

## CONSENT ORDERS HEARING

### CONSENT ORDERS COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

**In the matter of:** Miss Louise Marie Carey

**Heard on:** Tuesday, 03 December 2019

**Location:** ACCA, The Adelphi, 1-11 John Adam Street, London, WC2N  
6AU

**Committee:** Mr Andrew Popat CBE (Chairman)

**Legal Adviser:** Mr Mark Ruffell (Legal Adviser)

**Persons present  
and capacity:** None

**DECISION**                    **The Committee approved the Consent Order that Ms Carey should be severely reprimanded and should pay costs to ACCA in the sum of £1,510.00.**

1. The Committee met to consider a referral to the Consent Orders Committee concerning Miss Carey. The Committee had read and considered a service bundle, pages 1-10, and the case papers that included the draft agreement and pages 1-221.

#### ACCA



+44 (0)20 7059 5000



info@accaglobal.com



[www.accaglobal.com](http://www.accaglobal.com)



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

## **Constitution of the Committee**

1. The Chartered Certified Accountants' Regulatory Board and Committee Regulations 2014, amended 1 January 2017, Regulation 5(7) states:

*(7) The Consent Orders Committee shall consist of either a chairman and a legal adviser, or an assessor and a legal adviser.*

2. For avoidance of doubt, the Legal Adviser is an independent barrister or solicitor; the meaning of a Legal Adviser is as generally set out in ACCA's Regulations. The Committee proceeds on the basis that the Legal Adviser's role is advisory only. The Legal Adviser is not a voting member of the Committee as this would be a departure from the function. The Chairman alone will make a determination on the signed draft consent order.

## **ALLEGATIONS**

- 1) Miss Carey failed to comply with an order of ACCA's Appeal Committee dated 8 May 2018 in that:
  - (i) She failed to submit to ACCA reviews undertaken by a training company of her audit files by the deadline of 31 December 2018
  - (ii) The list of audit files disclosed by her in an email of 15 May 2018 did not include the year end dates for each set of audited accounts
  - (iii) She failed to notify ACCA of the identity of an ACCA approved training company within 14 days of the Appeal Committee order.
- 2) By reason of her conduct in respect of Allegation 1) above, Miss Carey is guilty of misconduct, pursuant to bye-law 8(a)(i).

## **BRIEF BACKGROUND**

3. Miss Carey became an ACCA member on 15 July 2003. From 5 December 2005, she held a practising certificate with audit qualification and her firm, Louise Carey & Co, held a firm's auditing certificate. Her audit qualification and firm's auditing certificate were suspended following an ACCA Admissions and Licensing Committee hearing on 18 March 2019. Miss Carey is currently permitted to work in public practice, but not to undertake any audit work.
4. A Compliance Officer from ACCA's Monitoring Department carried out a monitoring visit to Miss Carey's practice on 23 and 24 September 2015. Due to concerns regarding the quality of the audit files inspected, Miss Carey was referred to ACCA's Admissions and Licensing Committee ('ALC'). Following a hearing on 6 December 2016, the ALC ordered that Miss Carey's practising certificate with audit qualification, and firm's auditing certificate, be withdrawn.
5. Miss Carey appealed the above order to ACCA's Appeal Committee ('AC'). The AC hearing took place on a number of dates between 17 October 2017 and 8 May 2018. Having determined that the ALC's order of 6 December 2016 be rescinded, the AC went on to make the following orders:
  - (i) Provide ACCA Governance – Practice Monitoring within 30 days of the date that this order is made with a list of all audit clients, current between 1 July 2016 and the current time, identifying any public interest entities.
  - (ii) Provide against each client in the above list the year-end dates, for years ending after 1 July 2016, for which audits have been completed or are currently being conducted or are planned to be performed by Miss Carey or the firms, indicating the status of each audit and its likely completion date;
  - (iii) Notify ACCA of the identity of an ACCA approved training company within 14 days of the date that this order is made to

Governance – Practice Monitoring who will at the members expense review at least one audit file completed since 01 July 2016 for each audit client and write a report addressing the quality of the file and its compliance with the ISA's;

(iv) Submit all reports prepared by the approved training company to ACCA by 31 December 2018.

6. In a memorandum to ACCA's Assessment Department dated 14 February 2019, a Compliance Manager from ACCA's Monitoring Department advised that Miss Carey had not fully complied with the above order. Appended to the memo were various documents in support. In due course, the Assessment Department referred the matter to the Investigations Department. The memo advised that, although Miss Carey had provided a list of 17 audit clients within the 30 day period, ACCA had yet to receive any of the file reviews, despite the deadline being 31 December 2018. The memo went on to refer to the various attempts which had been made to contact Miss Carey and/or her solicitor during January and February 2019, but to which no response had been received (save for a telephone conversation with her solicitor) and hence the referral to Assessment. Appended to the memo, from the Compliance Manager, was a copy of an email from Miss Carey dated 15 May 2018, attaching a list of her audit clients, totalling 17 in number. This disclosure was therefore in accordance with the AC's order that this list be produced within 30 days. However, the list did not include the year end dates for each set of audited accounts, as ordered by the AC.
7. In addition, ACCA had not been advised of the identity of the ACCA approved training company within 14 days or at all.
8. ACCA's Investigating Officer therefore wrote to Miss Carey in a letter dated 6 March 2019, regarding her failure (i) to provide the file reviews by the AC deadline of 31 December 2018, (ii) to provide the year end dates on her list of audited accounts and (iii) to provide the identity of the training company. The letter required a response by 27 March 2019.

9. In the meantime, a further ALC hearing had been listed on 18 March 2019 to consider the fact Miss Carey had failed to comply fully with the AC's order. A few days prior to the hearing on 15 March 2019, in a series of emails, Miss Carey sent to ACCA's Hearings Officer all of the file reviews undertaken. All the reviews were carried out by Company A, save for that of Company C which was carried out by Company B, both, at the time, being ACCA approved training companies. All the reviews were completed in March 2019, save for that of Company C which was completed in December 2018.
10. ACCA received various communications from Miss Carey's solicitors suggesting that the original order had been complied with. The ALC hearing of 18 March 2019 went ahead, and resulted in an Interim Suspension Order relating to Miss Carey's audit certificate and the firm's audit certificate of Louise Carey and Co. There followed further communications between Miss Carey and her solicitor, and ACCA.
11. Following these communications, ACCA took the view it was disproportionate to pursue this issue further given the gravamen was the fact the file reviews had not been provided to ACCA by the deadline, as ordered by the Appeal Committee on 8 May 2018, irrespective of when the training companies were engaged. Furthermore, given that Ms Carey had since provided the file reviews, a decision was made that it was appropriate to dispose of this matter by way of a consent order.
12. In a letter dated 4 July 2019, ACCA's Investigating Officer advised Miss Carey that ACCA was willing to dispose of this matter by way of a Consent Order. In her email response of 18 July 2019, Miss Carey confirmed she was willing to consider disposal by consent. She also referred to each allegation as follows:

*'...1. I fully and unhesitatingly accept that the reviews were not furnished to the ACCA by the 31 st December 2019 deadline. This was because I originally engaged with [Company B] to effect the said reviews and had in fact requested them to assist me with the reviews before 31 st December 2018. However I only received one file back from [Company B], that of [Company C], by the December deadline and so I immediately took steps to address the situation. I engaged [Company A], another*

*ACCA approved monitoring company, to assist me with completing the said reviews. [Company A] duly completed the reviews in January and February 2019 and I received the detailed reviews back at the beginning of March. I furnished these to the ACCA as soon as they were received by me. Again I accept fully that the deadline of the 31 st December 2018 was missed. Once I became aware that the said deadline was likely to be missed, I immediately requested the return of the said files and arranged for [Company A] to complete the said reviews which they duly did. I say the above by way of explanation and not excuse. I am fully aware and take due cognizance of the fact that a deadline is a deadline and, notwithstanding that a third party over which I had no control was completing the said reviews, that it was fully my responsibility to ensure that the said reviews were submitted to the ACCA by the deadline. In all of the circumstances I would respectfully ask the ACCA to take cognizance of the fact that the reviews were effected by an ACCA approved monitoring company, albeit after the deadline and duly submitted to the ACCA. I fully accept that, in innocent error, I omitted to include the year end dates for the audited accounts. This was not deliberate but was an innocent error. It was something that I overlooked for which I most sincerely apologise for any inconvenience caused. As soon as the matter was raised with me, I immediately furnished the said dates. I accept that I did not formally write into the ACCA advising the ACCA of the identity of the ACCA approved training within 14 days of the Appeal Committee Order. This was however discussed at the actual Appeal Hearing and I understood that, as I had actually mentioned and referred to [Company B] on the said date, that it was understood that this was the Company that I would be using and that this was sufficient. I regret and apologise profusely for the misunderstanding and any possible confusion that this may have caused...'*

13. Miss Carey, in the draft Consent Order admitted the allegations and accepted that she should be severely reprimanded and pay costs in the sum of £1,510.00.

## **DECISION AND REASONS**

14. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, the Committee has to determine whether, on the basis of the evidence before it, it is appropriate to approve or reject the draft consent order.
15. The Committee noted that under Regulation 8(12), it shall only reject the signed Consent Order if it is of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
16. The Committee considered the seriousness of the breaches and the public interest, which includes the protection of the public, the maintenance of public confidence in the profession, and the declaring and upholding of proper standards of conduct and performance. It balanced this against Miss Carey's own pressures, her admission of the failures and misconduct, and her compliance with the original order (albeit late).
17. The Committee specifically agreed with the list of aggravating and mitigating factors listed at paragraphs 33 and 34 of the draft Consent Order.
18. The Committee had regard to ACCA's Guidance for Disciplinary Sanctions.
19. It was satisfied that there had been early and genuine acceptance of the misconduct, and that the risk to the public from Miss Carey continuing in practice was low.
20. For the reasons set out above, the Committee was satisfied that the admitted breaches would be unlikely to result in exclusion from membership, and therefore there was no basis for it to reject the Consent Order under Regulation 8(12). The Committee noted the proposed Consent Order, and considering all the information before it, was satisfied that it was an appropriate and proportionate disposal of this case, and made the Order consented to by both parties.

## **ORDER**

21. The Committee, pursuant to its powers under Regulation 8, made an Order in terms of the draft Consent Order, namely that Ms Carey be severely reprimanded and pay ACCA's costs of £1,510.00.

**Mr Andrew Popat CBE**  
**Chairman**  
**03 December 2019**