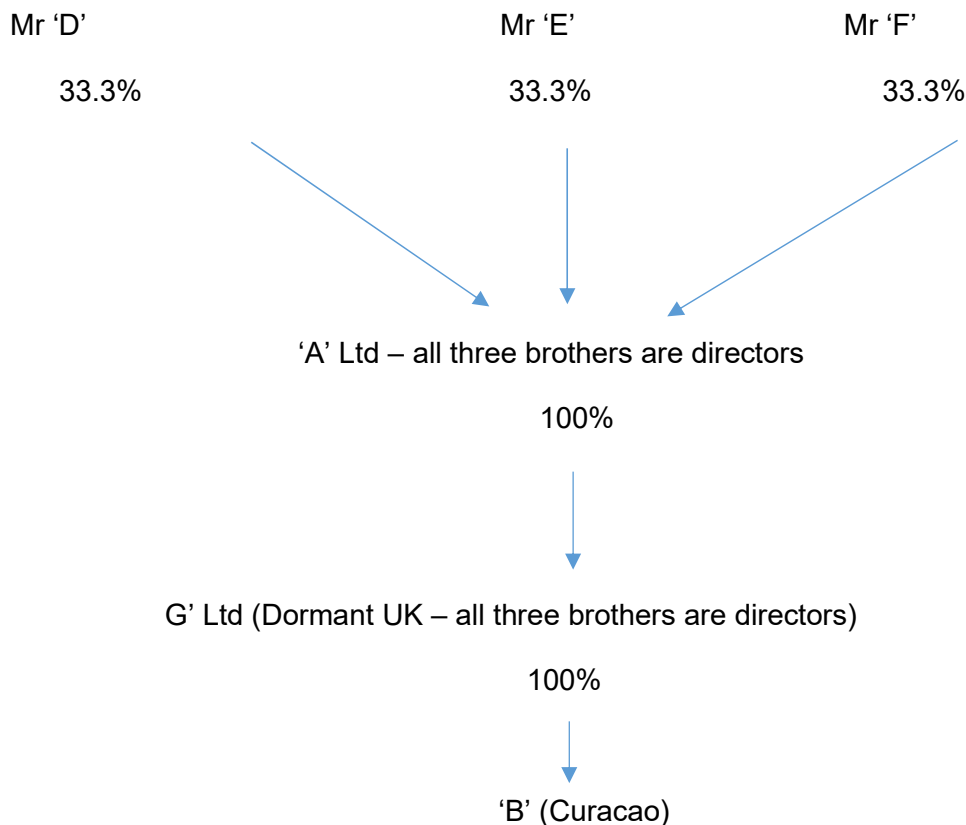
- 4.1 A member or provisional member shall be liable to disciplinary action under these bye-laws in any of the following cases, whether or not he was a member or provisional member at the time of the occurrence giving rise to that liability
- a. if in the course of carrying out professional work or otherwise he has committed any act or default likely to bring discredit on himself, the Institute or the profession of accountancy;

Hearing dates	February 3 2021
Previous hearing dates	Case Management Hearing 11 November 20
Case Management, Sanctions or Final Hearing	Final hearing
Heads of complaint found proved/ not proved	The tribunal found Complaint B proved and Complaint A not proved.
Sanction order	Severe reprimand and a fine of £2,500. The Respondent was ordered to pay £14,563.00 as a contribution towards the Investigation Committee's costs.
Parties and representation	Mr Peter Hosker, represented by Mr Diarmuid Bunting of counsel. The Investigation Committee was represented by Ms Jessica Sutherland-Mack.
Hearing in public or private	The hearing was in public and conducted on a virtual platform (Lifesize).
Decision on service	In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied to service.
Documents considered by the tribunal	The tribunal considered the documents contained in the Investigation Committee's (IC's) bundle pages 1 – 402 together with documentation submitted by the Respondent.

1 The Investigation Committee's case

- 1.1 'A' Ltd was incorporated in 2004 and the plan was for the entity to offer an online casino. Three brothers, Mr 'D', Mr 'E' and Mr 'F' were the equal shareholders at the time of the events referred to in these complaints. 'A' Ltd was a UK-registered company and the principal activity of the company was online gaming. All three brothers were directors of the company but only Mr 'D' was actively involved in the day to day running of the company.
- 1.2 Mr Hosker (hereinafter, the Respondent) joined 'A' Ltd as the Chief Financial Officer in May 2008.
- 1.3 In 2014 the three brothers fell into a dispute and this led to three separate claims being made as follows:
 - 'A' Ltd claim against Mr 'D' and 13 corporate entities ('A' Ltd claim).
 - Mr 'D' against Mr 'E' and Mr 'F' (The petition).
 - Mr 'E' and Mr 'F' against Mr 'D' (The trust claim).
- 1.4 All claims were considered by Mr Justice Morgan at various dates between June and July 2016. Mr Justice Morgan gave judgment on 15 November 2016.
- 1.5 In January 2005 'G' Ltd was formed. Mr 'D' was initially the sole shareholder but all three brothers were appointed as directors. This company remained dormant. At some point between 2005 and 2012 the shares in 'G' Ltd were transferred from Mr 'D' to 'A' Ltd.
- 1.6 In March 2005 'B' incorporated in Curacao. At some point between this date and 2012, the single share in 'B' was transferred from 'A' Ltd to 'G' Ltd.
- 1.7 On 15 March 2005 'B' entered into an agreement with another Curacao company (which held a gaming licence) to enable 'B' exclusive rights to use that licence in Curacao. It is unknown whether the Curacao company was connected to the brothers.
- 1.8 In May 2005, Mr 'D' took advice from Mr 'H', a solicitor from 'I'. Mr 'H' wrote a detailed letter of advice which set out that the plan was for 'B' to run the online casino, 'A' Ltd to perform the administrative function and 'G' Ltd would be the holding company for both businesses. Mr 'H' advised that it would be illegal to operate an internet gaming operation in the UK and that the online gaming business needed to be run by 'B' from Curacao. Mr 'D' did not implement this advice and all documents show that the business operated from the UK. 'A' Ltd received all of the income from the gaming business and incurred all of the expenditure.
- 1.9 In 2007 Mr 'D' took over running the business.
- 1.10 The financial year end of 'A' Ltd was 31 January. Until the year ended 31 January 2012 all of the income from the online gaming business and the expenses were included within the financial statements of 'A' Ltd. These accounts were audited by 'J'.

1.11 In January 2012 the ownership of each of the entities was as follows:



1.12 In August 2012 Mr 'D' instructed trade mark agents with a proposal that 'A' Ltd would transfer the trademarks associated with online gambling to 'B' with a further proposal that 'B' would then grant a licence back to 'A' Ltd for the payment of royalties.

1.13 In October 2012 Mr 'D' also sought advice from 'K' in Curacao (a company formation agent) with a proposal to bring 'B' "out of dormancy". Mr 'D' informed Mr 'L' (an employee of 'K') that on 9 January 2012 'G' Ltd had transferred its share in 'B' to him. In the High Court proceedings, the judge states that Mr 'D' knew that this was not true. Mr 'L' asked for a copy of the board minutes approving the share transfer and in March 2013 Mr 'D' asked his solicitor to draft an appropriate board minute, which he did. The Respondent then added details into this board minute for 'G' Ltd which stated that all three brothers and the Respondent himself had been in attendance at the meeting. Mr 'D' signed the board minute which purported to be of a Board meeting on 9 January 2012 and sent it to Mr 'L'.

- 1.14 In March 2013 the Respondent prepared a note summarising a proposed sale of assets from 'A' Ltd to 'B' and a service agreement being in place to remit the earnings back to 'A' Ltd as a management charge. This proposal was sent to Mr 'D' prior to it being sent to Mr 'M' ('N') for approval. The proposal was in two parts. The first part was a sale of assets from 'A' Ltd to 'B'. Following the sale the two companies were to enter into a service contract under which 'A' Ltd would provide website support and customer support to 'B'. The profits of the online gaming business would initially go to 'B' but under the service agreement the profits would be recharged back to 'A' Ltd as a management charge. The note stated that the sale of assets had taken place on 31 January 2012.
- 1.15 In April 2013 'N', under instruction from Mr 'D', prepared a draft Asset Purchase Agreement (APA) and a draft Supply of Services Agreement (SSA). On 8 May 2013 the Respondent sent detailed comments on the draft agreements to 'N'.
- 1.16 In late May 2013 the Respondent drafted a board meeting minute which purported to be dated 20 January 2012 approving the sale (APA) and the supply agreement (SSA) which were also dated 20 January 2012. Mr 'D' signed the board minute and the agreements.
- 1.17 Mr 'D' then arranged for 'H' to be struck off and dissolved. This happened on 21 May 2013.
- 1.18 In July 2013, 'J' were instructed to prepare and audit the financial statements of 'A' Ltd for the year ended 31 January 2013. The Respondent informed 'J' that the trade had been transferred to 'B' on 31 January 2012 and the accounts of 'A' Ltd were amended to reflect this.
- 1.19 The Respondent provided a witness statement to the court as part of the consideration of the claims and gave evidence in the High Court proceedings.
- 1.20 Mr Justice Morgan considered the reliability of the Respondent as a witness. He stated that he was a difficult witness to assess but concluded that the Respondent 'suffered from the distinct disadvantage that he displayed deplorable standards of integrity, and indeed dishonesty, in his readiness to assist Mr 'D' in concocting board minutes and back dating documents and then relying on the false position apparently created by those documents'.

2 Facts and matters

- 2.1 As set out in section 1, one of the main matters covered by the court action was whether the APA and SSA were properly enacted and whether 'A' Ltd owned the trade and assets. By transferring the share in 'B' to himself and enacting the sale of the business from 'A' Ltd to 'B', (all backdated to January 2012), Mr 'D' had effectively attempted to take control of the on-line gaming business and assets. The judge ruled that the APA and SSA were not properly authorised by 'A' Ltd and therefore, not binding upon it.
- 2.2 Until the year ended 31 January 2012 all of the income and expenses related to the online gaming business was recognised within the financial statements of 'A' Ltd. Those financial statements were audited by 'J'. The Responsible Individual was 'O' and the employee responsible for completing the audit work was 'P'.

2.3 On 29 October 2012 Mr 'D' and the Respondent met with 'J' to agree completion of the 31 January 2012 financial statements for 'A' Ltd. The agenda for the completion meeting included at point 5, 'Company Size Going Forward'. The notes from the meeting are handwritten but include the following:

'Mr 'D' wants to restructure
Casinos into 'C' *ctax issues!
Charge management fee * VAT? Issues?
Tax on transfer of business to 'C' offshore
*Trf of casinos – what value? Tax? Trf £100k, with £100k costs?'
[references to 'C' are references to 'B']

2.4 In his witness statement to the court the Respondent stated that:

'It was 'P's comment during the course of the audit that 'A' Ltd would become a medium-sized company the following year that made me realise that, despite previous practice, we should not have been dealing with 'A' Ltd's and 'B' accounts together and which, in turn, prompted the idea of the Asset Purchase Agreement'.

2.5 The Respondent added that this made him realise that 'A' Ltd had not been accounting for things correctly and that this was going to create an issue with the size of the company going forward. He also stated that he was annoyed that he had not realised this earlier and he informed Mr 'D' that the best solution to the problem was that 'A' Ltd could notionally sell the assets to 'B' leaving 'A' Ltd as a service company which would earn money through a service charge. The Respondent stated that he did consider whether he should have recommended that 'B' and 'A' Ltd should have amended their accounts to reflect where the trading had occurred but did not do so for two reasons, namely, the time required to do this and the fact that he considered that an asset purchase agreement would not make any difference to anyone.

2.6 On 20 March 2013 the Respondent emailed Mr 'D' with a note entitled 'A' Ltd sale of assets to 'C' Ltd'. Under the heading 'Contract of sale' it is recorded that the 'Sale took place at midnight 31/01/2012'. There is also a heading of 'Service Contract' which states that 'the value of the profit or loss incurred by 'C' which is specifically related to the above transaction, will be recharged by 'A' Ltd in the form of a management charge.'

2.7 On 28 March 2013 Mr 'D' and the Respondent met with the staff of 'J' to plan the audit of the 31 January 2013 'A' Ltd financial statements. Under the heading 'C' Transfer' the following is recorded:

'We are not producing accounts for 'C'
Discussed audit approach – audit all the transactions, then audit the split journal separately.
Legality of transfer.
Make sure we have the right board minutes.
Discussed 4/3 – Lawyers did the transfer between the 2 companies. Both owned solely by Mr 'D'. PH [the Respondent] will supply documentation when he gets hold of it from lawyers'.

- 2.8 'N' were employed to draft the APA and SSA and the initial draft documents were emailed to the Respondent by Ms 'Q' on 26 April 2013. Between this date and 13 May 2013, the Respondent and Ms 'Q' exchanged emails on the draft documents which resulted in revised draft documents being sent to the Respondent on 13 May 2013.
- 2.9 On 16 May 2013 the Respondent sent the final APA and SSA agreements to Mr 'D' by email and also drafted the purported board minutes authorising the sale referred to in paragraph 1.17 above. The board meeting minutes were dated 20 January 2012 and state that Mr 'F' and Mr 'E' were in attendance. The board meeting minutes and the APA and SSA were all signed by Mr 'D' and dated 20 January 2012.
- 2.10 The board meeting minutes and signed APA and SSA were provided to 'J' during the course of the 2013 audit and the 31 January 2013 financial statements were prepared on the basis that the assets had been transferred to 'B' effective from 1 February 2012.
- 2.11 In his first witness statement to the court, the Respondent explained that he should not have included the names of Mr 'F' and Mr 'E' on the board minutes dated 20 January 2012 because they were not involved in the running of 'A' Ltd. He stated that he 'assumed Mr 'D' had an arrangement with them which gave him complete authority to run the business'. He added that he probably only included their names on the minute because he copied the format of an existing 'A' Ltd board minute.
- 2.12 In his second witness statement to the court, the Respondent clarified the manner in which 'B' paid the purchase price to 'A' Ltd and to address points raised in a report by another individual regarding the accounting for 'A' Ltd's business. The Respondent explained that the table at 9.10.1 of his original witness statement was incorrect and provided the corrected information. The Respondent explains that the error in the original witness statement was due to time pressure when completing the witness statement.

3 The Respondent's representations

- 3.1 The Respondent has explained that he joined 'A' Ltd in May 2008 when he was 27 years old and he had no prior experience of the gaming industry. He stated that the accounting records and documentation were in a poor state when he arrived and Mr 'D' informed him that because of the online gaming licence all transactions were to be handled through one business (which was 'A' Ltd).
- 3.2 As the Respondent was no longer employed by 'A' Ltd when ICAEW became aware of the judgment he did not have access to the underlying documents.
- 3.4 The Respondent has stated that he knows he has made mistakes and wants to make sure he doesn't make such mistakes again. To assist in this, the Respondent attended an ICAEW course on Ethics on 4 April 2018.
- 3.5 PCD asked the Respondent for his comments on the criticism by the Judge. His responses are referenced in the relevant sections below.

- 3.6 The Respondent has stated that he does not agree with the assessment of the judge that he had been dishonest. He added that he accepted that he should have carried out his duties in a more diligent manner but he was misled by Mr 'D' who he considers is a dishonest individual.
- 3.7 The Respondent has stated that he did not take legal advice before providing his witness statement and that he would have done so had he seen the extent of Mr 'D's dishonesty before he had given his first witness statement to the court.
- 3.8 The Respondent has stated that in August or September 2012 he informed Mr 'D' that 'A' Ltd would be required to produce medium sized company accounts going forward and Mr 'D' informed him that he did not want this to happen. He added that Mr 'D' informed him that agreements were already in place for 'B' to recognise the gaming transactions and 'A' Ltd to be a service company. As such, the Respondent has stated that he believed that all documentation and board authorisations were in place from 31 January 2012. The Respondent added that it was only during the litigation process that it became evident to him that this had not happened.
- 3.9 The Respondent has stated that he prepared the board minute dated 20 January 2012 on the basis that Mr 'D' informed him that the meeting had taken place on that date and therefore he relied upon the instructions from Mr 'D'. He added that although he stated in his witness statement that Mr 'F' and Mr 'E' had been included in error, with hindsight he now believed that Mr 'D' had informed him that they were present and that was why he had included them.
- 3.10 The Respondent has accepted that these minutes could not have approved documents that had not been produced at 20 January 2012 but he accepted Mr 'D's assurance that the agreements were already in place at that date. He stated that, with hindsight, he could have drafted the minutes to better reflect that the arrangements were in place rather than them purporting to authorise the specific APA and SSA.
- 3.11 IC wrote to the Respondent on 31 January 2020 to provide him with a copy of its draft report and to invite his final representations.
- 3.12 The Respondent responded on 19 March 2020 and stated he did not agree with the assessment of his evidence by the Judge in the dispute between 'A' Ltd and the brothers. The Respondent notes he was "just" a witness and not a party to the court disputes. As such he wasn't legally represented and didn't have access to all the evidence considered by the courts.
- 3.13 The Respondent raised the following points:
- In drafting the 'A' Ltd Board Minute dated 20 January 2012, he was wholly reliant on information provided by Mr 'D' and his solicitor, 'N'. His documenting the minutes was reflective purely of his recording what he was told and therefore what he understood to have occurred.

- He believed the minutes dated 20 January 2012 to be honest and credible at the time when he drafted them based on Mr 'D' being aware of the principal points of the APA and SSA and believed the points had been agreed at 20 January 2012 even though they had not been finalised.
- He considered that contracts had been entered into in line with the APA and SSA agreements prior to 20 January 2012, evidencing 'A' Ltd and 'B' operating to the terms of the APA and SSA prior to its documentation. These contracts gave him the impression that the APA and SSA were agreed and operational in principle.
- The Respondent said he placed reliance on 'N' and the auditors' acceptance of Mr 'D's explanation that the APA and SSA could be and were authorised in principle on 20 January 2012.
- The only source of information concerning 'A' Ltd board approval was Mr 'D', his documenting of the minutes was reflective purely of his recording what he was told and therefore what he understood to have occurred.

3.14 The Respondent notes that 'A' Ltd's financial statements have continued to treat the APA and SSA as being in place and therefore the accounts are materially incorrect.

3.15 The Respondent confirms that the final APA and SSA were provided to him by 'A' Ltd's legal advisors on 14 May 2013 by email. Following receipt of the email he met with Mr 'D' and during that meeting was provided with the date of 20 January 2012. The Respondent said that while it is clear now that he was misled by Mr 'D', he was unaware at the time of the meeting. The Respondent provides further information that he says was not provided during the civil legal case which the Respondent considers supports that it was Mr 'D' who advised the auditors that the transaction took place on 31 January 2012. IC notes that the letters show that the auditor has a different recollection of the meeting where the implementation date of the transfer was discussed and notes that it was possible the transaction date would be 31 January 2013 because all the legal requirements of the transaction had not been complied with.

3.16 The Respondent states that he placed reliance on 'A' Ltd's legal advisors acceptance of the documents being dated retrospectively and the acceptance of the auditors.

3.17 The Respondent confirms that he had never attended an 'A' Ltd board meeting and had not met Mr 'E' or Mr 'F'.

3.18 The Respondent submitted that:

- He did not personally gain from his actions.
- He has learned from this experience and considers he will be better equipped to deal with situations such as this in future.

- With hindsight he would have undertaken additional steps to validate the information given to him.
- On 4 April 2018 he took an ICAEW Ethics course which has helped him.
- He has cooperated with ICAEW's investigation.

4. The Respondent's case

- 4.1 The Respondent gave evidence before the tribunal and was cross-examined and answered questions from the tribunal. He put in evidence his written statement as his evidence in chief.
- 4.2 The Respondent reiterated his submissions made in writing to the IC. He explained that he was solely responsible for the accounting function in 'A' Ltd. There was no accounting system in place when he arrived in 2008. He lacked time and resources and though he asked Mr 'D' for additional help none was forthcoming; he just carried on.
- 4.3 He explained that he was constantly months behind producing any accounts.
- 4.4 As far as drafting the Board Minutes was concerned, he was misled by Mr 'D'. He relied on 'N' who were preparing the APA and SSA documents and at the time (in about August, 2013) considered it was appropriate to draft the Board minutes as he did. He said that the 'N' were well aware that the APA and SSA were being backdated and that this was supported by documentary evidence before the Tribunal.

The Respondent said that based on what was happening operationally, he believed that the principles underlying the APA and SSA had been agreed even before he had taken up post. The APA and SSA documents would be formalising arrangements that were already operating. He knew that formal Board approval was required for the purposes of finalising the APA and SSA. He said that Mr 'D' had given him the date of the Board meeting and that he had no reason to question this. He prepared the minutes in good faith for Mr 'D' to sign.

The Respondent accepted that with hindsight, the minutes should not have been written in a way that implied that the specific APA and SPS documents had been approved in January 2012. He accepted that they could not have been; they had not been drafted or finalised until some considerable time later. He accepted that he should have done more to check that they were true and accurate reflections of events.

- 4.5 He explained that the approval of APA was completed at midnight on 31 January 2012 and that the purpose of the SSA was to provide services to 'B' once it had sold its assets.

- 4.6 While he averred that he relied on 'J', as accountants and auditors to 'A' Ltd, he admitted that they relied on what he and Mr 'D' told them. He was asked about having separate accounts for 'B' and 'A' Ltd and said he knew within months of becoming CFO that the accounting did not reflect what was happening operationally because they were accounting for 'B's activities as if they were being undertaken by 'A' Ltd. He said that operationally, the business arrangements were largely in line with the 'I's legal advice. For example, the gaming software contract was in the name of 'B' (incorporated in Curacao) and so were invoices. He knew that the 'B' and 'A' Ltd accounts needed 'splitting out' but said that this was a significant task which would need agreements to be drawn up between the companies and he did not have the resourcing capacity. He had asked Mr 'D' about it. Mr 'D' had challenged him about it and at the time the Respondent had conceded that he could see no obvious benefit although he now accepted that it was an accounting requirement for there to be two sets of accounts.
- 4.7 He was asked about the inclusion of a large sum representing turnover from the online gaming business shown in 'A' Ltd's accounts when 'B' ran the gaming business. The Respondent said that was the way the accounts had been prepared originally and that was the way Mr 'D' wanted them prepared.
- 4.7 It was pointed out to him in cross-examination that given the lack of documentation and his concern about the preparation of accounts and the anomalies in the accounts, did he still believe what Mr 'D' was telling him? The Respondent replied that the structure of the businesses according to Mr 'D' was correct in the sense that certain contracts and invoicing were done through 'B' in line with earlier legal advice; however, the overall structure and relationship between 'B' and 'A' Ltd had never been documented. The Respondent said he had a lot on his plate but was told to carry on.
- 4.8 The Respondent explained that it was he who came up with the idea of drawing up an APA in October 2012 because they should not have been dealing with 'B' and 'A' Ltd accounts together in a consolidated form. In any case it was documenting what was already going on. The auditors were continuing to raise queries about invoices for 'B' (which was 'dormant' from an accounting perspective) and turnover had increased to the point that medium sized company accounts would be required which was another trigger to formalise and more accurately account for how the business was operating.
- 4.9 He was asked about remote gaming duty and he said there was concern on his part that 'A' Ltd and operations were in the UK and everything else was in Curacao but not reflected in the accounts. It was pointed out that Mr Justice Morgan had found that the business was run from the UK by 'A' Ltd and that the accounts reflected that. The Respondent replied that the accounts did show that and again, it was because of a lack of resources. On paper, 'B' was a dormant company and all the business was undertaken by 'A' Ltd. However, it did not reflect what he saw happening day-to-day in the business. 'B' (incorporated in Curacao) had the contract for the gaming software, all the equipment was offshore and 'B' was named on invoices.

- 4.10 The Respondent agreed that a medium-sized company was not able to file abbreviated accounts and that if 'A' Ltd became such a company the accounts would have had to show detail and procedures to a much greater extent. He was asked if that presented a risk that it would have shown that 'A' Ltd was running the gaming business from the UK "and that you and Mr 'D' would be found out"; but the Respondent denied this and said it was already revealed in the accounts.
- 4.11 He was asked when Mr 'D' gave him the date of 20 January 2012 as the date of the alleged sale of the assets and he replied that it was after the audit clearance for the 2012 year-end accounts.
- 4.12 He was asked how APA and SSA could be set up and completed before that date and the Respondent explained that he was documenting retrospectively what was in place before he joined the company in 2008. He said Mr 'D' took advice from the auditor and the solicitors but they had taken no point on it. He said the solicitors relied on what Mr 'D' told them but he considered they were well aware that it was all being done retrospectively.
- 4.13 The Board meeting minutes were prepared under Mr 'D's instructions. He said that the outline wording of the minutes would have come from 'N' and the "granular detail" came from the Respondent.

5. Closing submissions

- 5.1 The IC and Mr Bunting on behalf of the Respondent made closing submissions. The following authorities were drawn to the tribunal's attention:

Ivey (Appellant) v Genting Casinos (UK) Ltd t/a Crockfords (Respondent) [2017] UKSC 67 per Hughes LJ at p.74

Barlow Clowes International Ltd v Eurotrust International Ltd [2005] UKPC 37 per Lord Hoffmann, at p.10

Newell-Austin v Solicitors Regulatory Authority [2017] EWHC 411 (Admin)

Wingate Evans and Malins v SRA 1 WLR 3969 at [70], [90]-[94].

Bolton v Law Society [1994]1 WLP 512

Parkinson v Nursing and Midwifery Council 2010 WL 2865979 (2010)

Atkinson v General Medical Council 2009 WL 5641044 (2009)

Batra v Financial Conduct Authority 2014 WL 3843413 (2014)

Moseka v Nursing and Midwifery Council 2014 WL 1097072 (2014)

R (On the application of Khan) v General Medical Council 2008 WL 5758788 (2008)

Arora v General Medical Council 2008 WL 2596095 (2008)

Conclusions and reasons for decision

The tribunal accepted that the burden was on the IC to prove that the Respondent had behaved dishonestly in creating or, in the words of Mr Justice Morgan, “concocting” a false and misleading minute of a Board meeting which never took place. The tribunal had regard to the test of dishonesty set out in *Ivey v Genting Casinos (UK) Ltd t/a Crockfords* [2017] UKSC 67 at page 74 which approved the test of dishonesty as set out in *Royal Brunei Airlines Sdn Bhd v Tann* [1995] 2 AC 378 and *Barlow Clowes International Limited & Another v Eurotrust International Limited & Others* (Isle of Man) [2005] UKPC 37, stating that:

“When dishonesty is in question the fact-finding tribunal must first ascertain (subjectively) the actual state of the individual’s knowledge or belief as to the facts. The reasonableness or otherwise of his belief is a matter of evidence (often in practice determinative) going to whether he held that belief, but it is not an additional requirement that the belief must be reasonable; the question is whether it is genuinely held. When once his actual state of mind as to knowledge or belief as to facts is established, the question whether his conduct was honest or dishonest is to be determined by the fact-finder by applying the (objective) standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he has done is, by those standards, dishonest.”

The tribunal considered what the Respondent knew or believed at the time, in May 2013, when he drafted the Board minutes at the behest of Mr ‘D’. The tribunal considered that the Respondent was very much under the authority of Mr ‘D’ and obeyed his wishes. The tribunal was not persuaded that the Respondent had deliberately set out to mislead by creating the document for Mr ‘D’ which he had been ordered to do and which he knew was needed to finalise the APA and SSA documents and the outline of which had been drafted by ‘N’. The Tribunal accepted the Respondent’s evidence that he believed the APA and SSA were documenting what had been agreed in principle for some considerable time and formalising arrangements that operationally were already taking place. The Tribunal accepted the Respondent’s evidence that he was given the date of Board approval by Mr ‘D’ and prepared the minutes in good faith. The Respondent had conceded that the “idea” of an APA was his own and the APA and SSA had not come into existence until sometime later than the date on the purported minute, but the Tribunal accepted his account that he believed the principles had been agreed many years previously and that the Board meeting details provided by Mr ‘D’ were a necessary formality. The Tribunal noted that ‘N’ were well aware that the ASA and SSA were being backdated. On a balance of probabilities, the tribunal found the allegation of dishonesty, Complaint A, had not been made out by the IC.

The tribunal had regard to the learned judge's remarks about the Respondent's "deplorable standards of integrity ... in his readiness to assist Mr 'D' in concocting board minutes and back dating documents and then relying on the false position apparently created by those documents". Mr Bunting for the Respondent urged the tribunal to place little if any weight on the learned judge's remarks, which were *obiter*, but the tribunal considered that the remarks were not wholly dissimilar to their own impression of the Respondent's conduct as demonstrated by what he had done at the behest of Mr 'D'.

The tribunal considered that, as a chartered accountant, albeit one of only some five years' post-qualification experience, the Respondent had a professional duty to ensure that correct accounting procedures were followed. The Respondent told the tribunal that he recognised at an early stage that 'B'/'A' Ltd's accounts were not correctly prepared and that he should have taken steps to address this. He used as an excuse that he was under great pressure and had no assistance in the accounting department; he told the tribunal that "the accounting department was me".

In respect of the 20 January 2012 Board minutes, the Tribunal considered that the Respondent should have taken steps to confirm the content of the minutes were a true and accurate reflection of events. For example, he could have confirmed the contents with other members of the board. He should also have drafted them in a way that avoided implying that the specific ASA and SSA documents had been approved when they could not have been because they were not prepared or finalised until some considerable time later. The Tribunal was not persuaded that he knew they were false but as a professional accountant he should have checked that what he was being told was correct and not materially false or misleading.

The code of conduct at section 110 states:

"110.1 The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in professional and business relationships. Integrity also implies fair dealing and truthfulness.

110.2 A professional accountant should not be associated with reports, returns, communications or other information where they believe that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information furnished recklessly..."

The tribunal found that, in creating the board meeting minute, the Respondent associated himself with it when he was wilfully blind as to whether or not it contained a materially false or misleading statement. The tribunal considered that at the very least he had not turned his mind sufficiently to the significance of what he was being asked to do, had failed to ensure that what he was preparing was a true and accurate reflection of events, had been wilfully blind and acted irresponsibly and with a lack of integrity. The tribunal therefore found that Complaint B was proved.

Matters relevant to sanction

Mr Bunting mitigated on behalf of the Respondent. He emphasised that the Respondent was only 27 years old and relatively inexperienced when he commenced employment at 'A' Ltd and became its Chief Financial Officer.

The Respondent accepted what he had done was “far from perfect” and “not what he should have done and understands why it was wrong”.

He had cooperated with the IC’s investigation and had not put forward a “blanket denial”. The tribunal was referred to the Respondent’s statement where he submitted that he had learned from this experience and had taken steps through his CPD to ensure that he was better equipped to deal with such a situation in the future. He had also undertaken an ICAEW ethics for business course which has helped him better understand how he could embed his ethical standards as an accountant in the organisation he works for.

He had relied on ‘A’ Ltd’s solicitors and its auditors and had accepted Mr ‘D’’s explanation that APA and SSA could be and were authorised in principle on 20 January 2012 “with the apparently legitimate drafting of the retrospective documents.”

The tribunal noted that the Respondent was heavily under the control of Mr ‘D’, a man whose own behaviour and veracity was severely criticised by Mr Justice Morgan in the High Court proceedings and the Respondent appears to have been fearful of challenging Mr ‘D’. The Tribunal accepts that the Respondent did not recognise Mr ‘D’’s dishonesty at the material times but considers that as CFO and a professional accountant, the Respondent should have done much more to ensure that what he was being told and preparing for the Board minutes was correct.

The tribunal considered the seriousness of the breach of the Code of Ethics was an aggravating factor in relation to sanction as well as the discredit it brought to the Institute and the profession of accountancy. This was underlined by the censure of the Respondent in open court by Mr Justice Morgan.

The tribunal considered that a chartered accountant was expected to question or challenge a direction, even one which may have cost him his job, if to obey it would cause him to be in breach of the Code of Ethics; that he did not do so and thus became more deeply embroiled in the dubious activities on the players in ‘A’ Ltd and ‘B’ did him no credit.

The tribunal had regard to the *Guidance on Sanctions* and in particular, to Section 9(c). The tribunal took the view that there were some compelling mitigating factors in the case, as outlined above, which reduced the level of seriousness from “very serious” to “serious” and the tribunal was able to exercise its discretion and draw back from the ultimate sanction of exclusion. The Tribunal also took account of the fact that the allegation of dishonesty had been hanging over the Respondent for a long time and had been found not proved.

Sanction and Costs

The tribunal imposed a severe reprimand, together with a financial penalty of £2,500. The IC applied for a contribution towards the costs of the case of £14,563.00. The tribunal was supplied with a statement of the Respondent’s means. The tribunal considered that the costs sought were appropriate and proportionate and accordingly awarded costs in the sum applied for. The fine and costs are to be paid within 35 days of the Decision.

Decision on publicity

Publicity to follow in the usual manner.

Chairman

Accountant Member

Non Accountant Member

Ms Ros Wright QC

Mr Michael Barton FCA

Ms Isobel Leaviss

036916

INVESTIGATION COMMITTEE CONSENT ORDERS

6. Mr Henry Goldstein FCA

Consent order made on 10 May 2021

With the agreement of Mr Henry Alexander Goldstein of London, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £9,000 and pay costs of £3,968 with respect to complaints that:

1. In a letter dated 10 May 2016 addressed 'To whom it may concern', Mr Henry Goldstein FCA, stated that Mr "A"'s income was £1,000 gross per week without undertaking independent verification checks, to confirm the accuracy of this figure.
2. In an e-mail dated 10 May 2017, Mr Henry Goldstein FCA, provided the following figures to "B" regarding "A"'s income without undertaking independent verification checks, to confirm the accuracy of the amounts:
 - a) £200 per day for a 5 day week; and
 - b) Annual income for the last year was £26,300.
3. In an e-mail dated 12 May 2017, Mr Henry Goldstein FCA, provided the figure of £57,200 to "B" as "A"'s income for the 12 months ending 5 April 2017 without undertaking independent verification checks, to confirm the accuracy of the amount.

049372

7. Macintyre Hudson LLP

Consent order made on 13 May 2021

With the agreement of MacIntyre Hudson LLP of London, United Kingdom the Investigation Committee made an order that the firm be reprimanded, fined £14,000 and pay costs of £3,080 with respect to complaints that:

1. MacIntyre Hudson LLP signed audit reports on the financial statements of "A" Limited for the following year ends, 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 International Standard on Auditing 500 'Audit Evidence' in that the auditor failed to resolve inconsistencies between audit evidence obtained in order to be able to draw reasonable conclusions regarding share premium:
 - a. Year ended 31 March 2013, signed on 25 October 2013; and/or
 - b. Year ended 31 March 2014, signed on 30 January 2015; and/or
 - c. Year ended 31 March 2015, signed on 23 December 2015.
2. On 30 January 2015, MacIntyre Hudson LLP signed an audit report on the financial statements of "A" Limited for the year ended 31 March 2014 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 the valuation of share capital in relation to an error in the processing of a material journal; and/or

b. 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 the valuation of share premium in relation to an error in the processing of a material journal.

042105

8. Mrs Joanne Clare Allen FCA

Consent order made on 17 May 2021

With the agreement of Mrs Joanne Clare Allen of Slough, United Kingdom the Investigation Committee made an order that: she be reprimanded, fined £350 and pay costs of £1,555 with respect to complaints that:

1. Mrs Joanne Allen FCA, a practising certificate holder, did not notify the Members' registrar of changes in composition of her firm within 28 days in breach of section 3 of the Regulations governing Information to be supplied by Members.
2. Between 3 October 2017 and 27 May 2020 Mrs Joanne Allen FCA failed to comply with the Money Laundering Regulations 2017 because she did not ensure her firm, "A" Ltd was supervised by an appropriate anti-money laundering supervisory authority.

054630

9. Mr Graham Leslie Flight FCA

Consent order made on 17 May 2021

With the agreement of Mr Graham Leslie Flight of Uckfield, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £3,500 and pay costs of £4,810 with respect to complaints that:

1. Mr Graham Flight FCA, following a QAD visit to his firm in June 2010, confirmed:
 - a. In respect of performing anti money laundering reviews of risk assessments for each client:

'Initial exercise targeted to be complete by Autumn 2010. Annual reviews will be carried out as work completed for each client over the course of the next year.'
 - b. In respect of ensuring non client monies received into the firm's client money bank account are transferred to the office bank account as soon as possible:

'Noted and now transferred and will ensure that any mixed receipts are dealt with promptly in future.'

But a subsequent QAD review, carried out in June 2018, found that these matters had not been addressed.

2. Between 28 April 2015 and 21 July 2016, Mr Graham Flight FCA breached Clients' Money Regulation 13, as he held more than £10,000 for more than 30 days in a general client bank account on behalf his client, "A".
3. Between 5 July 2013 and 14 January 2014, Mr Graham Flight FCA breached Clients' Money Regulation 21 when he allowed the withdrawals for a client, "B", to be greater than the credit balance held on behalf of the client.

051203

10. Miss Ella Frances Cooper FCA

Consent order made on 18 May 2021

With the agreement of Miss Ella Frances Cooper of Harrogate, United Kingdom, the Investigation Committee made an order that she be reprimanded, fined £2,500 and pay costs £2,000 with respect to complaints that:

1. Ms Ella Cooper FCA prepared accounts for "A" Limited for the year ended 31 March 2017, which contained the following errors:
 - a. Included accrued income of £24,077 when there should have been none.
 - b. Included Director's remuneration of £10,600 which was higher than the £8,040 shown in the payroll records and on Ms "X"'s self-assessment tax return.
 - c. Included a deposit account bank balance which was not reconciled to the bank statement.
 - d. Omitted April 2016 transactions including £14,408 of sales.
2. Between 1 April 2017 and 12 May 2020 Ms Ella Cooper FCA used the description Chartered Accountants in relation to her firm "B" Ltd when not entitled to do so, as a director of the company did not hold affiliate status in breach of the following:
 - a. Regulation 6 of the Regulations governing the use of description Chartered Accountants and ICAEW general affiliates between 1 April 2017 and 18 June 2017; and
 - b. Regulation 12 of the Regulations governing the use of description Chartered Accountants and ICAEW general affiliates between 19 June 2017 and 12 May 2020
3. Ms Ella Cooper FCA did not provide Ms "X" or "A" Limited with notice in writing, at the start of the engagement between "B" Limited and Ms "X" and "A" Limited of their right to complain, in breach of Disciplinary Bye-Law 11.1.

046595

11. Mr Andrew Eaton ACA

Consent order made on 18 May 2021

With the agreement of Mr Andrew Eaton of Virginia Water, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £910 and pay costs of £2,005 with respect to complaints that:

1. Between 1 June 2018 and 6 July 2020 Mr Andrew Eaton ACA, engaged in public practice as a director of "A" Ltd without holding a practising certificate contrary to Principal Bye-law 51a.
2. Between 1 June 2018 and 1 September 2020 Mr Andrew Eaton ACA failed to comply with the Money Laundering Regulations 2017 because his firm "A" Ltd was not supervised by an appropriate anti-money laundering supervisory authority.

054064

12. Ms Anne Irene Wilkie ACA

Consent order made on 18 May 2021

With the agreement of Ms Anne Irene Wilkie of Virginia Water, United Kingdom, the Investigation Committee made an order that she be reprimanded, fined £910 and pay costs of £2,005 with respect to complaints that:

1. Between 1 June 2018 and 19 March 2020 Ms Anne Irene Wilkie ACA, engaged in public practice as a director of "X" Ltd without holding a practising certificate contrary to Principal Bye-law 51a.
2. Between 1 June 2018 and 19 March 2020 Ms Anne Irene Wilkie ACA failed to comply with the Money Laundering Regulations 2017 because her firm "X" Ltd was not supervised by an appropriate anti-money laundering supervisory authority.

054737

INVESTIGATION COMMITTEE FIXED PENALTY ORDERS

13. Michelle Harris ACA

Penalty Order made on 26 April 2021

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 Michelle Harris ACA, the Investigation Committee ordered that Miss Michelle Harris ACA of, Southampton, 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 9 January 2020 and 15 March 2021, Miss Michelle Harris ACA breached Principal Bye-Law 51 by engaging in public practice without a practising certificate

059520

REVIEW COMMITTEE PANEL ORDERS

14. **Ian R Collins & Co** of
Dronfield, United Kingdom

A panel of the Review Committee made the decision recorded below having heard an application for review on 6th April 2021

Status of Applicant	Audit firm
Decision of ARC	13 May 2020
Date of Review Committee Hearing	6 April 2021
Date of previous hearings	30 October 2020 (Case Management hearing) 10 December 2020 (Review Hearing, adjourned) 12 February 2021 (Review Hearing, adjourned)
Attendees and representation	Miss Jessica Sutherland-Mack represented ICAEW. Mrs Wendy Bartram and Mr James Collins represented the Firm.
Summary of Decision	Leave to withdraw the application for review granted. Decision of the ARC on 13 May 2020 to take effect. The Firm ordered to pay costs to ICAEW of £13,500 within 30 days. Decision to be published on ICAEW website.

Decision

Introduction

1. On 13 May 2020 the Audit Registration Committee ('ARC') withdrew the audit registration of the applicant, Ian R Collins & Co. The registration was withdrawn under Regulations 7.03(g) and 7.03(i) of the Audit Regulations and Guidance ('AR') due to failures to comply with the requirements of AR 2.08 (requirement to co-operate with the registering institute, its staff, committees, a monitoring unit, and the Competent Authority and its staff) and AR 6.06 (the requirement of a registered auditor to provide information).
2. The ARC also withdrew the responsible individual status of Mrs Wendy Bartram and Mr James Collins.
3. Mrs Bartram, acting on behalf of the Firm, made an application for a review of that decision by letter dated 16 June 2020. The matter was listed before the Committee to consider that application.

Background

4. Ian R. Collins & Co ('the Firm') has been an ICAEW audit registered firm since 1981. The partners in the Firm, Mrs Wendy Bartram and Mr James Collins, have had responsible individual status since 1995 and 2003 respectively.
5. ICAEW's Quality Assurance Department ('QAD') undertook a routine visit to the Firm in March 2016. At that time, the Firm had three audit clients: 'G' Ltd, a surfacing contractor; 'R' Ltd, a sporting organisation; and 'F' Ltd.
6. The QAD found significant recording weaknesses in the audit files reviewed on this visit. As a result, ICAEW wrote to the Firm on 12 May 2016. The Firm was allowed to maintain its audit registration provided it submitted an external hot file review ('EHFR') and an external cold file review ('ECFR') within one month of completion of the relevant audit. By email in reply dated 3 June 2016, Mrs Bartram agreed to this condition.
7. Reminders were sent on 28 June 2016 and 10 August 2016 requesting the Firm to provide the EHFR and ECFR. The latest year audit reports for R Ltd and G Ltd had been signed by the Firm on 18 June 2016 and 29 July 2016 respectively and therefore the external file reviews were due within one month of those dates.
8. On 15 August 2016 Mrs Bartram replied to ICAEW saying that the EHFR for R Ltd and the ECFR for G Ltd had been booked for 24 and 25 August 2016.
9. In response to a chaser email from ICAEW on 4 October 2016, Mrs Bartram said that she expected to receive the results of the reviews that week. Further reminder emails were sent by ICAEW on 31 October 2016 and 21 November 2016. Mrs Bartram replied saying that the review results would be sent to ICAEW before 30 November 2016.
10. The file reviews were not received by that date and ICAEW sent further reminders by email on 4 and 19 January 2017 and 16 February 2017. The Firm was warned that if the reviews were not received by 9 March 2017 the matter would be reported to the ARC.
11. On 9 March 2017 Mrs Bartram wrote to ICAEW saying the draft reports of the external reviewer had been received before Christmas but the Firm had not yet been able to address the issues raised. She said the reports would be sent to ICAEW by 17 March 2017.
12. Again the deadline was missed and further reminders were sent by ICAEW on 21 March 2017 and 4 April 2017. On 11 April 2017 Mrs Bartram telephoned ICAEW saying that she was having trouble sending the reports due to the file size. Mrs Bartram was asked to send the reports by separate emails the following day.
13. On 21 April 2017, over eight months late, Mrs Bartram submitted the EHFR for R Ltd and the ECFR for G Ltd.
14. The QAD noted that both of the external file reviews submitted on 21 April 2017 had been concluded as 'failed' by SWAT, the reviewer. It was unclear to the QAD whether the findings of the EHFR been addressed by the Firm.

15. As the reviews did not indicate the required improvements, ICAEW wrote to the Firm on 7 June 2017 requiring it to submit EHFRs for all future audits. The Firm replied by email on 28 July 2017 and confirmed that it would do so. The Firm subsequently informed ICAEW that F Ltd no longer required an audit and therefore a EHFR for this company would not be necessary.
16. The next set of audit reports for R Ltd and G Ltd were signed by the Firm on 9 June 2017 and 7 July 2017 respectively. Reminders of the need to provide EHFRs were sent to Mrs Bartram on 13 July 2017, 10 August 2017, 15 January 2018 and 13 February 2018.
17. On 1 March 2018 ICAEW received an email from Mrs Bartram saying that the start date for the audit for G Ltd had been postponed to April 2018. Following further reminders from ICAEW, Mrs Bartram emailed on 4 June 2018 stating that the Firm was yet to complete the G Ltd audit due to client delays and it was in the process of completing R Ltd's audit. On 29 August 2018 the Firm confirmed that all work was now complete on both audits and that the EHFRs would be provided by 13 September 2018.
18. ICAEW contacted the Firm on 7 November 2018 to ask why the file reviews had not been submitted. The Firm replied that both audit files were still with SWAT and there were a few points which required clarification. On 28 November 2018 ICAEW contacted the Firm again to enquire why the EHFRs had not been sent. The Firm replied that R Ltd had changed its year-end to 31 March 2018 and that SWAT would send the files back to the Firm on 7 December 2018. ICAEW requested the review results by the end of December 2018.
19. On 10 January 2019 ICAEW contacted the Firm by email and advised that a search at Companies House indicated that the accounts for R Ltd for its year ended 31 March 2018 were signed by the directors in September 2018. Mrs Bartram was asked to confirm the date she signed the audit report and was reminded that the hot file review was overdue for submission to the Institute. It subsequently transpired that the accounts for G Ltd for its year ended 31 October 2017 had been signed on 7 December 2018 and therefore the Firm had failed to provide the EHFR within the one month deadline.
20. On 6 February 2019 ICAEW wrote to the Firm advising it that this matter would be referred to the ARC to consider whether any action should be taken for a breach of AR 2.08 and AR 6.06. These regulations require a registered auditor to co-operate with the Institute and its staff and to provide any information requested about the Firm and its clients. No response was received from the Firm.
21. The ARC considered the referral at its meeting on 15 May 2019 and made the followings orders:
 - to suspend the Firm's audit registration under AR 7.04a;
 - to order a paid follow-up QAD visit, which must take place no later than 30 September 2019, following which it would re-consider the suspension of the Firm's audit registration;
 - to remind the Firm that the existing undertakings remain in place; and
 - to defer consideration of the Firm's breaches of ARs 2.08 and 6.06, for its lack of cooperation with ICAEW and its staff, and for the lack of submission of the hot file reviews, respectively, until the follow-up visit had taken place.

22. Pursuant to this order, the QAD undertook a further visit between 24 September and 1 November 2019. It is noted that the scheduled visits were postponed a number of times at the request of the Firm due to their indication of IT issues with providing the requested files and illness of an responsible individuals The QAD report identified a number of matters of concern.
23. The Firm was unable to provided completed audit files for either of the audits selected by QAD for review. Accordingly, the Firm was unable to demonstrate that it had obtained adequate audit evidence. There was no evidence to demonstrate that letters of representation had been obtained from either client. Weaknesses were identified in the documentation of the work performed on trade creditors and income on both files. In respect of G Ltd, the Firm had not obtained sufficient external evidence in respect of the valuation of an investment property.
24. There was also a failure, on G Ltd's file, in respect of related party transactions. This concerned payments to a director for rental of a property.
25. The report said that the quality of the Firm's audit work had deteriorated since the previous visit in 2016. Further, the Firm had failed to obtain the required EHFR for either of its audit clients, while stating on more than on occasion that the EHFRs were underway. The QAD considered this demonstrated a lack of commitment to making the required improvements.
26. In respect of the Firm's failure to provide EHFRs, Mrs Bartram told the QAD that the main reasons for non-compliance were due to 'deadlines, a change in the clients year end, and a misunderstanding of the time required to perform the review'.
27. The QAD's audit closing record from this visit concluded that the Firm had not fully complied with the following Audit Regulations:
 - AR3.08 Compliance with legislation;
 - AR3.10 Compliance with auditing standards;
 - AR3.20 Annual compliance review;
 - AR6.06 Provision of information to ICAEW.
28. The QAD recommended to the ARC that the Firm's audit registration be withdrawn under ARs 7.03(g) and 7.03(i). It also recommended that the responsible individual status of Mrs Bartram and Mr Collins should be withdrawn under AR 4.08.
29. The matter came back before the ARC on May 2020, when the decision was taken to withdraw the Firm's audit registration and to withdraw the responsible individual status of Mrs Bartram and Mr Collins.
30. Mrs Bartram sought a review of that decision by letter dated 16 June 2020.
31. In respect of the failure of the Firm to provide the QAD with complete audit files, Mrs Bartram said that the Firm had significant computer issues at the time of the visit. However, it was now able to provide a full copy of the completed files and would meet any costs involved in a further review.
32. Mrs Bartram said that, with the archived files now being available, the Firm was able to demonstrate it had obtained letters of representation. Further, it was able to demonstrate improvements had been made.

33. Mrs Bartram accepted that there was non-disclosure of a related party transaction, which was due to an error in interpretation of the disclosure requirements. The amount of rent had been considered immaterial but the Firm had now been advised it had incorrectly interpreted the materiality disclosure requirement. Mrs Bartram said this had been addressed by putting notes on the accounts to ensure that it will be captured on future jobs.
34. Mrs Bartram also accepted that the Firm had not fully complied with its undertaking to the ARC to provide EHFRs. However she said there had been problems with the external file reviews, details of which she would supply.
35. Mrs Bartram stated that Mr Collins was no longer involved in audit work and therefore should no longer have the status of a responsible individual.
36. ICAEW's position was that the ARC's decision was correct. It opposed the ground for the application for a review for the following reasons.
 - a) The Firm had failed to provide hot file reviews despite undertakings to do so and despite assurances that they had been obtained. ICAEW noted that the Firm's application appears to accept that these reviews have not been provided. Therefore AR 7.03(g), which gives the Committee the power to withdraw an audit registration if there has been a failure to comply with an order of the ARC or a written undertaking that the auditor has given to the Institute, applied.
 - b) Allowing the Firm to maintain its audit registration would adversely affect a client or other person in light of its failure to show an improvement in audit quality since the 2016 QAD report. Therefore the ARC was right to withdraw audit registration under AR 7.03(i).
 - c) The Firm has failed to co-operate and engage with ICAEW, particularly in view of its failure to respond to emails.
37. The review hearing was originally listed to be heard by this Committee on 3 November 2020.
38. A case management hearing took place on 30 October 2020, four days prior to the date listed for the review. The case management hearing, and each subsequent hearing, was conducted remotely by video conference due to the Covid-19 pandemic. Mrs Bartram, who attended by telephone, applied for a postponement of the review hearing. She told the Committee that she was on leave and she had not had any leave since January 2020. She also wanted further time to prepare an electronic bundle.
39. ICAEW opposed the application for an adjournment. Ms Sutherland-Mack, who appeared on behalf of ICAEW, submitted that any documents relied on by the applicant should have already been supplied and that Mrs Bartram had been on notice of the hearing since 17 September 2020. She also invited the Committee to take into account Mrs Bartram's history of non-cooperation and non-engagement with the Institute.
40. Mrs Bartram's application for an adjournment was refused. The Firm was directed to send all documents it intended to rely on to ICAEW by 4pm on 30 October 2020.

41. The hearing listed for 3 November 2020 had to be adjourned due to a conflict of interest. It was re-listed for 10 December 2020. Mrs Bartram attended by video link. She told the Committee that she had uploaded a bundle of approximately 500 pages to a share file link provided by ICAEW. However, ICAEW had not received that bundle. The only documents that had been received from Mrs Bartram were three pages sent by email on 9 December 2020.
42. It transpired during the course of this hearing that Mrs Bartram was unable to use the share file link to upload the documents. Mrs Bartram applied for an adjournment so that she could supply her documents. The Committee granted the application, despite what it described as the extensive and lamentable history of correspondence between Mrs Bartram and ICAEW. There had been numerous requests for documents from Mrs Bartram to support her application for a review by ICAEW.
43. The Committee made the following directions:
- i) Mrs Bartram to send by registered post and next day delivery all the documents she intended to rely upon by 11.12.20.
 - ii) Mrs Bartram to confirm by telephone and email with the Committee clerk on 15.12.20 that the ICAEW has received all those documents.
 - iii) The ICAEW to confirm with the Committee chair the documents had been received.
 - iv) That any submissions that Mrs Sutherland Mack wished to advance in response to the documents from Mrs Bartram are to be submitted by 04.01.21.
 - v) That the hearing take place on a date after 04.01.21 with any panel.
44. The Committee further determined that the public interest required the expeditious disposal of cases and, given the delay and previous opportunities that Mrs Bartram had had to provide the documents, the matter should proceed on the next occasion.
45. No further documents were submitted by Mrs Bartram. She was asked by ICAEW to confirm she had sent the documents by registered post in accordance with the Committee's directions. She provided a Track and Trace reference number. On entering that number into the Track and Trace system, a message was received saying 'unable to confirm status of your item'.
46. Emails were sent by ICAEW to Mrs Bartram on 22 December 2020, 3 February 2021 and 4 February 2021 confirming that it had received no documents either by post or share file and asking Mrs Bartram for her response for the Review Committee and no response was received.

47. The hearing was re-listed for 12 February 2021. Notice of that hearing was sent by email to Mrs Bartram's registered email address on 22 December 2020. A further email confirming the date and time of the hearing and providing a link to access the video conference was sent by email to Mrs Bartram on 3 February 2021. She was sent another email on 4 February 2021 regarding the hearing which had the date in the header. The Committee was provided with read receipts showing that all of these emails had been received and read by the recipient.
48. When the hearing commenced at 10am on 12 February 2021, Mrs Bartram was not in attendance. At the invitation of the Committee, the Committee secretary made attempts to contact Mrs Bartram by phone and email. She spoke to someone at Mrs Bartram's office who told her that Mrs Bartram had [PRIVATE]. In light of this information, the Committee adjourned until 12 noon to allow further enquiries to be made.
49. When the hearing resumed at noon, Mr James Collins, partner in the Firm, joined the hearing by telephone. He told the Committee that he had spoken to Mrs Bartram by telephone and she had told him that [PRIVATE] whilst on a client visit earlier in the morning. She had managed to travel home but Mr Collins said that she [PRIVATE].
50. Mr Collins also told the Committee he was unaware, until he had been contacted that morning by the Committee secretary, of the decision of the ARC withdrawing his Firm's audit registration and his and Mrs Bartram's responsible individual status. Nor had he been aware of this review hearing. When he spoke to Mrs Bartram on the phone and informed her he had been contacted by ICAEW about today's hearing, she told him that she thought it was listed for 17 February.
51. Mr Collins requested an adjournment on the basis that he needed time to discuss the matter with Mrs Bartram and to put evidence before the Committee to support his Firm's case. He also expressed concerns to the Committee that Mrs Bartram was not coping with her work obligations in the way you would expect a chartered accountant to be able to.
52. Ms Sutherland-Mack on behalf of ICAEW opposed the application. She pointed out there was an extensive history of non-cooperation and broken assurances from Mrs Bartram, to the extent that it was questionable whether she had ever intended to take part in the hearing. Ms Sutherland-Mack further submitted that Mrs Bartram's account that she thought the hearing was next week was not plausible in light of the receipts showing she had read two emails which gave the date of the hearing. She also said there was a public interest in proceeding today, as audit clients could potentially be put at risk until this matter was resolved.
53. The Committee shared Ms Sutherland-Mack's concerns. This was the third time the review hearing has been listed. Apart from three pages sent by email on 9 December 2020, neither the Firm nor Mrs Bartram had provided any additional evidence beyond that which was before the ARC, despite repeatedly saying that they wished to do so. The evidence before the ARC showed a lack of co-operation and a history of failures to respond to correspondence and non-compliance with undertakings. The Committee noted that each further hearing increases costs, and therefore also the potential costs liability of the Firm.
54. However, the Committee had to bear in mind that it had been told by Mr Collins that Mrs Bartram [PRIVATE] and no information had been received from her.
55. The Committee expressed the view that it was disappointing that the communications between the partners was such that Mr Collins was unaware of this matter. However, the Committee accepted that it would not be fair to go ahead with the hearing on that day when

he had not seen any of the documentation other than the summer 2019 correspondence saying the Firm could not do any new audits. It noted that Mr Collins said that following that letter he had asked Mrs Bartram on a number of occasions what was happening and she said that it was in hand.

56. Further, the Committee considered that any risk to the public could be met by the imposition of a suspension order on the Firm's audit registration.
57. The Committee therefore considered it would be appropriate to grant Mr Collins an adjournment to allow him time to consider the case and to consider, no doubt in conjunction with Mrs Bartram, what the Firm's position was going to be. The Committee made it clear that it could not conceive of any possibility of any further adjournments being granted to the applicant.
58. Having granted the adjournment, the Committee gave directions. Following further written representations from Ms Sutherland-Mack those directions were revised to alter the time for compliance with directions 4 and 5 from 19 February 2021 to 24 February 2021. The revised directions were as follows:
 1. The review hearing is adjourned to a date to be notified. The review hearing shall be re-listed on the first available date after 5 March 2021 with a time estimate of one day. For the avoidance of doubt, as this will be a resumption of an adjourned hearing, the requirement to provide the applicant with 42 days' notice set out in regulation 9 of the Review Committee Regulations does not apply.
 2. Any notice or correspondence to be sent to the applicant by ICAEW shall be sent by email (whether or not it is additionally sent in any other manner) to both Mr James Collins and Mrs Wendy Bartram.
 3. ICAEW shall send to Mr James Collins by close of business on Tuesday 16 February 2021 copies of all documents provided to the Committee for this hearing (being the Report to Review Committee, Bundle from IR Collins, Correspondence bundle and the two previous Committee determinations).
 4. The applicant, acting through either Mr James Collins or Mrs Wendy Bartram, shall notify ICAEW by email no later than 5pm on 24 February 2021 whether the applicant wishes to continue with this application for a review.
 5. In respect of direction 4 above, if ICAEW has not received an email from either Mr James Collins or Mrs Wendy Bartram by 5pm on 24 February 2021 notifying it of the applicant's intention to continue with this application:
 - a) The application will be deemed to have been withdrawn by the applicant under Regulation 34 of the Review Committee Regulations;
 - b) ICAEW may make a written application for costs, which application shall be served on the applicant by 26 February 2021;
 - c) The applicant may make written submissions in respect of ICAEW's application for costs, which must be received by ICAEW by 5 March 2021;

- d) The Committee will consider the application for costs on the basis of the written application and submissions received without the need for a hearing.
6. The applicant will ensure that any further documents it wishes to rely on at the review hearing are received by ICAEW by 5pm on 26 February 2021. In respect of this direction:
- a) It is the applicant's responsibility to check with ICAEW to ensure that such further documents it wishes to rely on have been received by ICAEW by that date and time;
 - b) The Committee will not consider at the review hearing any documents which the applicant wishes to rely on which have not been received by ICAEW by that date and time.
7. Pending the review hearing, the applicant's audit registration is suspended pursuant to regulations 7.04 and 7.07 of the Audit Regulations and Guidance. During the period of this suspension the applicant must not, pursuant to regulation 7.05 of the said Regulations, accept any new appointments to act as an auditor and may only sign off audit reports of existing clients with the permission of the Audit Registration Committee.
59. At 5.11pm on 26 February 2021 Mrs Bartram provided to ICAEW by way of a sharefile link documents with the following names/headings:
- (a) Hot and cold file review summary;
 - (b) Cold file review 2016;
 - (c) Cold file review 2017;
 - (d) Cold file review 2018.
60. However the 'Cold file review 2016 'was not in a format that could be read and the other documents were password protected and no password had been provided. ICAEW emailed Mr Collins and Mrs Bartram about these matters on 5 March and 9 March asking for the document in a readable format and for the passwords but no reply was received. ICAEW sent a further chasing email on 16 March and Mrs Bartram replied the same day saying the documents were in a PDF format and should have been readable and that they were resolving why there was a problem. No further response was received from Mrs Bartram or Mr Collins.
61. On 23 March 2020 ICAEW made a written application inviting the Committee to prohibit the Firm from being able to rely on the documents submitted on 26 February 2021 on the basis of its failure to comply with paragraph 6 of the directions. It was submitted that not only were the documents submitted late but they were not in an accessible format.

Request to withdraw application for review.

62. At the start of the hearing on 6 April 2021 Mrs Bartram informed the Committee that the Firm wished to withdraw its application for a review of the order made by the ARC. Mr Collins confirmed to the Committee that he concurred with Mrs Bartram's application to withdraw the review application. The legal assessor explained to both Mrs Bartram and Mr Collins that the Committee had made no ruling on ICAEW's application dated 23 March 2021 to refuse to admit further documents from the Firm. Both Mrs Bartram and Mr Collins confirmed that they understood that to be the case and both confirmed that they still wished to withdraw the application for a review of the order made by the ARC.
63. The Committee was satisfied that both Mrs Bartram and Mr Collins had received all the information relied on by ICAEW in respect of the review and therefore were aware of the reasons the Institute was opposing the review application. The Committee was also satisfied that both Mrs Bartram and Mr Collins understood that the Committee had made no ruling on ICAEW's application dated 23 March 2021 to refuse to admit further documents from the Firm, and that it would be for the Committee alone to decide whether to grant or refuse that application. The Committee was therefore satisfied that Mrs Bartram and Mr Collins, acting both in their status as responsible individuals and on behalf of the Firm, had made an informed decision to request leave to withdraw the application.
64. Pursuant to regulation 35 of the Review Committee Regulations, the Committee granted leave to withdraw the application.
65. As a result of the Firm having made the review application, the decision of the ARC made on 13 May 2020 has been stayed pending the review. Accordingly, on withdrawal of the application, the stay is removed and the order made by the ARC takes effect, namely:
- (a) The audit registration of Ian R Collins & Co is withdrawn under regulations 7.03(g) and 7.03(i) of the Audit Regulations and Guidance;
 - (b) Mr James Collins and Mrs Wendy Bartram status as responsible individuals is withdrawn pursuant to regulation 4.08(f) of the Audit Regulations and Guidance.

Costs and publicity

66. The Committee has power to award costs under AR 8.07 and also under regulation 35 of the Review Committee Regulations as a consequence of granting leave to withdraw the application.
67. ICAEW applied for costs in the sum of £14,145, save that Ms Sutherland-Mack accepted it would be appropriate to reduce the sum claimed for representation at the review hearing as it had been based on an estimated length of hearing and the hearing had been shortened by the application to withdraw.
68. The Committee considered that there was no reason why the Firm should not pay the Institute's costs. The history of this matter shows repeated disregard by the Firm over a lengthy period of its duty to co-operate with its regulator. That has culminated in a very late application to withdraw the review. The Firm had brought these costs on itself and there was no grounds in the Committee's view for relieving it of the obligation to pay them, save that some reduction would be appropriate to reflect the fact that the Institute's representative was

not engaged for the full day. The Committee awarded costs against the Firm in the sum of £13,500.

69. The Committee was satisfied that its decisions to grant leave for the application to be withdrawn and in respect of costs meant that it must consider, under regulation 28 of the Review Committee Regulations, whether to order publication. The Committee was satisfied that the principles of openness and transparency which underpin the regulatory process required this decision to be publicised. The Committee therefore ordered publication on ICAEW's website.

Order

70. The order made by the Committee on this review is as follows.

1. **Leave is granted to Ian R Collins & Co to withdraw its application dated 16 June 2020 for a review of the decision of the Audit Registration Committee made on 13 May 2020.**
2. **The decision of the Audit Registration Committee made on 13 May 2020 shall take effect and accordingly:**
 - (a) **the audit registration of Ian R Collins & Co is withdrawn under regulations 7.03(g) and 7.03(i) of the Audit Regulations and Guidance;**
 - (b) **Mr James Collins and Mrs Wendy Bartram status as responsible individuals is withdrawn pursuant to regulation 4.08(f) of the Audit Regulations and Guidance.**
3. **Ian R Collins & Co will pay costs to ICAEW in the sum of £13,500 within 30 days of this written notice of the decision being given.**
4. **This decision will be publicised on the ICAEW website.**

Chair	Mr Tony Hemus ACA
Non Accountant Member	Mr Penny Griffith
Non Accountant Member	Ms Harsha Shewaram Hildebrand

Legal Assessor	Mr Andrew Granville Stafford	053729a
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**15. DSM CA Limited of
Clitheroe, United Kingdom**

A panel of the Review Committee ('the Committee') made the decision recorded below at a hearing on 26 March 2021

Status of Applicants	Audit firm (DSM CA Ltd) and responsible individual (Miss A J Watson)
Date of pre-hearing review	8 February 2021
Date of Review Committee hearing	26 March 2021
Present at hearing	Ms Jessica Sutherland-Mack (ICAEW) Miss Alison J Watson (Applicant)
Decision	Audit registration withdrawn (DSM CA Ltd) and responsible individual status ceased (Miss A J Watson)

Procedural matters

1. On 13 August 2020 the Audit Registration Committee ('ARC') made the following decision:

The registration as company auditor of DSM CA Limited, Clitheroe, United Kingdom, was withdrawn on 22 September 2020 under audit regulation 7.03g and 7.03i of the Audit Regulations and Guidance, on the basis of its failure to comply with conditions previously given to the ICAEW and its weaknesses in audit work.

2. In accordance with regulation 4.08(f) of the Audit Regulations, the ARC also withdrew the responsible individual status of Miss Alison Watson.
3. Miss Watson has applied for a review of the ARC's decision to withdraw the audit registration of her firm, DSM CA Limited ('the Firm'), and the decision to withdraw her responsible individual status.

Background

4. The Firm was incorporated on 22 October 2008 and became audit registered with ICAEW on 28 September 2009.
5. Miss Watson became a provisional member of ICAEW on 5 May 1989, a registered auditor on 1 January 1990, a full ACA member on 20 October 2005 and has held a full practising certificate since 16 July 2009. She has been the responsible individual at the Firm since 2009.
6. The institute's Quality Assurance Department ('QAD') conducted an audit review visit to the Firm in April 2017. As a result of that visit, the Firm was referred to the ARC. On 13 December 2017 the ARC imposed the following requirements on the Firm:

1. External hot file reviews ('HFR') to be carried out on all of the Firm's audits. The results of the HFR to be submitted to ICAEW within one month of their completion.
 2. To provide ICAEW with details of all audit clients by 10 January 2018.
 3. External cold file reviews ('CFR') of all of the Firm's SRAAR (Solicitors Regulation Authority Accounts Rules) clients. CFR to be carried out within three months of signing the accountant's report and submitted to ICAEW within one month of completion.
 4. QAD to undertake a follow-up visit at the Firm's expense by no later than 31 July 2018.
 5. No new audit appointments to be accepted without the ARC's approval.
 6. No audit reports to be signed until an external hot file review had been carried out.
 7. No audit compliance reviews or file reviews to be carried out by the Firm on behalf of other registered auditors.
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7. In its decision letter dated 22 December 2017, the ARC said it had seriously considered withdrawing the Firm's audit registration due to its continued failures and its reliance on HFRs, and that the decision would come into effect on 10 January 2018.
 8. In a letter dated 5 January 2018, which was received by ICAEW on 19 January 2018, Miss Watson provided details of 17 audit clients of the Firm. 12 of those belonged to the same group ('A' Ltd and one was an SRAAR client.
 9. Submission of HFRs and CFRs following that order has been as follows:
 10. A HFR was submitted for 'A' Ltd, the parent company of the 'B' Group, for the year ended 31 May 2017. No HFRs were submitted contemporaneously for any of the other 11 companies in the group for the same year end. The audit opinions for these 11 companies were dated 17 January 2018. After 2017 the Firm ceased being the auditor for this group of companies.
 11. When Miss Watson submitted her witness statement for this hearing, following the directions hearing in February 2021, she enclosed with it HFRs for 4 of the 11 subsidiary companies in the 'B' group.
 12. In respect of the other companies for which the Firm remained auditor after the 2017 ARC decision, the position regarding the submission of file reviews is as follows:
 - 'C' Ltd. HFRs were required for the audits for the accounts for the years ended 31 December 2017, 2018 and 2019. However, HFRs for the years 2017 and 2019 have not submitted by the Firm. The HFR for 2018 was submitted on time.
 - 'D'. HFRs for the years ended 30 September 2017, 2018, 2019 were all submitted on time.
 - 'E' LLP. HFRs for the years ended 30 September 2017, 2018, 2019 were required. HFRs for 2017 and 2019 were not submitted. The HFR for 2018 was submitted on time.
 - 'F' Ltd. HFR for the 18 months ended 30 September 2019 was submitted on time.
 - 'G' Limited. CFRs for 2017 and 2018 were submitted late. The CFR for 2019 was not submitted. The CFR 2020 was submitted on time.

13. The QAD follow up visit did not take place before 31 July 2018, as had been required by the ARC order, due to an administrative error. The next QAD visit was took place on 18 and 19 February 2020 and 4 March 2020. The QAD report was sent to the firm on 4 June 2020.
14. The areas of concern identified in the QAD report fell into two categories. One was the failure of the Firm to submit file reviews as required by the condition imposed in 2017 by the ARC.
15. Miss Watson disagreed that the Firm must have realised it needed to provide HFRs for all the companies in the 'B' group rather than just the parent company. She accepted, however, that the HFRs for 'E' LLP and 'C' Ltd for the 2017 year end had not been sent to ICAEW. She said this was due to an oversight. She said a more formal review and response procedure for submission of HFRs to QAD had since been introduced.
16. The second area of concern was the quality of the Firm's audit work. The findings of the 2020 QAD visit were that the firm's audit work had not improved since the QAD visit in 2017. The QAD report said that the visit had found significant weakness in audit evidence and documentation, though it noted that the poor quality of documentation on the audit files made it difficult to assess the full extent of the failings.
17. Specific issues identified were:
 - Classification of when amounts were due to directors leading to the concern that the client's net liability disclosed in the accounts may have been £2.8 million lower than it should be;
 - Weaknesses in the extent of documentation relating to debtors, income and expenditure;
 - Confirmation from a local authority that it would allow a business to accept new clients was not obtained prior to signing off the audit report. This confirmation was critical to the conclusion on the firm's work on the business's ability to continue as a going concern
18. Miss Watson disagreed with criticisms in the report regarding treatment of director's loans and going concern. She said the Firm was disappointed with the overall conclusion of the report as she felt it had worked hard to improve the quality of its audits. She stated that the consultant carrying out the HFRs felt that the files were showing year-on-year improvement.
19. Miss Watson stated that one of the key actions would be that the audit manager would spend more time on location at the clients' offices with the audit team. Following the Covid-19 pandemic it was now envisaged that more of the audit work would be done by the audit manager.
20. The QAD team were of the view that the remedial action proposed would not be effective, given that similar issues had been live since 2010. In QAD's view the firm had been unable to demonstrate and sustain high levels of audit work.
21. As a result of that the matter was referred back to the ARC with a recommendation that the Firm's audit registration be withdrawn under AR 7.03(g) and 7.03(i).

22. AR 7.03(g) gives the ARC power to withdraw registered auditor status if the Firm has not complied with any condition or restriction imposed on it by the ARC. AR 7.03(i) permits withdrawal of registration where the ARC considers that continued registration may adversely affect an audit client or any other person.
23. The report also recommended that Miss Watson's RI status be withdrawn under AR 4.08(f).
24. On 13 August 2020 the ARC made the order set out in paragraph 1 above. That is the order the applicants seek to review at this hearing.
25. The Committee was provided with the following documents:
 - ICAEW Review Committee Report and attachments;
 - Directions made on 08 February 2021;
 - Witness statement of Miss Watson attaching 5 HFRs
 - ICAEW Response to Directions and bundle;
 - Recommendation to ARC dated 20 July 2020.
26. The Committee also heard oral evidence from Miss Watson.

Applicant's case

27. Miss Watson submitted that the Firm's audit planning had substantially improved and its audit testing had become much more detailed and rigorous. Whilst she accepted there were still improvements to be made, she very strongly disagreed with the suggestion that there had been only small improvements over the years.
28. Miss Watson said in her statement that the Firm had recently recruited an FCA with extensive experience to review the Firm's audit operations with a view to improving the audit methodology and improving its audit working.
29. She said it had become apparent that one of the Firm's two audit juniors did not have the experience they thought she would, as a virtually qualified ACCA, have. The office had been re-arranged so that all audit personnel are in the same open-plan office which made supervision easier. The audit manager had also spent more time this year with the juniors discussing how sampling would be undertaken and how this should be set out in the working papers. She believed this was leading to clearer working papers that showed that the sampling and the testing was relevant and sufficient.
30. One of the major issues identified at the QAD visit was in relation to the loans from directors to the company and the fact that the Firm had shown these in Long Term Creditors. Miss Watson explained the background to this treatment and said why she believed that to treat these loans as creditors due within one year would distort the true position. Further she said that the hot file reviewer had not raised any issues about the treatment of long-term creditors (although this was raised as an issue in the following year's review (completed late in 2020))
31. Miss Watson told the Committee that she accepted that there had been issues in the past. However, she said the HFRs had got a lot more positive over the last three years. She felt the hot file reviewer was being 'picky' in order to try to get the Firm to improve even further.

32. Miss Watson was asked in cross-examination why the HFRs for 'C' Ltd for 2017 and 2019 and for 'D' Ltd for 2017 and 2019 had not been submitted. She told the Committee that she did not know why they had been not submitted but said they would have been seen by the reviewer at the QAD visit.

ICAEW's case

33. ICAEW submitted that the decision of the ARC should be upheld.
34. Ms Sutherland-Mack said that there had been a clear and consistent history, dating back to the Firm's initial registration, of it being unable to operate to acceptable audit standards. She said it was of particular concern that, during the 2020 QAD visit, the documentation was said to be so poor that it was not possible to assess the full extent of the failings.
35. Ms Sutherland-Mack submitted that there had been repeated delays in submitting information to ICAEW and repeated failures to comply with conditions. This suggests that after 11 years of being a registered audit firm, and in Miss Watson's case being an RI, both are unable to demonstrate safe and satisfactory levels of audit work. In those circumstances she submitted that the Firm had breached AR 6.06 by failing to comply with the condition of undertaking hot file reviews on each audit client and submitting the same and therefore AR 7.03(g) was engaged.
36. ICAEW contended that repeated failures by the Firm to comply with the auditing and quality control standards amounted to a breach of AR 3.10 to such an extent that AR 7.03(i) was engaged. This was on the basis that continued registration of the Firm may adversely affect an audit client or any other person.

Decision and reasons

37. This is a review of the decision of the ARC made on 13 August 2020. The review is conducted pursuant to regulation 8.06 of the Audit Regulations which states:
- 'A meeting of the Review Committee will be arranged as soon as is practical after an affected party has applied under regulation 8.05. The Review Committee will consider the matter afresh and will hear new material put forward by the affected party. The Review Committee may make any decision which the Registration Committee could have made.'
38. The Committee considered all the documents, the submissions of the parties and the oral evidence of Miss Watson. The task of the Committee was to consider, in light of all the information before it, whether to make an order and, if so what order. Though it may take in to account the decision made by the ARC it is in no way bound by it.
39. The Committee had regard to the objectives of audit regulation which are set out in the introduction to the Audit Regulations. These include maintaining high standards of audit work and ensuring the reputation of registered auditors with the public is maintained. The regulations apply to all firms, whatever their size, and their application should be firm but fair.
40. The Committee considered that there were two aspects of the case.
41. One was the allegation that the firm had failed to comply with requirements imposed in December 2017 for hot and cold file reviews.

42. In respect of the 12 companies in the 'B' group, only the HFR for the parent company had been submitted on time. Miss Watson contended that she had not appreciated the Firm needed to submit HFRs for the subsidiaries. In the Committee's view, the condition imposed by the ARC in 2017 was clear. It referred to all audits carried out by the Firm and therefore clearly encompassed the subsidiary companies. Miss Watson did submit HFRs for four of the subsidiaries with her witness statement prepared following the Committee's pre-hearing review in February 2021. However, that meant that seven HFRs for the year ended 31 May 2017, which was the last year the Firm audited the 'B' Group, had never been submitted.
43. Furthermore, it was not in dispute that five out of 15 hot and cold file reviews for the other companies required by the 2017 order had never been submitted by the Firm. Miss Watson was unable to give the Committee any good explanation for this failure.
44. The Committee was satisfied that this amounted to a breach of AR 6.06 which requires a registered auditor to provide such information to the ARC as it requires.
45. The Committee was further satisfied that the HFRs that had been submitted demonstrated serious and wide-ranging failures by the Firm in the quality of its audit work in breach of AR 3.10. There was little, if any, evidence of improvement over time. The Committee agreed with the comment made by the ARC in December 2017 that the Firm was effectively relying on HFRs to ensure compliance with the auditing standards. It had not been able to achieve any sustained improvement in its own audit work, despite having plenty of opportunities to do so.
46. The Committee noted that on more than one occasion during the hearing Miss Watson had described the hot file reviewer's criticisms as 'picky'. This in the Committee's view demonstrated a significant lack of insight on Miss Watson's behalf and belied a failure to appreciate the importance of complying with recognised auditing standards.
47. The Committee took into account Miss Watson's evidence that at the beginning of this year the firm had recruited an experienced FCA who was going to assist it with audit work. However, Miss Watson was able to give the Committee little information about his previous audit experience, apart from saying she believed he had some. In any event the Committee did not consider that this step alone was sufficient to satisfy it that there would be no ongoing problems with the quality of the Firm's audit work.
48. The Committee reminded itself that the objectives of audit regulation include maintaining a high standard of audit work. It was not satisfied that the continued registration of the Firm as an auditor was consistent with that goal. The Committee accepted that there were no criticisms of the Firm's work for its SRAAR client. This, however, did not detract from the Firm's significant and longstanding failings in respect of its audit clients.
49. The Committee considered whether it could impose conditions or restrictions on the Firm's continued registration as an auditor. However, it noted that the Firm had been given many opportunities over the years to improve its practice but had not taken them. It noted that the Firm had been given a stark warning in December 2017 when the ARC had seriously considered removing its audit registration. Despite this, the QAD visit in 2020 had found that similar issues persisted. In those circumstances an order imposing conditions or restrictions was not, in the Committee's view, sufficient, particularly as she had not fully complied with conditions to date
50. The Committee was satisfied that the only appropriate order was to remove the Firm's audit registration. It made that order firstly under AR 7.03(g) on the basis that the Firm had failed repeatedly to comply with the condition imposed in 2017 to submit hot and cold file reviews to the Institute.

51. Secondly, it imposed the order under AR 7.03(i) on the basis that the Firm's continued registration was likely to adversely affect an audit client or other person. Given the issues which have been repeatedly raised in the HFRs and at the QAD visits, the Committee had no confidence that the Firm was able to achieve the necessary standards of auditing work.
52. Given Miss Watson's status as responsible individual for the Firm, she bore culpability for the Firm's failings. The Committee was satisfied it was appropriate to cease Miss Watson's responsible individual status pursuant to AR 4.08(f).

Costs and publicity

53. ICAEW applied for costs in the sum of £7,560. Miss Watson did not oppose the application. The Committee was satisfied that it was appropriate to order the Firm to pay costs in the sum claimed. In accordance with regulation 33.2 of the Review Committee Regulations, the costs are payable within 30 days of notice of this decision being given to the Firm.
54. The Committee was further satisfied that it was appropriate, in accordance with regulation 28 of the Review Committee Regulations, to publicise this decision.

Order

- a) **The audit registration of DSM CA Limited is withdrawn pursuant to regulations 7.03(g) and 7.03(i) of the Audit Regulations and Guidance.**
- b) **The Responsible Individual status of Miss Alison J Watson FCA shall cease pursuant to regulation 4.08(f) of the Audit Regulations and Guidance.**
- c) **DSM CA Limited shall pay costs to ICAEW of £7,560 within 30 days of notice of this decision being given to it.**
- d) **This decision shall be publicised on the ICAEW website.**

Accountant Chairman: Mr Tony Hemus ACA

Non-accountant Member Ms Penny Griffith

Non-accountant Member Ms Victoria Smith

Legal assessor Mr Andrew Granville Stafford

055741

AUDIT REGISTRATION COMMITTEE

ORDER – 7 APRIL 2021

16. Cameron & Associates Ltd

Cameron & Associates Ltd, Rickmansworth, United Kingdom, has agreed to pay a regulatory penalty of £1,292.50, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulations 2.03b, 2.07 and 2.11 and Licensed Practice Handbook paragraphs 2.04b and 2.08d, for its failure to ensure that it was eligible to hold audit registration and license practice scheme registration, in that two of its principals did not hold the required affiliate status, for signing audit reports when it was not eligible to do so and for its failure to notify ICAEW of changes within 10 business days.

026571

ORDER – 7 APRIL 2021

17. Grenfell James Audit LLP

Grenfell James Audit LLP, Stratford-upon-Avon, United Kingdom, has agreed to pay a regulatory penalty of £821, 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 and 6.06 for its failure to ensure that it was eligible to hold audit registration, 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 and for the incorrect completion of its ICAEW annual returns.

052377

ORDER – 7 APRIL 2021

18. Beresfords

Beresfords, Folkestone, United Kingdom, has agreed to pay a regulatory penalty of £4,200, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of a condition previously imposed under audit regulation 7.01 by failing to provide ICAEW with the required notification and documentation prior to carrying out audit work and failing to arrange for a training organisation to carry out two of its external hot file reviews.

051660

ORDER – 7 APRIL 2021

19. Henderson-Smith Associates Limited

Henderson-Smith Associates Limited, Havant, United Kingdom, has agreed to pay a regulatory penalty of £500, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of Licensed Practice Handbook paragraph 2.08f for failing to comply with an undertaking to submit the results of an external cold file review and ATOL whole firm compliance review.

The Licensed Practice Scheme registration for ATOL-reporting purposes of Henderson-Smith Associates Limited, Havant, United Kingdom, was withdrawn on 18 May 2021 under paragraph 2.16 of ICAEW's Licensed Practice Handbook for the firm's failure to comply with an undertaking previously given to ICAEW.

046790

ORDER – 13 MAY 2020

20. Ian R. Collins & Co

The registration as company auditor of Ian R. Collins & Co., Dronfield, United Kingdom, was withdrawn on 28 April 2021 under audit regulation 7.03g and 7.03i of the Audit Regulations and Guidance, on the basis of its failure to comply with an undertaking previously given to the ICAEW, its failure to respond to ICAEW's correspondence and its failure to demonstrate commitment to improve audit quality.

053729

INSOLVENCY LICENSING COMMITTEE

ORDER – 14 APRIL 2021

21. Mr Richard Ian Williamson

Mr Richard Ian Williamson of Blackpool, United Kingdom has agreed to pay an Insolvency Licensing Committee regulatory penalty of £1,750. This was in view of his admitted breach of Statement of Insolvency Practice 3.1 and the fundamental principle of professional competence and due care in the Insolvency Code of Ethics

059185

PRACTICE ASSURANCE COMMITTEE

ORDER – 18 MARCH 2021

22. Mr Jalal Uddin Ahmed FCA

Mr Jalal Uddin Ahmed FCA of Manchester, United Kingdom has agreed to pay a practice assurance penalty of £2,100, which was decided by the Practice Assurance Committee. This was in view of his admitted breach of Breach of Practice Assurance Regulation 4 (2008 Regulations); in that he failed to comply with written assurances, given in his letters dated 12 November 2012 and 13 December 2012, to carry out and document regular anti-money laundering client due diligence ongoing reviews and periodically review the firms' anti-money laundering compliance, as required by the Money Laundering Regulations 2007.

057967

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