

## Year 6

### Index of Reasons for Decisions regarding hearings held during the year 1<sup>st</sup> November 2018 to 31<sup>st</sup> October 2019 and handled by Accountants National Complaint Services Limited

#### Key

ALC = Admissions and Licensing Committee

AC = Appeal Committee

DC = Disciplinary Committee

RC = Review Committee

FC = Fitness Committee

<u>Name of Defendant</u>	<u>Date of order</u>	<u>Body</u>	<u>Type of hearing</u>	<u>Complaint/Issue</u>	<u>Outcome</u>
B1	15 <sup>th</sup> January 2019	ACCA	DC	(a) On 19 <sup>th</sup> April 2016, sent an email to colleague A	15 <sup>th</sup> January 2019 – Panel recused itself due to prejudicial material in ACCA’s papers. Adjourned to new panel.
	14 <sup>th</sup> March 2019	ACCA	DC	confirming that she had passed the two examinations as set out in schedule 1 when, in fact, she had not.	
	23 <sup>rd</sup> October 2019	ACCA	DC	(b) Between 19 <sup>th</sup> May 2016 and 6 <sup>th</sup> October 2017, registered her training supervisor as Mr AB, male, date of birth 25.8.85, primary email address as “given”.	14 <sup>th</sup> March 2019 – Case part heard. Adjourned.
				Alleged that the conduct under (a) and (b) was dishonest, contrary to the fundamental principle of integrity and amounts to misconduct.	23 <sup>rd</sup> October 2019 – (a) Admitted (b) Proved on basis of lack of integrity. Severe reprimand. Costs of £9,000. Publicity.
B2	14 <sup>th</sup> January 2020	ICAEW	DC	Complaint 1 – Issued an audit report in respect of PS Ltd for year ended 30.6.09 which was not in compliance with client money rules.	
				Complaint 2 – Issued an audit report in respect of PS Ltd for year ended 30.6.10 which was not in compliance with client money rules.	

Complaint 3 – Issued an audit report in respect of PS Ltd for year ended 30.6.11 which was not in compliance with client money rules.

Complaint 4 – Issued an audit report in respect of PS Ltd for year ended 30.6.09 when the audit had not been conducted in accordance with International Standards on Auditing.

Complaint 5 – Issued an audit report in respect of PS Ltd for year ended 30.6.10 when the audit had not been conducted in accordance with International Standards on Auditing.

Complaint 6 – Issued an audit report in respect of PS Ltd for year ended 30.6.11 when the audit had not been conducted in accordance with International Standards on Auditing.

B3	Not yet listed	ICAEW	DC	Between 26.10.11 and 31.10.11 allowed his practice (X) to loan £50,000 to their client (Y), failing to have sufficient regard to paragraph 280 of Code of Ethics.	
D	20 <sup>th</sup> February 2019	ACCA	DC	Between February 2017 and June 2017 failed to supply ACCA with information to enable ACCA to complete its monitoring process by his failure to respond to four items of correspondence.	20 <sup>th</sup> February 2019 – Adjourned.  ACCA decided to drop case. No costs order.
	7 <sup>th</sup> May 2019	ACCA	DC		
F2	Not yet listed	ACCA	ALC	Application for readmission following exclusion.	

L	31 <sup>st</sup> October 2016  Not yet re-listed	ACCA	DC	<p>Complaint 1 – (a) Provided a personal guarantee for deposit contracts identified in schedules, but failed to satisfy as at 18<sup>th</sup> August 2015; (b) Provided a guarantee for deposit contracts identified in schedules on behalf of a firm of chartered certified accountants, but failed to satisfy as at 18<sup>th</sup> August 2015.</p> <p>L’s conduct in respect of (a) and (b) was dishonest.</p> <p>Complaint 2 – (a) Failed to account for client monies received in relation to contracts identified in schedules; (b) Failed to maintain accurate records and controls so as to show clearly client monies received, held and paid on account relating to contracts as per the schedules.</p> <p>Complaint 3 – Failed to cooperate fully with the investigation of a complaint in that L failed to respond to 12 items of ACCA correspondence.</p>	<p>Case adjourned sine die.</p> <p>With the defendant being sent to prison in December 2018, our instructions have been terminated.</p>
L2	Not yet listed	ICAEW	FC	Application for readmission, following bankruptcy.	Readmitted without need for hearing.
L3	23 <sup>rd</sup> April 2019	ACCA	DC	<p>Complaint 1 – For five consecutive tax years, submitted to Revenue, understatements of his tax liability.</p> <p>Complaint 2 – For six consecutive tax years, submitted to Revenue understatements of his</p>	<p>Severe reprimand. Costs of £7500.</p>

firm's liability to PAYE/NIC.

Complaint 3 – Failed to notify ACCA of matters (1) and (2) above.

Complaint 4 – Under (1) and (2) above was reckless or lacked integrity.

M                      Not to be listed                      ACCA                      DC

Complaint 1 – Made inaccurate representations in statements of affairs addressed to the creditors of three companies in liquidation as to the existence of other professional relationships with the directors. Such conduct alleged to be misconduct.

Complaint 2 – Charged and/or drew unauthorised fees in relation to statements of affairs in respect of two companies in liquidation. Such conduct alleged to be dishonest or in breach of the Fundamental Principle of Professional Competence.

Complaint 3 – Drew unauthorised remuneration as liquidator of a limited company, failed to refund within a reasonable time, the unauthorised remuneration drawn and failed to inform creditors that such remuneration had been drawn.

Such conduct alleged to be dishonest or contrary to the Fundamental Principle of Professional Competence and Due Care.

				Complaint 4 – Failed to investigate or document an investigation in respect of whether there was a claim against the director of a limited company regarding the balance of an outstanding director’s loan account in the sum of £247,000.	
				Such conduct alleged to be misconduct.	
	29 <sup>th</sup> May 2018	ACCA	Health Committee		Case adjourned for six months to enable the defendant to obtain medical treatment.
	31 <sup>st</sup> August 2018	ACCA	Health Committee		Case abandoned due to defendant’s ill-health.
	28 <sup>th</sup> February 2019	ACCA	Health Committee		
P	Not yet listed	ACCA	ALC	Application for readmission following exclusion.	
P2	26 <sup>th</sup> March 2019	ICAEW	DC	In or around August 2015, P2 breached X’s internal confidentiality and privacy rules by transferring electronic files containing client information, which was the property of X, to his personal media devices.	Proved on admission. Severe reprimand. Fine £2500. Costs £15,000.
P3	7 <sup>th</sup> January 2020	ACCA	ALC	Serious deficiencies in audit work.	Audit certificate suspended. Application to ALC for clarification of order deemed to be unworkable.
R	Not yet listed	ICAEW	DC	Complaint 1 – On 19 <sup>th</sup> December 2011, in his capacity as finance	Case now transferred to defendant’s

director, approved the financial statements of W for the year ended 31<sup>st</sup> July 2011 when he had failed to obtain sufficient evidence to be satisfied that the accounts gave a true and fair view in respect of investments and intangible assets of £2.12m. solicitors.

Complaint 2 – Between 20<sup>th</sup> October 2011 and 19<sup>th</sup> November 2012, in his capacity as finance director of W, failed to ensure that payments amounting to £102,726 to N and £112,400 to S were a proper use of company money and thereby were in the best interests of the company, contrary to his general duties as a director under the Companies Act 2006.

S1                      Not yet listed    ICAEW    DC

Complaint 1 – Failed to obtain a bank letter confirming terms of opening client account.

Complaint 2 – Drew money from client account on 32 occasions without ensuring precise amount agreed by client.

Complaint 3 – Failed to pay client money immediately into a client bank account. Five instances cited.

Complaint 4 – During three separate periods, failed to reconcile client account a least every five weeks.

				Complaint 5 – On five occasions failed to correct differences identified on client account reconciliations.	
				Complaint 6 – Over a three-year period, failed to carry out an annual client money regulation compliance review.	
S2	Not yet listed	ACCA	DC	Complaint 1 – Signed unqualified audit reports when he had not reviewed the files. Complaint 2 – Failed to provide audit files as requested at a monitoring visit. Complaint 3 – Gave incorrect information to ACCA on 15.5.18. Complaint 4 – Gave incorrect information to ACCA on 22.2.19. Complaint 5 – Told the ACCA he had reviewed audit reports before signing when this was not the case. Complaint 6 – S2's conduct was dishonest or contrary to the fundamental principal of integrity or contrary to International Standards on Auditing or contrary to Global Practising Regulations or contrary to the fundamental principles of professional competence.	
V	Not yet listed	ACCA	ALC	Application for readmission following exclusion.	
W	24 <sup>th</sup> September	ICAEW	DC	Complaint 1 – On or around January 2010 and	Application to strike out

2018 (for 5 consecutive days)			December 2011 prepared CT600s for C Ltd and F Ltd and was dishonest in that he did not include the participator loan in accordance with Section 455 of the Corporation Tax Act 2010, Section 419 of the Income and Corporation Taxes Act 1988 and the Financial Reporting Standard for Smaller Entities 2008 and knew he was required to include the participator's loan.	dismissed. Appeal.
13 <sup>th</sup> March 2019	ICAEW	AC		13 <sup>th</sup> March 2019 – appeal dismissed. Re-listed for hearing before DC.
22 <sup>nd</sup> , 23 <sup>rd</sup> , 24 <sup>th</sup> July 2019	ICAEW	DC	Complaint 2 – In or around January 2010 and December 2011 prepared sets of accounts for C Ltd and F Ltd and was dishonest in that (a) he did not include the participator's loan as required and (b) he knew that he had to include such loan.  Complaint 3 – On or about October 2006 and January 2012 prepared self-assessment tax returns for B and was dishonest in that (a) he declared self-employed income from a school as employed income knowing that it was from self-employment and (b) did not declare it as self-employed income to improperly reduce the NI liability of B.  In the alternative, he was reckless in the preparation of the self-assessment tax return.	Complaints 1 and 2 proved. Complaints 2-10 not proved. Exclusion. £5,000 fine. £18,000 costs. Total payable by instalments.
			Complaint 4 – On or around January 2010 and April 2011 prepared CT600s and	



was dishonest in that (a) in or around January 2010 when preparing the accounts and tax returns for C he (i) failed to declare the full income from C's invoices knowing what the income on those invoices was and/or (ii) included additional costs of £2,000 which he knew to be wrong; (b) in or around November 2010 when preparing the accounts and CT600 for FWF Ltd he (i) included £3,000-worth of unreceipted travel expense to ensure comparability with the previous year's figures and (ii) did so knowing that this amount was wrong and (c) in or around December 2004 when preparing the accounts and tax returns for Ms H (i) included 10,000 miles of business mileage to reduce the profit of the company and (ii) did so knowing the figure was wrong.

Complaint 5 – In or around December 2010 failed to comply with paragraphs 110.1 and 110.2 of the Code of Ethics when preparing the accounts for BDC Ltd and MAA in that he (a) included admin expenses in the accounts of BDCL which should have been recorded in the accounts of MAA and (b) improperly increased the amount of business miles claimed.

Complaint 6 – In or around December 2010 failed to comply with the Code of Ethics when preparing the CT600 for BDCL and the

self-assessment tax return for MA to reflect incorrect information in the accounts.

Complaint 7 – In or around December 2011 failed to comply with the Code of Ethics when preparing the accounts for BDCL and MAA in that he (a) included admin expenses in the accounts of BDCL which should have been recorded in the accounts of MAA and (b) improperly increased the amount of business miles claimed.

Complaint 8 – In or around December 2011 failed to comply with the Code of Ethics when preparing the CT600 for BDCL and self-assessment tax return of MA to reflect the incorrect information prepared in the accounts as set out above.

Complaint 9 – Failed to comply with the Code of Ethics when preparing the accounts of OBC Ltd in that he (a) included a general use of home charge of £1,000 under the heading 'Rent' for the year to February 2011 and (b) included a general use of home charge of £1,200 under the heading 'Rent' for the following year.

Complaint 10 – In or around June 2011 failed to comply with the Code of Ethics when preparing the CT600 for OBC Ltd to reflect the incorrect information prepared in the accounts as described above.

