

Disciplinary Orders and Regulatory Decisions



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INVESTIGATION COMMITTEE CONSENT ORDERS

1. Mr Jonathan Cavill Vowles

Consent Order made on 27 July 2020

With the agreement of Mr Jonathan Cavill Vowles of Bedford, United Kingdom, the Investigation Committee made an order that he be severely reprimanded, and pay costs of £1,282 with respect to the complaint that:

1. On 16 November 2018 the Taxation Disciplinary Board (TDB) found that Mr Vowles had undertaken work that was outside of his experience which resulted in providing incorrect tax advice to Mr “A” in relation to the structure of “X” Limited.

040859

2. Mr Nicolaus Stuart Jenkins FCA

Consent Order made on 31 July 2020

With the agreement of Mr Nicolaus Stuart Jenkins of Chester, United Kingdom, the Investigation Committee made an order that he be reprimanded, fined £1,000; and pay costs of £1,785 with respect to a complaint that:

On 19 December 2013, Mr N Jenkins FCA, on behalf of his firm “A” issued an unqualified Independent Examiner’s Report to the Trustees of ‘X’ for the period ended 31 March 2013 when the accounts failed to disclose material contingent liabilities in accordance with the requirements of paragraph 345 of Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005).

035092

3. **Deloitte LLP**

Consent Order made on 31 July 2020

With the agreement of Deloitte LLP of London, United Kingdom, the Investigation Committee made an order that the be reprimanded, fined £12,250; and pay costs of £4,020 with respect to complaints that:

1. On 27 August 2014, Deloitte LLP issued an unqualified audit opinion on the financial statements of “A” plc for the year ended 30 April 2014 which stated the financial statements had been prepared in accordance with IFRS as adopted by the European Union when they had not been prepared in accordance with:

a. IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ in that an appropriate accounting policy had not been applied in relation to merger accounting;

And/ or

b. IAS 27 ‘Separate Financial Statements’ in that the cost of the investment in “B” Limited had not been recognised in accordance with IAS 27.

2. On 29 July 2015 Deloitte LLP issued an unqualified audit opinion on the financial statements of “A” plc for the year ended 30 April 2015 which stated the financial statements had been prepared in accordance with IFRS as adopted by the European Union when they had not been prepared in accordance with:

a. IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ in that an appropriate accounting policy had not been applied in relation to merger accounting;

And/ or

b. IAS 27 ‘Separate Financial Statements’ in that the cost of the investment in “B” Limited had not been recognised in accordance with IAS 27.

3. On 18 July 2016 Deloitte LLP issued an unqualified audit opinion on the financial statements of “A” plc for the year ended 30 April 2016 which stated the financial statements had been prepared in accordance with IFRS as adopted by the European Union when they had not been prepared in accordance with:

a. IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ in that an appropriate accounting policy had not been applied in relation to merger accounting;

And/ or

b. IAS 27 ‘Separate Financial Statements’ in that the cost of the investment in “B” Limited had not been recognised in accordance with IAS 27.

And/ or

4. On 27 June 2017 Deloitte LLP issued an unqualified audit opinion on the financial statements of “A” plc for the year ended 30 April 2017 which stated the financial statements had been prepared in accordance with IFRS as adopted by the European Union when they had not been prepared in accordance with:

a. IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ in that an appropriate accounting policy had not been applied in relation to merger accounting;

And/ or

b. IAS 27 ‘Separate Financial Statements’ in that the cost of the investment in “B” Limited had not been recognised in accordance with IAS 27

045252

4. **Mr Andrew Needham ACA**

Consent Order made on 31 July 2020

With the agreement of Mr Andrew Needham of Sheffield, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £7,000 and pay costs of £3,454

On 28 February 2017, Mr Andrew Needham ACA signed, on behalf of his firm “X” Accountants, an unqualified audit report on the financial statements of “A” Limited for the year ended 30 September 2016 which stated that the auditor’s responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland), when the audit was not conducted in accordance with:

a) International Standard on Auditing (UK and Ireland) 300 ‘Planning an audit of financial statements’ in that the audit was not planned so that the engagement could be performed in an effective manner;

And/or

b) International Standard on Auditing (UK and Ireland) 500 ‘Audit evidence’ in that he failed to obtain sufficient appropriate audit evidence in respect of:

- Tangible fixed assets; and/or
- Revenue; and/or
- Expenditure; and/or
- Trade and other payables; and/or
- Wages and salaries; and/or
- Cash and bank

And/or

c) International Standard on Auditing (UK and Ireland) 560 ‘Subsequent events’ in that he failed to obtain sufficient appropriate audit evidence in respect of events that had occurred between the date of the financial statements and the date the audit report was signed.

And/or

d) International Standard on Auditing (UK and Ireland) 570 'Going concern' in that he failed to obtain sufficient appropriate audit evidence in respect of the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements.

044262

5. Hodge Bakshi Limited

Consent Order made on 14 August 2020

With the agreement of Hodge Bakshi Limited of Cardiff, United Kingdom the Investigation Committee made an order that the firm be severely reprimanded, fined £41,210 and pay costs of £9,140 with respect to the complaints that:

1. On 26 November 2016, Hodge Bakshi Limited issued an unqualified audit opinion on the financial statements of "A" Limited for the year ended 31 December 2015 which stated the audit had been in accordance with International Standards on Auditing (UK and Ireland) when the audit had not been conducted in accordance with International Standards on Auditing (UK and Ireland), including:

a. International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion in respect of the following:

- i. Prior period adjustment; and/or
- ii. Recoverability of directors loans; and/or
- ii. Recoverability of inter-company loans.

And/ or

b. International Standard on Auditing (UK and Ireland) 315 'Identifying and assessing the risks of material misstatement through understanding the entity and its environment' in that the auditor did not reassess the risk of material misstatement arising from the reasons for the prior period adjustment;

And/ or

c. International Standard on Auditing (UK and Ireland) 580 'Written Representations' in that the auditor did not consider the reliability of representations following concerns over the integrity of management.

2. On 30 September 2016, Hodge Bakshi Limited issued an unqualified audit opinion on the financial statements of "B" Limited for the year ended 31 December 2015 which stated the audit had been in accordance with International Standards on Auditing (UK and Ireland) when the audit had not been conducted in accordance with International Standards on Auditing (UK and Ireland), including:

a. International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion in respect of the following:

- i. Prior period adjustment; and/or
- ii. Recoverability of directors loans; and/or
- iii. Recoverability of inter-company loans.

And/ or

b. International Standard on Auditing (UK and Ireland) 315 'Identifying and assessing the risks of material misstatement through understanding the entity and its environment' in that the auditor did not reassess the risk of material misstatement arising from the reasons for the prior period adjustment;

And/ or

c. International Standard on Auditing (UK and Ireland) 580 'Written Representations' in that the auditor did not consider the reliability of representations following concerns over the integrity of management.

3. On 21 July 2017 Hodge Bakshi Limited issued a statement setting out their ceasing to act as auditor of "A" Limited but failed to comply with the requirements of section 519 of the Companies Act 2006 as the statement did not set out the reasons for them ceasing to act as auditor.

042378

6. Mr Brian Francis Levy FCA

Consent Order made on 14 August 2020

With the agreement of Mr Brian Francis Levy of Bournemouth, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £3,600 and pay costs of £2,970 with respect to complaints that:

1a. Mr Brian Levy FCA accepted and/or continued the appointment as auditor and signed the audit reports for "Y" Ltd, on behalf of his firm "X", for the year-ends listed below when he was a trustee of "A" (which held shares in "Y" Ltd):

- i) Year ended 31 March 2006, signed on 23 November 2006; and/or
- ii) Year ended 31 March 2007, signed on 7 November 2007; and/or
- iii) Year ended 31 March 2008, signed on 19 November 2008; and/or
- iv) Year ended 31 March 2009, signed on 17 December 2009; and/or
- v) Year ended 31 March 2010, signed on 17 November 2010.

in breach of paragraph 7 of APB Ethical Standard 2 (effective 5 December 2004).

And/or

1b. Mr Brian Levy FCA accepted and/or continued the appointment as auditor and signed the audit reports for “Y” Ltd, on behalf of his firm X, for the year-ends listed below when he was a trustee of “A” (which held shares in “Y” Ltd):

- i) Year ended 31 March 2011, signed on 2 November 2011; and/or
- ii) Year ended 31 March 2012, signed on 6 December 2012; and/or
- iii) Year ended 31 March 2013, signed on 25 November 2013; and/or
- iv) Year ended 31 March 2014, signed on 10 December 2014; and/or
- v) Year ended 31 March 2015, signed on 9 December 2015; and/or
- vi) Year ended 31 March 2016, signed on 8 December 2016.

in breach of paragraph 7 of APB Ethical Standard 2 (Revised) (effective 30 April 2011).

And/or

1c. Mr Brian Levy FCA accepted and/or continued the appointment as auditor and signed the audit report for “Y”, on behalf of his firm X, on 8 December 2017 for the year ended 31 March 2017 when he was a trustee of “A” (which held shares in “Y” Ltd) in breach of paragraph 2.4D of the Revised Ethical Standard 2016.

045553

7. Mr Richard Keith Parsons FCA

Consent Order made on 14 August 2020

With the agreement of Mr Richard Keith Parsons of Slough, United Kingdom the Investigation Committee made an order that he be severely reprimanded, fined £8,400 and pay costs of £3,715 with respect to complaints that:

1. Mr Richard Parsons FCA, following a QAD visit on 17 August 2010, confirmed on behalf of his firm that:

a. In respect of obtaining a trust letter from the bank acknowledging the trust status of the client bank account:

“A letter will be sent to our bankers by 31 October 2010 requesting this confirmation.”

And/or

b. In respect of completing annual clients’ money compliance reviews:

“This will be done annually.” but at a QAD desk top review on 19 March 2018, it was found that the assurances had not been complied with.

2. Between 17 August 2010 and 19 March 2018, Mr Richard Parsons FCA failed to ensure that all new clients were informed in writing of the name of the principal to be contacted if they wish to make a complaint and the client’s right to complain to ICAEW contrary to Disciplinary Bye-law 11.1.

3. Between 17 August 2010 and 19 March 2018, Mr Richard Parsons FCA failed to notify all clients, in writing, of the basis on which fees will be rendered as required by paragraph 240.2b of The Code of Ethics.

4. Mr Richard Parsons FCA incorrectly completed the following annual returns for “A” Ltd as he stated that the firm had completed an annual clients’ money compliance review when this was not the case in the following periods:

- a. 28 February 2011 submitted on 14 March 2011; and/or
- b. 29 February 2012 submitted on 27 March 2012; and/or
- c. 28 February 2013 submitted on 26 March 2013; and/or
- d. 28 February 2014 submitted on 27 March 2014; and/or
- e. 28 February 2015 submitted on 31 March 2015; and/or
- f. 29 February 2016 submitted on 14 April 2016

5. Mr Richard Parsons FCA incorrectly completed the following annual returns for “A” Ltd, as he stated that the firm had written confirmation from the bank regarding compliance with Clients’ Money Regulation 9b, and/or had completed an annual clients’ money compliance review when this was not the case, in the following periods:

- a. 28 February 2017 submitted on 30 March 2017; and/or
- b. 28 February 2018 submitted on 28 March 2018

6. On or around 29 March 2019 Mr Richard Parsons FCA incorrectly completed the annual return for the period ended 28 February 2019 for “A” Ltd, as he stated that his firm did not hold clients’ money when it did.

047283

8. Moore Kingston Smith LLP

Consent Order made on 14 August 2020

With the agreement of Moore Kingston Smith LLP of London, United Kingdom the Investigation Committee made an order that the firm be reprimanded, fined £3,500 and pay costs of £2,245 with respect to a complaint that:

On 22 November 2018, Moore Kingston Smith LLP (previously Kingston Smith LLP) issued an unqualified audit opinion on the financial statements of “A” Ltd for the year ended 28 February 2018 which stated the firm was independent of the group in accordance with the ethical requirements that are relevant to their audit of the financial statements in the UK, including the FRC’s Ethical Standard when this was not the case as the firm was in breach of paragraph 2.45 of FRC’s Ethical Standard as a consultant and former partner in the firm joined “A” Ltd on 1 May 2018.

050509

INVESTIGATION COMMITTEE FIXED PENALTY ORDERS

9. Vale and West Accountancy Services Limited

Penalty order made on 1 July 2020

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

With the agreement of Vale and West Accountancy Services Limited, the Investigation Committee ordered that Vale and West Accountancy Services Limited, of Victoria House, Queen Victoria Street, Reading, RG1 1TG, United Kingdom be reprimanded, and given a fixed penalty of £134.40 representing a financial penalty of £192 to which a discount of 30% has been applied with respect to a complaint that:

Between 1 November 2018 and 11 June 2020, Vale and West Accountancy Services Limited failed to comply with Regulation 6 of the Regulations governing the use of description 'Chartered Accountants' as they used the description "Chartered Accountants" when not entitled to do so.

054331

10. Mr Brian Paterson FCA

Penalty order made on 1 July 2020

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

With the agreement of Mr Brian Paterson FCA, the Investigation Committee ordered that Mr Brian Paterson FCA, of Oldham, 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 1 August 2015 and 17 December 2019, Mr Brian Paterson FCA engaged in public practice, without holding a practising certificate contrary to Principal Bye-law 51a.

052258

11. Mr Paul Williams FCA

Penalty order made on 23 July 2020

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

With the agreement of Mr Paul Williams FCA, the Investigation Committee ordered that Mr Paul Williams FCA, of Buckinghamshire, 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 2 February 2009 and 12 December 2019, Mr Paul Williams FCA engaged in public practice, without holding a practising certificate contrary to Principal Bye-law 51a.

052320

12. Mr John King FCA

Penalty order made on 2 July 2020

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

With the agreement of Mr John King FCA, the Investigation Committee ordered that Mr John King FCA, of Loughborough, 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 1 January 2018 to 17 January 2020 Mr J R King FCA engaged in public practice, without holding a practising certificate contrary to Principal Bye-law 51a.

052920

AUDIT REGISTRATION COMMITTEE

ORDER – 8 APRIL 2020

13. Publicity Statement

Garton Graham & Co, Hull, United Kingdom, has agreed to pay a regulatory penalty of £30,000 which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulations 7.01 and 3.01, in that the firm:

- failed to comply with a condition previously imposed by failing to ensure that an external hot file review was carried out; and
- continued to act as auditor of a client despite the existence of an insurmountable fee dependency threat.

035100

ORDER – 13 MAY 2020

14. Publicity Statement

Bradwell & Partners, Harrow, United Kingdom, has agreed to pay a regulatory penalty of £750, 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.

048796

ORDER – 16 NOVEMBER 2016

15. Publicity Statement

The registration as company auditor of Josephs, Leeds, United Kingdom, was withdrawn on 9 December 2016 under audit regulations 7.03c and 7.03h of the Audit Regulations and Guidance, on the basis of the firm's failure to comply with an undertaking previously given to ICAEW and its failure to respond to ICAEW's correspondence in a timely fashion.

011736

ORDER – 15 JULY 2020

16. Publicity Statement

The registration as company auditor of Fletchers, Dukinfield, United Kingdom, was withdrawn by the Audit Registration Committee on 15 July 2020 under audit regulation 7.03(a) of the Audit Regulations and Guidance due to the firm no longer meeting the eligibility requirements.

011939

ORDER – 10 JUNE 2020

17. Publicity Statement

Georgiou & Prasanna LLP, London, United Kingdom, has agreed to pay a regulatory penalty of £4,000, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 4.04, for allowing a principal to sign an audit report on one client for three consecutive years, when the principal was not a responsible individual.

054924

ORDER – 13 MAY 2020

18. Publicity Statement

The Licensed Practice Scheme registration for ATOL-reporting purposes of Bradwell & Partners, Harrow, United Kingdom, was withdrawn on 23 June 2020 under paragraph 2.16 of ICAEW's Licensed Practice Handbook on the basis that the firm no longer meets the eligibility criteria of Licensed Practice Handbook paragraph 2.04f.

048796

ORDER – 15 JULY 2020

19. Publicity Statement

Kleinman Graham, Potters Bar, United Kingdom, has agreed to pay a regulatory penalty of £3,000, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulations 3.20 and 6.06 for failing to arrange for an audit compliance review, including cold file reviews, to be carried out between October 2017 and November 2019, and for the incorrect completion of its 2018 ICAEW annual return.

035035

PRACTICE ASSURANCE COMMITTEE

ORDER – 16 JULY 2020

20. Publicity statement

Mr T J Shaw BA FCA CTA of Altrincham, United Kingdom has agreed to pay a practice assurance penalty of £1,400, which was decided by the Practice Assurance Committee. This was in view of his admitted breach of Principal Bye-law 51a, for engaging in public practice without a practising certificate between May 2018 and December 2019.

054587

ORDER – 16 JULY 2020

21. Publicity statement

Mr Peter Graham Robinson FCA of Cheadle, United Kingdom has agreed to pay a practice assurance penalty of £4,200 which was decided by the Practice Assurance Committee. This was in view of Mr Robinson's admitted breach of Clients' Money Regulation 9a. In that he held clients' money in an office account for a period of approximately seven months, when it should have been held in a designated client account; and a breach of Practice Assurance Regulation 4 (2008 regulations), in that he failed to comply with an assurance to document ongoing client due diligence as required by the Money Laundering Regulations 2007.

054913

ORDER – 16 JULY 2020

22. Publicity statement

Mr George Christopher Wlodyka BSc ACA of West Wickham, United Kingdom has agreed to pay a practice assurance penalty of £700, which was decided by the Practice Assurance Committee. This was in view of Mr Wlodyka's admitted breach of Breach of PA 4 (2008 Regulations); in that he failed to comply with a written assurance given in his responses as required by the Money Laundering Regulations 2007.

054915

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