

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Paul Barrett

Heard on: Thursday, 27 June 2019

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

Committee: Ms Kathryn Douglas (Chairman)
Ms Joanne Royden-Turner (Accountant)
Mr Barry Picken (Lay)

Legal Adviser: Mr Andrew Granville Stafford

Persons present and capacity:

Mr Paul Barrett (Member)
Mr Benjamin Jowett (ACCA Case Presenter)
Mr Christopher Badoo (Hearings Officer)

Observers: Mr Robert Pullen (ACCA)

Outcome: Allegations 1(a), 1(b), 1(c), 1(d)(i) and 1(e) found
proved.
Mr Barrett to be removed from the student register.
Mr Barrett to pay costs to ACCA of £3,500.

INTRODUCTION AND PRELIMINARY MATTERS

1. The Disciplinary Committee of ACCA ('the Committee') convened to consider a report concerning Mr Paul Barrett.
2. The Committee had before it a bundle of documents (pages 1 to 89), an additional bundle (pages 1 to 23) and a service bundle (pages 1 to 21).
3. Mr Barrett attended the hearing by telephone.

ALLEGATIONS AND BRIEF BACKGROUND

4. The allegations faced by Mr Barrett were as follows.

Allegation 1

Mr Paul Barrett, who is registered with ACCA as a student:

- (a) On or around February 2014, orally informed his employer that he had passed ACCA's Professional Level exams when, in fact, he had not;
- (b) On 18 September 2018, submitted to an ACCA Compliance Officer, a myACCA report, which purported to show he had 'successfully completed 14 out of 14 exams' when, in fact, he had not.
- (c) On 18 September 2018, told an ACCA Compliance Officer that he was an ACCA affiliate when, in fact, he was not.
- (d) Mr Paul Barrett's conduct as set out in paragraph 1 (a) and/or 1 (b) and/or 1 (c) above was:
 - (i) Dishonest, in that he knew that he was not an ACCA affiliate and/or knew that he had not passed the 14 exams he claimed; or in the alternative

(ii) Contrary to the Fundamental Principle of Integrity, as applicable in 2014 - 2018 in that such conduct demonstrates a failure to be straightforward and honest.

(e) By reason of his conduct in respect of paragraphs 1 (a) and/or 1 (b) and/or 1 (c) above, Mr Paul Barrett is guilty of misconduct pursuant to bye-law 8(a)(i).

5. Mr Barrett was admitted as a student member of ACCA on 30 July 2007. He has been employed by Company A since 2006. ACCA's case was that in 2014 he told Person A, the sole proprietor of the firm, that he had passed his ACCA exams when this was not in fact true.
6. On 18 September 2018, [REDACTED], an ACCA Licensing Compliance Officer, attended Company A to carry out a monitoring visit. She met with Mr Barrett, who was an ACCA trainee and an employee of the company. [REDACTED] says that during her meeting with Mr Barrett he told her that he had been an ACCA affiliate for about three years, and all he had left to do was the Ethics and Professional Skills module.
7. [REDACTED] says Mr Barrett provided her with a printout obtained from his myACCA account which purported to confirm he had 'successfully completed 14 out of 14 exams'.
8. ACCA's case was that he has never been an affiliate member of ACCA and, as he still has one professional level examination to pass, he has not completed all his ACCA exams.
9. Person A states he was 'surprised' when ACCA's Investigations Officer informed him subsequent to the monitoring visit that Mr Barrett was a student and not an affiliate. Person A states that following this conversation, Mr Barrett admitted he had lied about passing the ACCA exams
10. ACCA's Investigations Officer wrote to Mr Barrett on 10 October 2018 asking for his comments and requesting further information in response to the complaint.

11. Mr Barrett replied by email the same day. He admitted lying to [REDACTED] and apologised for this. He said:

'I came into work on the Monday after the exam results were released in February 2014 . . . I read the email wrongly. My exam result was listed next to previous exams in the email. I read it as a PASS. I was extremely relieved and proceeded to tell my family, close friends and [Person A]. After approximately a week I decided to logon to MyAcca to see what my next steps were to becoming a member. My exam results still said 13 out of 14 on my progress . . . The P7 paper I took was marked as FAIL and a mark of well below 50. I was alarmed and confused and then rechecked my email. It read as a FAIL, I was looking at the wrong line the first time round.'

'And then in the build-up to the 18th September 2018 meeting, it was required I submit my progress report to [Person A] beforehand, which stated 13 out of 14 exams. This is the worst thing I have done. I downloaded the report and typed over the 3 with a 4. I did it because I was ashamed of not telling him these past 4 years . . .'

DECISIONS ON ALLEGATIONS AND REASONS

12. At the outset of the hearing Mr Barrett all the allegations. The Committee found Allegations 1(a), 1(b) and 1(c) proved by admission on the basis that these were factual allegations. The Committee had to consider whether these actions were dishonest, or alternatively, amounted to a breach of the Fundamental Principle of Integrity (Allegation 1(d)) and whether they amounted to misconduct (Allegation 1(e)).
13. The Committee considered the documents before it, the submissions of the parties and the advice of the Legal Adviser. The Committee bore in mind that the burden of proving an allegation rests on ACCA and the standard to be applied is proof on the balance of probabilities.
14. Mr Barrett did not dispute the evidence of either Person A or [REDACTED]. He accepted that he had represented that he was an ACCA affiliate, and

that he had passed all his ACCA exams when neither of these things were true. Further he accepted his actions in doing so were dishonest.

15. Although it remained a matter for the Committee to determine whether the conduct in question was dishonest, the Committee was satisfied on the evidence that Mr Barrett's admission that he had acted dishonestly was properly made. It was clear that he told his employer that he had passed his exams when he knew that he had not. He accepted that he had lied to [REDACTED] and that he had, by his own admission, falsified his myACCA form. All these things would undoubtedly be regarded as dishonest by the standards of ordinary and honest people.
16. The Committee therefore found Allegation 1(d)(i) proved.
17. As Allegation 1(d)(ii) was an alternative to 1(d)(i), the Committee had no need to consider it.
18. The Committee was in no doubt that the conduct set out at Allegations 1(a), 1(b) and 1(c), which included dishonestly falsifying a document and lying to his employer and his regulator in relation to his professional status, brought discredit to Mr Barrett, the Association and the profession. The Committee was satisfied that the facts proved in those allegations amounted to misconduct. Accordingly it found Allegation 1(e) proved.

SANCTION AND REASONS

19. The Committee considered what sanction, if any, to impose taking into account ACCA's Guidance for Disciplinary Sanctions ('GDS') and the principle of proportionality. The Committee bore in mind that the purpose of sanctions was not punitive but to protect the public, maintain confidence in the profession and declare and uphold proper standards of conduct and behaviour. It took into account the submissions of the parties and the advice of the legal adviser.
20. Having found that Mr Barratt's actions amounted to misconduct, taking no further action was clearly not appropriate. The Committee therefore considered the available sanctions in ascending order of seriousness.

21. Mr Barratt provided the Committee with a written statement of mitigation. He offered his apology to ACCA and expressed deep shame for letting down the standards of the profession. He said that when he realised in February 2014 that he had made a mistake about the contents of the email he was worried about [REDACTED]. [REDACTED] the weekends of study had been a strain for them. He told himself he could just pass the June 2014 exam and everything would be ok. But he struggled to find time to study and failed the June 2014 and the December 2014 exam. He admitted lacking the courage to come clean about his mistake.
22. The Committee took into account that no previous disciplinary findings had been made against Mr Barratt. He had fully and frankly co-operated with the investigation and made a complete and early admission. His insight and remorse are as complete and genuine as the Committee has heard. The fact that Person A is still supporting him by virtue of his continued employment was a factor that weighed in Mr Barratt's favour.
23. These factors however must be balanced against the fact that Mr Barratt pursued this course of deception for a period of around four years and, as he admitted to the Committee, had opportunities to come clean but did not do so. The act of falsifying an ACCA document was in the Committee's view a particularly serious act of misconduct for a member of a professional accountancy body, even a student member. This was compounded by lying to a representative of his regulator.
24. In those circumstances neither admonishment nor reprimand would adequately meet the public interest in this case.
25. The Committee considered the guidance in the GDS in relation to the sanctions of severe reprimand and exclusion and the specific guidance on cases where a finding of dishonesty has been made. Dishonesty is at the highest end of the spectrum of misconduct.
26. This dishonesty was both intentional and repeated. Further there was evidence that he had tried to cover up his dishonesty. The conduct taken as

a whole was, in the Committee's view, fundamentally incompatible with continued membership of the Association.

27. Therefore, pursuant to CDR 13.4(c), Mr Barratt is removed from the student register of ACCA.

COSTS AND REASONS

28. ACCA applied for costs in the sum of £6,933.88. The application was supported by schedules providing a breakdown of the costs incurred by ACCA in connection with the hearing. Mr Jowett however accepted it would be reasonable to make some reduction as the hearing had taken less than a full day.
29. The Committee considered that in principle a costs order should be made in favour of ACCA and indeed Mr Barratt did not dispute that.
30. Mr Barratt provided the Committee with information about his income, expenditure and assets. The Committee felt it appropriate to reflect his limited means in the award of costs and further considered that it was appropriate to reduce the figures claimed on the schedule for the investigation time and the hearing time.
31. The Committee determined that the appropriate order was that Mr Barratt pay ACCA's costs in the sum of £3,500.

EFFECTIVE DATE OF ORDER

32. Pursuant to CDR 20:

the order removing Mr Barratt from the student register will come into effect from the date of expiry of the appeal period, namely after 21 days from service of this written statement of the Committee's reasons for its decision, unless Mr Barratt gives notice of appeal in accordance with the Appeal Regulations prior to that; and the order for costs will have immediate effect.

**Ms Kathryn Douglas
Chairman
27 June 2019**