

## CONSENT ORDERS HEARING

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

#### REASONS FOR DECISION

**In the matter of:** Mr Bilal Amin

**Meeting on:** Wednesday, 19 June 2019

**Location:** ACCA, The Adelphi Building, John Adam Street, London  
WC2N 6AU

**Committee:** Mrs Lubna Shuja (Chairman)

**Legal Adviser:** Mr Andrew Granville Stafford

**Persons present  
and capacity:** None

**Observers:** None

**Outcome** Consent order approved

#### ACCA



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## **INTRODUCTION**

1. This matter has been referred to the Consent Orders Committee of ACCA ('the Committee') pursuant to Regulation 8(8) of the Complaints and Disciplinary Regulations ('CDR') for the Committee to determine, on the basis of the evidence before it whether, to approve or reject the draft consent order.
2. The Committee had before it a bundle of papers (pages 1 to 189).

## **CONSTITUTION OF THE COMMITTEE**

3. 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.'
4. 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 AND BACKGROUND**

5. The draft consent order was signed by Mr Amin on 13 May 2019, and by a representative of ACCA on 14 May 2019. It reads as follows:

Mr Bilal Amin admits the following allegation:

### Allegation 1

Mr Bilal Amin, the sole practitioner of Almas Consulting Ltd trading as Meridian Insight:

- (a) Signed an unqualified audit report for Company A for periods ended 31 August 2015, 2016 and 2017 which included disclosures indicating Company A had not complied with Section 586 of the Companies Act 2006 requiring public limited companies to have one quarter of the issued share capital to be paid.
- (b) In relation to the facts in allegation 1(a) Mr Amin is in breach of paragraphs 130.1(b) and 130.4 of Section 130 the fundamental principle of professional competence and due care (as applicable 2015, 2017 and 2018).
- (c) In light of the facts set out at 1(a) and 1(b) above Mr Bilal Amin is guilty of misconduct pursuant to bye-law 8(a)(i).

That Mr Bilal Amin shall be reprimanded, and shall pay costs to the ACCA in the sum of £1,800.

- 6. The background and facts are set out in the provisional agreement which is attached as an Appendix to this decision.

## **DECISION**

- 7. The powers available to this Committee are to:
  - (a) Approve the draft consent order, in which case the findings on the allegations and the orders contained in it become formal findings and orders (CDR 8(11) and 8(14));
  - (b) reject the draft consent order, which it may only do if it is of the view that the admitted breaches would more likely than not result in exclusion from membership (CDR 8(12));
  - (c) recommend amendments to the draft consent order, if it satisfied it is appropriate to deal with the complaint by way of consent but wishes the terms of the draft order to be amended (CDR 8(13)).
- 8. The Committee was satisfied that it was appropriate to make a consent order in the terms agreed between the parties. Taking into account ACCA's Guidance for Sanctions, the Committee was satisfied that, in light of the substantial mitigation in this case, which is set out in the provisional

agreement, a reprimand was the appropriate and proportionate sanction.

## **ORDER**

9. The Committee made the following order:
  - (i) The draft consent order is approved;
  - (ii) Allegations 1(a), 1(b) and 1(c) are proved by admission;
  - (iii) Mr Amin is reprimanded;
  - (iiii) Mr Amin is ordered to pay costs to ACCA in the sum of £1,800.
10. Under CDR 8(16) there is no right of appeal against this order. Therefore this order comes into effect immediately.

**Ms Lubna Shuja**  
**Chairman**  
**19 June 2019**

## Appendix

### Background and facts

3. The facts are as follows:

3.1 Mr Amin has been a Member of ACCA since 19 May 1994 [page 14]. He was issued with a practising certificate with audit for the UK on 1 January 1998, which he has held continuously since that date [page 16]. He is currently the sole practitioner of Almas Consulting Limited which trades as Meridian Insight (“the Firm”) [page 17]. The Firm has a Firm’s Audit Certificate (“FAC”) to perform audit work in the UK [page 18]. Mr Amin is also a member of the Institute of Chartered Accountants in England and Wales.

3.2 Section 586(1) of the Companies Act 2006 states that:

*“A public company must not allot a share except as paid up at least as to one-quarter of its nominal value and the whole of any premium on it.” [Page 19]*

3.3 Section 587(1) of the Companies Act 2006 states that:

*“A public company must not allot shares as fully or partly paid up (as to their nominal value or any premium on them) otherwise than in cash if the consideration for the allotment is or includes an undertaking which is to be, or may be, performed more than five years after the date of the allotment.” (page 22)*

3.4 On 16 December 2015, Mr Amin signed the audit report for Company A for period ended 31 August 2015 [page 34].

3.5 On 8 May 2017, Mr Amin signed the audit report for Company A for year ended 31 August 2016 [page 56].

3.6 On 12 March 2018, Mr Amin signed the audit report for Company A for year ended 31 August 2017 [page 105].

3.7 On 18 July 2018, a Senior Investigations Officer (“SIO”) from ACCA wrote to Mr Amin regarding the share capital disclosure discrepancies

in Company A's accounts, and the absence of any mention of the discrepancies in the relevant auditors' reports **[page 114 - 120]**.

- 3.8 On 16 August 2018, Mr Amin wrote to the SIO and made an admission of not spotting the disclosure issues **[page 122]**.
- 3.9 On 31 October 2018, amended audited financial statements for Company A for periods ended 31 August 2015, 2016 and 2017 were approved by the Directors. An updated audit report was signed by Mr Amin. These accounts were filed with Companies House on 1 November 2018, **[pages 128, 140, 152]**
- 3.10 On 3 November 2018, Mr Amin wrote to the SIO confirming the revised accounts had been approved and re-submitted to Companies House **[page 168]**. Following Mr Amin's previous admission that the disclosures were inappropriate he confirmed these had now been corrected. Confirmation letters regarding the share capital were provided **[pages 25 – 27, 46 – 49, 65 – 67]**.
- 3.11 The revised Company A accounts were obtained from Companies House confirming they had been filed [pages 128 – 166].
- 3.12 On 4 March 2019 the SIO wrote to Mr Amin to offer disposal of the matter by way of a consent order **[page 182]**. This was accepted by Mr Amin in writing on 6 March 2019 **[page 188]**.

#### **Liability to disciplinary action**

4. In light of the facts set out above and by his own admission, Mr Amin failed to:
  - (i) Identify disclosure errors in the financial statements of Company A, when auditing that company for periods ending 31 August 2015, 2016 and 2017, contrary to Section 130.1(b) and 130.4 of the ACCA Code of Ethics and Conduct (as applicable 2015, 2017 and 2018);
  - (ii) Include a qualification in the auditors' reports for Company A for periods ended 31 August 2015, 2016 and 2017, for non-compliance with Section 586 of the Companies Act 2006 based on the disclosures included in the financial statements at the time of signing the report,

contrary to Section 130.1(b) of the ACCA Code of Ethics and Conduct (as applicable 2015, 2017 and 2018).

5. In *Roylance v General Medical Council (No 2)* the Privy Council stated:

*“Misconduct is a word of general effect, involving some act or omission which falls short of what would be proper in the circumstances. The standard of propriety may often be found by reference to the rules and standards ordinarily required to be followed by a medical practitioner in the particular circumstances.”*

6. Bye-law 8(c) states that misconduct includes “any act or omission which brings, or is likely to bring, discredit to the individual or relevant firm or to the Association or to the accountancy profession.”
7. Bye-law 8(d)(i) states that “whether an act or omission, which of itself may not amount to misconduct, has taken place on more than one occasion, such that together the acts of omissions may amount to misconduct;”
8. It is accepted by both parties that Mr Amin’s behaviour in failing to reference the financial statements not being compliant with the Companies Act 2006 as part of his audit report brings discredit to himself, ACCA and the profession and constitutes misconduct pursuant to bye-law 8(a)(i).

#### **Mr Amin’s response**

9. On 16 August 2018, Mr Amin wrote to the SIO [**Page 122 – 123**] providing the following response:
- 9.1 Company A was dormant and had no trading activities or a bank account;
- 9.2 The shares were issued to and fully paid by the director who kept the funds in trust for the Company as there was no bank account;
- 9.3 The company’s statutory records and Companies House documents were reviewed which confirmed the shares were fully paid;
- 9.4 Reviewing the accounts in hindsight it was acknowledged the accounts disclosures were not appropriate and could have been clearer;

- 9.5 An admission of his mistake in not spotting the disclosures.
10. On 3 November 2018, Mr Amin wrote to the SIO [Page 168] stating the following:
- 10.1 Confirmation revised accounts have been prepared, approved and submitted to Companies House;
- 10.2 Confirmation letters obtained during the original audit were provided **[pages 25 – 27, 46 – 49, 65 – 67]**.
- 10.3 Confirmation that although a disclosure checklist had been completed **[Page 68 – 97]**, Mr Amin had been advised that there was no significant difference between a large company and a plc checklist. Mr Amin had completed a large company checklist and this is how the share capital issue was overlooked initially and continued in subsequent years.
- 10.4 Although a mistake was made in the disclosures it was not considered significantly misleading given the company was no external party interest at that stage.
11. On 5 November 2018, Mr Amin telephoned the SIO and acknowledged that he had got into a bit of a mess but was looking for guidance on how to resolve the issue as soon as possible **[page 169]**.

#### **Relevant failings and/or breaches**

12. The failings and/or breaches are set out above, and the relevant bye-laws and regulations are set out below.

#### **Liability to disciplinary action**

8(a) A member or relevant firm....shall, subject to bye-law 11, be liable to disciplinary action if:

- (i) He or its, whether in the course of carrying out his or its professional duties or otherwise, has been guilty of misconduct;



- (ii) He or it has committed any breach of these bye-laws or of any regulations made under them in respect of which he or it is bound:

8(c) For the purpose of bye-law 8(a), misconduct includes (but is not confined to) any act or omission which brings, or is likely to bring, discredit to the individual or relevant firm or to the Association or the accountancy profession.

8(d) For the purposes of bye-law 8(a), in considering the conduct alleged (which may consist of one or more acts or omissions), regard may be had to the following:

- (i) Whether an act or omission, which of itself may not amount to misconduct, has taken place on more than one occasion, such that together the acts or omissions may amount to misconduct.

### **Section 130 Professional competence and due care (as applicable 2015, 2017 and 2018)**

130.1 The principle of professional competence and due care imposes the following obligations on all professional accountants:

- (b) To act diligently in accordance with applicable technical and professional standards when providing professional services.

130.4 Diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis.

### **Sanction**

13. The appropriate sanction is a reprimand.
14. In considering this to be the most appropriate sanction, the Associations Guidance for Disciplinary Sanctions (“the Guidance”) has been considered and particularly the key principles. One of the key principles is that of the public interest, which includes the following:

- Protection of members of the public;
  - Maintenance of public confidence in the profession and in the Association;
  - Declaring and upholding proper standards of conduct and Performance.
15. Another key principle is that of proportionality, this is, balancing the member's own interests against the public interest. Further, the aggravating and mitigation features of the case have been considered.
16. The aggravating factors are considered to be as follows:
- 16.1 The share capital disclosure errors in the audited accounts persisted for three consecutive years for Company A, unnoticed by Mr Amin, and consequently, the audit report made no mention of the failures to comply with the Companies Act provisions based on these errors.
17. The mitigating factors are to be considered as follows:
- 17.1 Mr Amin has fully co-operated with the investigation and regulatory process;
- 17.2 Mr Amin has expressed genuine remorse and contrition;
- 17.3 Mr Amin has no previous disciplinary history with ACCA;
- 17.4 Mr Amin arranged for amended audited accounts to be prepared, signed by the Company A directors, and resubmitted to Companies House for all three years.
18. In deciding that a reprimand is the most suitable sanction paragraphs C3.1 to C3.5 of the Association's Guidance have been considered; these make reference to reprimands. In reference to these paragraphs from the Association's Guidance, the parties note the following:
- 18.1 There has been an early admission and genuine acceptance that the misconduct had been committed;
- 18.2 The member has shown insight into the failings and has taken corrective steps where appropriate;
- 18.3 The member has advocated genuine expression of regret or remorse.

- 18.4 The accounts containing the errors has been rectified and resubmitted to the relevant authorities i.e. Companies House.
19. A reprimand proportionately reflects Mr Amin's misconduct and the public policy considerations which the Association must consider in deciding on the appropriate sanction. This is a public interest sanction due to bringing discredit to the Association. This conveys the message of the importance of the fundamental standards of professional conduct
  20. The other possible sanctions have been considered, in ascending order.
  21. It was deemed that to take no further action or an admonishment would not be appropriate or proportionate and would not adequately address the severity of the misconduct or the public interest in this case.
  22. It was considered that a severe reprimand or exclusion from membership would be disproportionate in all the circumstances of this case, as these are not the only sanctions which would be sufficient to protect the public.

### **Costs**

23. ACCA incurred costs of £1,808.50 during the investigation.
24. Following consideration of Mr Amin's representations, he has agreed to pay costs to the Association in the sum of £1,800.00.

### **Publicity**

25. The Association's regulations require the Association to publish the Committee's findings and orders by way of a news release naming the relevant person, as soon as practicable. Both parties are agreed that there are no exceptional circumstances in this case to direct that Mr Bilal Amin is not named. Accordingly, an order for a news release to be issued to the Association's website referring to Mr Bilal Amin by name is made.
26. The parties understand that this provisional agreement cannot bind a Committee, and that the final decision on findings of misconduct and sanction is a matter for the Committee. The parties understand that, in the event that a Committee does not agree with this provisional agreement, the admission to the allegation set out in paragraph 1 above, and the agreed statement of facts set out in paragraph 3 above, may be placed before a

differently constituted Committee that is determining the allegation, provided that the member agrees and it would be relevant and fair to do so.