

Disciplinary Orders and Regulatory Decisions



DATE PUBLISHED: 3 MARCH 2021

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INVESTIGATION COMMITTEE CONSENT ORDERS

1. Grant Thornton UK LLP

Consent order made on 21 January 2021

With the agreement of Grant Thornton UK LLP of London, United Kingdom the Investigation Committee made an order that the firm be reprimanded, fined £2,800 and pay costs of £5,718 with respect to complaints that:

1. On 30 October 2014, Grant Thornton LLP issued an unqualified audit opinion on the financial statements of "X" Limited (previously "Y" plc) for the period ended 31 March 2014 which stated the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland) when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence in relation to cash.
2. On 24 October 2014, Grant Thornton LLP issued an unqualified audit opinion on the financial statements of "A" Limited (previously "B" plc) for the period ended 31 March 2014 which stated the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland) when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence in relation to cash.
3. On 11 March 2015, Grant Thornton LLP issued an unqualified audit opinion on the financial statements of "C" Limited (previously "D" plc) for the period ended 31 March 2014 which stated the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland) when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence in relation to cash.
4. On 24 October 2014, Grant Thornton LLP issued an unqualified audit opinion on the financial statements of "E" Limited (previously "F" plc) for the period ended 31 March 2014 which stated the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland) when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence in relation to cash.
5. On 24 October 2014, Grant Thornton LLP issued an unqualified audit opinion on the financial statements of "G" Limited (previously "H" plc) for the period ended 31 March 2014 which stated the audit had been conducted in accordance with International Standards on Auditing (UK and Ireland) when the audit was not conducted in accordance with International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence in relation to cash.

049012

2. Mr Keith Anthony Green FCA

Consent order made on 25 January 2021

With the agreement of Mr Keith Anthony Green of Southsea, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £4,500 and pay costs of £2,125 with respect to a complaint that:

1. Mr Keith Green FCA, while a director of “A” Ltd, demonstrated by his behaviour that he was unfit to be a director of a company. Full particulars of the matters alleged to have rendered him unfit are set out in the ‘matters of unfitness’ in the schedule to the undertaking given by Mr Keith Green FCA under the Company Directors Disqualification Act 1986 and signed by him on 11 December 2018.

052217

3. Mr Simon Dorrington-Ward FCA

Consent order made on 8 February 2021

With the agreement of Mr Simon Dorrington-Ward of Bridport, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £1,400 and pay costs of £3,317 with respect to a complaint that:

1. Mr Simon Dorrington-Ward FCA, following a QAD visit on 3 March 2009, confirmed on behalf of his firm that:

- a. In respect of having procedures to ensure that the firm was complying with the client due diligence (CDD) requirements of the Money Laundering Regulations 2007:

“Every client now has a permanent correspondence file into which is placed the original interview form, a copy of the passport and utility bill, a copy of the engagement letter and a note of how the client was introduced and who in the firm knows the client or has visited the client’s home. Some of this information was already being maintained on a separate data base but it will now be cross referenced. The above has already been put in place. The review for all existing clients is expected to be completed by 30 September 2009”

And/or

- b. In respect of communicating the basis of charging fees and the firm’s complaints procedures to all clients:

“The new engagement letter now being issued to all (both new and existing) clients clearly sets out the basis of fees and also the complaints procedure including the right to complain to the ICAEW.”

but at the QAD’s subsequent visit on 5 December 2017, it was found that these assurances had not been complied with.

047233

4. Mr James Robert Russell ACA

Consent order made on 12 February 2021

With the agreement of Mr James Robert Russell of London, United Kingdom, the Investigation Committee made an order that he be severely reprimanded and pay costs of £4,972 with respect to a complaint that:

On 27 June 2018, Mr James Russell ACA was found guilty of misconduct by the Association of Chartered Certified Accountants in that he:

- a. Visited Client A on 10 May 2012 at short notice to:

- i. execute a revised will despite Client A stating that they did not want to be contacted further on the matter and/or knowing that Client A had instructed alternative solicitors to draft a revised will; and/or
 - ii. execute a Lasting Power of Attorney that Client A had not sought to initiate.
- b. Instructed solicitors A to prepare a revised will for Client A despite:
- i. not having Client A's instructions to do so;
 - ii. Client A stating that they did not want to be contacted further on the matter; and/or
 - iii. knowing that Client A had instructed alternative solicitors to draft a revised will.
- c. Instigated the instruction of solicitors A to draft and/or register a Lasting Power of Attorney for Client A without Client A's prior instructions to do so.

018263

5. Mr Kenneth Morton Bradshaw FCA

Consent order made on 12 February 2021

With the agreement of Mr Kenneth Morton Bradshaw of Eastbourne, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £2,000 and pay a contribution to costs of £2,000 with respect to a complaint that:

Mr Kenneth Bradshaw FCA, following a QAD visit in October 2008, provided the following assurances:

- a) 'I have requested the bank to confirm that all the Accounts held by me for Clients are correctly denoted as set out in the regulations'; and / or
- b) 'Review will be instituted'; and / or
- c) 'As regards the balance on my Client Account of £12,142.14, I have not transferred it to designated account but will do so this week'; and / or
- d) 'I will proceed to complete formal identification for all clients. But it will take time'; and / or
- e) 'I will obtain TECH 04/08 in order to do the necessary work to create the necessary CDD regime'.

And at a subsequent QAD cyclical review visit conducted on 29 March 2017 it was found these assurances had not been complied with.

043205

6. KPMG LLP

Consent order made on 15 February 2021

With the agreement of KPMG LLP of London, United Kingdom the Investigation Committee made an order that the firm be reprimanded, fined £4,550 and pay costs of £3,745 with respect to complaints that:

1. On 30 July 2018, KPMG LLP issued an unqualified audit opinion on the financial statements of "A" Limited for the year ended 31 December 2017 which stated that the audit had been conducted in accordance with International standards on Auditing (UK) when the audit had not been conducted in accordance with International Standard on Auditing (UK) 570 'Going Concern'.
2. On 30 July 2018, KPMG LLP issued an unqualified audit opinion on the financial statements of "C" Limited for the year ended 31 December 2017 which stated that the audit had been conducted in accordance with International standards on Auditing (UK) when the audit had not been conducted in accordance with International Standard on Auditing (UK) 570 'Going Concern'.

050939

7. Mr Alexander Wates

Consent order made on 17 February 2021

With the agreement of Mr Alexander Wates of Manchester, United Kingdom, the Investigation Committee made an order that he be reprimanded and pay costs of £2,890 with respect to a complaint that:

1. Between 14 July 2017 and 3 March 2018, Mr Alexander Wates inappropriately used his employer provided mobile phone in the communication of purchasing illegal drugs.

This is contrary to the fundamental principle of Integrity, in particular section 110.1 of ICAEW Code of Ethics.

049674

8. Mr Simon Robert Eldridge FCA

Consent order made on 17 February 2021

With the agreement of Mr Simon Robert Eldridge of Reading, United Kingdom, the Investigation Committee made an order that he be severely reprimanded, fined £4,900 and pay costs of £3,031 with respect to complaints that:

1. Mr Simon Robert Eldridge FCA, subsequent to a QAD visit on 5 July 2011, made the following assurances on behalf of his firms "X" Ltd and "A" Ltd in relation to issues identified:

- a. In respect of his Anti-Money Laundering Regulations requirement to have procedures in place to carry out client due diligence on all clients, and to have carried out both initial and ongoing risk assessments and client due diligence;

"We intend to carry out the procedures as set out in the [CCAB] guidance notes for any new clients taken on and to review all existing clients.

We intend to follow the simple matrix approach to our clients to consider the level of risk and incorporate this into our client acceptance procedure and to use the 'know your client' bullet points as a checklist.

We intend to carry out the procedures as set out in the [CCAB] guidance notes ..to ensure clients accepted are in our risk tolerance level (low) / our normal client sectors / types.

We intend to include a record of our risk assessment and due diligence procedures/regular reviews as a note on the front of each clients' correspondence file.

Date: to implement for new clients, reviewing existing clients over a 12 month period when picking up file for work undertaken if not done before."

And/or

b. In respect of his requirement to have carried out regular reviews of his firms compliance with the Anti-Money Laundering regulations;

"Regular review of our procedures to be undertaken at regular intervals"

And/or

c. In respect of his requirement to disclose to clients details of its Professional Indemnity Insurance arrangements as required by the Provision of Services Regulations 2009;

"To inform clients of PII insurance contact details and coverage via engagement letter procedure. Date: Over next 6 months (to fully review Feb 12)."

And/or

d. In respect of his requirement to notify clients in writing of its basis of fees or its complaints procedure;

"To inform clients of basis of fees and complaints procedure either via a paragraph in the body of a standard initial correspondence letter or more likely the engagement letter procedure. Date: Over next 6 months (to fully review Feb 12)."

but at a QAD desktop review on 7 May 2019, it was found that the assurances had not been complied with.

2. Mr Simon Robert Eldridge FCA, the only ICAEW member principal in the firm, used the description 'Chartered Accountants' for "A" Ltd when it was not entitled to as it was not a member firm, in breach of the following:
 - a. Regulation 6 of the Regulations governing the use of description Chartered Accountants and ICAEW general affiliates between 14 September 2014 and 18 June 2017;

And/ or

 - b. Regulation 12 of the Regulations governing the use of description Chartered Accountants and ICAEW general affiliates between 19 June 2017 and 6 June 2019.
3. Mr Simon Robert Eldridge FCA failed to comply with Practice Assurance Regulation 8 in that he submitted the following incorrect Annual Returns to ICAEW for "A" Ltd:
 - a. year ended 31 May 2015;

And/or

 - b. year ended 31 May 2016;

And/or

c. year ended 31 May 2017;

And/or

d. year ended 31 May 2018;

And/or

e. year ended 31 May 2019;

4. Between 30 September 2014 and 7 May 2019 Mr Simon Robert Eldridge FCA failed to comply with Practice Assurance Regulation 9 as he did not notify changes to the composition of the firm "A" Ltd within 10 business days of the change taking effect.
5. Mr Simon Robert Eldridge FCA failed to comply with the Money Laundering Regulations because his firm "A" Ltd was not supervised by an appropriate anti-money laundering supervisory authority:
 - a. between 14 September 2014 and 25 June 2017 in breach of the Money Laundering Regulations 2007,

And/or

- b. between 26 June 2017 and 31 October 2019 in breach of the Money Laundering Regulations 2017.

054330

9. Mr Kevin Brevitt

Consent order made on 17 February 2021

With the agreement of Mr Kevin Brevitt of Walsall, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £8,400 and pay costs of £1,170 with respect to complaints that:

1. Between 10 May 2017 and 17 June 2017, Mr Kevin Brevitt, on behalf of "X" Ltd (formerly "Y" Ltd) accepted/and or continued appointment and signed audit reports for the entities listed below, in breach of paragraph 54 of Ethical Standard 2 as the firm was not permitted to accept appointment as auditor, as "Z" Ltd, a network firm, was appointed as an officer of the company (company secretary) to those clients.
 - a. "A" Ltd, year ended 31 December 2016, audit report signed on 10 June 2017; and/or
 - b. "B" Ltd, year ended 31 December 2016, audit report signed on 17 June 2017
2. Mr Kevin Brevitt, on behalf of "X" Ltd, failed to comply with:
 - a. International Standard on Auditing (UK and Ireland) 220 'Quality control for an audit of the financial statements' on the following audits as he failed to take responsibility for the direction, supervision and performance of those audit engagements:
 - i. "A" Ltd, year ended 31 December 2016; and/or
 - ii. "B" Ltd, year ended 31 December 2016.

AND/OR

b. International Standard on Auditing (UK and Ireland) 230 'Audit Documentation' as he failed to prepare documentation to enable an experienced auditor with no prior connection to the audit to understand how he had taken responsibility for the direction, supervision and performance of the audit engagement

i. "A" Ltd, year ended 31 December 2016; and or

ii. "B" Ltd, year ended 31 December 2016.

047639

10. Mr Jonathan Matthew Ollier FCA

Consent order made on 17 February 2021

With the agreement of Mr Jonathan Matthew Ollier of Oswestry, United Kingdom the Investigation Committee made an order that he be reprimanded, fined £2,800 and pay costs of £3,760 with respect to a complaint that:

On 29 March 2019, Mr Jonathan Ollier FCA issued an unqualified Independent Examiners report on the financial statements of "A" for the year ended 31 December 2018, when the accounts do not comply with the Charities SORP (FRS 102) in that:

a. The income and expenditure account includes the results of "A", an unincorporated entity; and/or

b. They do not include a Statement of Financial Activity in breach of paragraph 4.1; and/or

c. They do not include the following disclosure notes in breach of paragraph 26:

i. accounting policies; and/or

ii. basis of preparation; and/or

iii. An analysis of debtor and creditor balances; and/or

d. The restricted funds have not been accounted for in accordance with paragraph 2.29; and/or

e. The balance sheet has not been signed by one or more trustees in breach of paragraph 10.8; and/or

f. The accounts do not specify the date the balance sheet was approved by the trustee body in breach of paragraph 10.8.

051261

11. KPMG Audit plc

Consent order made on 17 February 2021

With the agreement of KPMG Audit plc of London, United Kingdom the Investigation Committee made an order that the firm be severely reprimanded, fined £50,000 and pay costs of £8,260 with respect to complaints that:

1 KPMG Audit Plc issued an audit report addressed to the Financial Conduct Authority in respect of “A” Limited’s compliance with the Client Asset Sourcebook for the year ended 31 December 2010 on 27 April 2011 when the audit had not been conducted with regard to APB’s Practice Note 21 ‘The audit of investment business in the United Kingdom’ where relevant to insurance intermediaries regulated by the FSA in that the firm failed to obtain sufficient appropriate evidence to support the decision not to qualify its audit opinion in respect of “A” Limited’s breaches of:

a. CASS 5.5.3R in that client money of £3,500,000 was not held separately from the firm’s money.

And/or

b. CASS 5.5.63(1)R in that “A” Limited failed to have adequate procedures in place to ensure that shortfalls of £3,500,000 arising from its internal reconciliations were paid into a client bank account by the close of business on the day the calculation was performed.

And/ or

c. CASS 5.5.76R in that “A” Limited failed to notify the FCA that having carried out its internal reconciliations it has not complied with 5.5.63(1)R.

2 KPMG Audit Plc issued an audit report addressed to the Financial Conduct Authority in respect of “A” Limited’s compliance with the Client Asset Sourcebook for the year ended 31 December 2011 on 30 April 2012 when the audit had not been conducted with regard to the guidance set out in Bulletin 2011/2 issued by the Audit Practices Board in that the firm failed to obtain sufficient appropriate evidence to support the decision not to qualify its audit opinion in respect of “A” Limited’s breaches of:

a. CASS 5.5.3R in that client money of £1,500,000 was not held separately from the firm’s money.

And/or

b. CASS 5.5.63(1)R in that “A” Limited failed to have adequate procedures in place to ensure that shortfalls of £1,500,000 arising from its internal reconciliations were paid into a client bank account by the close of business on the day the calculation was performed.

And/ or

c. CASS 5.5.76R in that “A” Limited failed to notify the FCA that having carried out its internal reconciliations it has not complied with 5.5.63(1)R.

“The following is an extract from the Financial Reporting Council’s Client Asset Assurance Standard:

CASS audit’ describes the work performed by a ‘CASS auditor’ in providing a client assets report to the FCA. Strictly, such engagements are assurance engagements rather than audit engagements; however, the terms ‘CASS audit’ and ‘CASS auditor’ are used because they are commonly used and well understood expressions. The use of these expressions is not intended to change the nature of the engagement to that of an audit.”

035523

AUDIT REGISTRATION COMMITTEE

ORDER – 7 OCTOBER 2020

12. Publicity Statement

Macalvins Limited, Harrow, United Kingdom, has agreed to pay a regulatory penalty of £1,500, which was decided by the Audit Registration Committee. The firm ownership structure was changed by the insertion of a holding company. This was in view of the firm's admitted breach of audit regulations 2.11, 2.03b and 2.07, for its failure to notify ICAEW of changes within 10 business days, its failure to ensure that the voting rights were held by individuals holding an appropriate qualification or a registered auditor, and for continuing as a registered auditor after it had ceased to meet one of the eligibility requirements.

055487

ORDER – 9 DECEMBER 2020

13. Publicity Statement

Guy Fallows Enterprises Limited, Surbiton, United Kingdom, has agreed to pay a regulatory penalty of £350, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 2.02b for continuing audit registration with only professional indemnity insurance (PII) run-off cover.

056509

INSOLVENCY LICENSING COMMITTEE

ORDER – 3 FEBRUARY 2021

14. **Publicity Statement**

Mr Martin Williamson of Stoke-on-Trent, United Kingdom has agreed to pay an Insolvency Licensing Committee regulatory penalty of £1,750. This was in view of his admitted breach of Regulation 3.13 of the *Insolvency Licensing Regulations and Guidance Notes*, in that he failed to undertake a compliance review in 2017, 2018 and 2019.

056569

PRACTICE ASSURANCE COMMITTEE

ORDER – 21 JANUARY 2021

15. Publicity statement

BPC Chandarana & Co Ltd of Leicester, United Kingdom has agreed to pay a practice assurance penalty of £1,750, which was decided by the Practice Assurance Committee. This was in view of the firm's failure to comply with Section R331.17 of the ICAEW Code of Ethics 2020 (Section 241.16 under the previous ICAEW Code of Ethics).

057501

ORDER – 21 JANUARY 2021

16. Publicity statement

BW Medical Accountants Limited of Newcastle Upon Tyne, United Kingdom has agreed to pay a practice assurance penalty of £6,000, which was decided by the Practice Assurance Committee. This was in view of the firm's admitted breach of Practice Assurance Regulation 12 by not providing information requested by ICAEW's Regulatory Practice Group in a letter dated 21 October 2019 or responding to correspondence sent on at least 5 occasions between 10 July 2020 – 21 October 2020.

052289

ORDER – 21 JANUARY 2021

17. Publicity statement

Higginson & Co (UK) Ltd of Dunstable, United Kingdom has agreed to pay a practice assurance penalty of £700. This was in view of the firm's admitted breach of Practice Assurance Regulation 4 (2008 Regulations); in that the firm failed to comply with a written assurance given by the Practice Assurance Compliance Principal on behalf of the firm to document a risk assessment for each client, as required by the Money Laundering Regulations 2007.

056745

ORDER – 21 JANUARY 2021

18. Publicity statement

Crossley & Davis of Blackpool, United Kingdom has agreed to pay a practice assurance penalty of £1,050, which was decided by the Practice Assurance Committee. This was in view of the firm's admitted breach of Practice Assurance Regulation 4 (2008 Regulations); in that it failed to comply with written assurances given by the Practice Assurance Principal on behalf of the firm that it would record ongoing client due diligence for existing clients.

057363

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