

CONSENT ORDERS HEARING

CONSENT ORDERS COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Miss Kathryn Rosemarie Lahiff
Considered on:	Wednesday, 21 August 2019
Location:	ACCA's Offices, The Adelphi, 1-11 John Adam Street, London, WC2N 6AU
Committee:	Mr James Kellock (Chairman)
Legal Adviser:	Mr Richard Ferry-Swainson
Persons present and capacity:	None
Summary:	Consent Order for Reprimand and costs approved

INTRODUCTION

1. The Committee considered a draft Consent Order in respect of Miss Lahiff. The matter was listed to be considered on the basis of documents only. Neither Miss Lahiff nor ACCA were present or represented.

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2. The Committee had before it the draft Consent Order, signed by Miss Lahiff and a signatory on behalf of ACCA, together with supporting documents in a bundle numbered 1 to 58. In addition there was a service bundle, numbered 1 to 12.

SERVICE

3. The Committee was satisfied that Miss Lahiff had been properly notified of the meeting by an email dated 9 August 2019.

BACKGROUND

4. It was alleged by ACCA, and Miss Lahiff admitted that she was guilty of misconduct, because she had failed to perform sufficient and appropriate audit work regarding Company A for a year, contrary to ACCA's Code of Ethics and Conduct.
5. The details were set out in the attached draft Consent Order. ACCA's Investigations Officer and Miss Lahiff had agreed the form of order, which proposed a reprimand and made an order for costs.

DECISION AND REASONS

6. In accordance with Regulation 8 of The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014, as amended, the Committee has the power to approve or reject the draft Consent Order, or to recommend amendments. The Committee can only reject a signed draft Consent Order if it is of the view that the admitted breaches would more likely than not result in exclusion from membership.
7. The Committee was satisfied that there was a case to answer, and that it was appropriate to deal with the complaint by way of a Consent Order. The Committee considered that the Investigations Officer had followed the correct procedure.
8. The Committee considered the bundle of evidence and, on the basis of Miss Lahiff's admissions, found the facts proved. It considered that the admitted facts and Miss Lahiff's actions were serious, and could be described as misconduct.

9. Miss Lahiff currently holds a general practising certificate for Ireland, and is the sole practitioner of Rosemarie Lahiff & Co (“the Firm”). Up until 15 June 2018, she had also held a practising certificate with audit.

10. On 14 March 2018, Miss Lahiff signed the audit report on the financial statements for Company A, year ended 30 June 2016, on behalf of the Firm as auditors. The audit report included the following statement:

“Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB’s) Ethical Standards for Auditors.”

11. On 6 June 2018, a Senior Compliance Officer (“SCO”) visited the Firm’s premises to undertake an audit monitoring visit. On 3 August 2018, the SCO wrote to Miss Lahiff following the monitoring visit. The letter referred to apparent breaches of ACCA’s Code of Ethics and Conduct (“CEC”), specifically concerning Company A. Further reference was made to Miss Lahiff relinquishing her practising certificate with audit qualification and the Firms’ auditing certificate.

12. On 20 August 2018, the SCO referred the apparent breaches of the International Standards on Auditing (“ISAs”) for investigation.

13. On 22 August 2018, Miss Lahiff responded to the letter from the SCO of 3 August 2018. Miss Lahiff accepted the findings in relation to the audit work, and said that she did not intend to re-apply for an auditing certificate in the future. She also made reference to a number of issues which had affected her firm, including a lack of resources, illness and financial pressures.

14. As a consequence of the deficiencies identified during the investigation, ACCA alleged that Miss Lahiff had failed to act diligently in accordance with applicable technical and professional standards, in the performance of the audit of Company A, for the year ended 30 June 2016.

15. On 23 November 2018, Miss Lahiff emailed the Senior Investigations Officer and confirmed that her audit practising certificate had been voluntarily withdrawn following the monitoring visit. She said that she had worked in practice since October 1990, and had never had a client complaint against her. She acknowledged that, with hindsight, she should have withdrawn from auditing work sooner due to a lack of resources to enable her to complete the work satisfactorily. She also detailed a number of issues that had affected her and her family, and which had impacted upon her work.
16. The Committee noted the agreed aggravating and mitigating factors as set out in the Consent Order. In particular, the Committee noted that Miss Lahiff: had fully co-operated with the investigation and regulatory process; had expressed genuine remorse and contrition; had no previous disciplinary history with ACCA; had voluntarily withdrawn both her and her Firm's audit practising certificate prior to the investigation; [PRIVATE].
17. In all the circumstances, and following the ACCA's Guidance on sanctions, the Committee was satisfied that the sanction of reprimand was appropriate in this case and that exclusion would be disproportionate. There had been a genuine acceptance that the misconduct had been committed. Miss Lahiff had shown insight into her failings and taken appropriate corrective steps to prevent a recurrence. She had also expressed genuine regret and remorse.
18. The order for costs appeared appropriate.
19. Accordingly, the Committee approved the attached Consent Order. In summary:
 - a. Miss Lahiff shall be reprimanded; and
 - b. Miss Lahiff shall pay costs of £1,770.50 to ACCA.

Mr James Kellock
Chairman
21 August 2019