

APPLICATION ON PAPERS

CONSENT ORDERS COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Richard Ineson
Considered on:	Wednesday, 16 September 2020
Location:	Remotely via ACCA Offices, The Adelphi, 1-11 John Adam Street, London WC2N 6AU
Chair:	Mr John Wilson
Legal Adviser:	Ms Valerie Charbit
Summary:	Draft Consent Order approved Mr Ineson reprimanded and ordered to pay costs of £2,093 to ACCA

1. The Chair considered a draft Consent Order signed by Mr Ineson on 07 August 2020 and signed on behalf of ACCA on 18 August 2020. The matter was listed as a meeting to be considered on the basis of documents only. Neither Mr Ineson nor ACCA were present or represented.
2. The Chair had before him the draft Consent Order, a bundle of papers numbering 1-28 and a schedule of costs.

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CONSENT ORDER - DRAFT AGREEMENT

Mr Ineson admits the following:

Allegation 1

- (a) Between 2015 and November 2018, Mr Ineson failed to:
 - i. Act objectively in his relationship with the directors of Company A;
 - ii. Take all reasonable steps to manage a conflict of interest between the directors of Company A;
 - iii. Prepare accounts for the year 2017 which were in accordance with the accounting standards in force at that time;
 - iv. Provide Director A and Director A's representative with information which they had requested.
- (b) By reason of the conduct at 1(a)(i) and (ii) above, Mr Ineson failed to comply with Section 120 (the Fundamental Principle of Objectivity) of ACCA's Code of Ethics and Conduct (as applicable in 2015 to 2018).
- (c) By reason of the conduct at 1(a)(iii) above, Mr Ineson failed to comply with Section 130 (the Fundamental Principle of Professional Competence and Due Care) of ACCA's Code of Ethics and Conduct (as applicable in 2018).
- (d) By reason of the conduct at 1(a)(iv) above, Mr Ineson failed to comply with section 150 (the Fundamental Principle of Professional Behaviour) of ACCA's Code of Ethics and Conduct (as applicable in 2018 and 2019).

- (e) By reason of the conduct at 1(a) above Mr Ineson is guilty of misconduct pursuant to byelaw 8(a)(i).

That Mr Ineson shall be reprimanded and shall pay costs to ACCA in the sum of £2,093.

CONSENT ORDER MEETING

3. The Chair was advised by the Legal Adviser to consider the draft Consent Order in accordance with Regulation 8 of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (Amended 01 January 2020) (CDR). In addition, the Legal Adviser referred the Chair to the Guidance for Disciplinary Sanctions (for use in Disciplinary Proceedings with effect from January 2020), ACCA's Consent Orders Guidance and ACCA's Consent Orders Frequently Asked Questions. The Chair accepted the advice of the Legal Adviser.

BACKGROUND AND ADMISSIONS

4. In 2005 Mr Ineson was engaged as the accountant for Company A.
5. Director A is one of two directors and a 50% shareholder of Company A. Director B is the other director and 50% shareholder of the company and is also a director and shareholder of other companies.
6. Mr Ineson was also the accountant for Director B's other companies.
7. There was a history of disputes between the two directors since 2005 but no resolution has been reached since circa 2015.
8. All correspondence from Mr Ineson in respect of Company A was sent to Director B only and the majority of dealings in respect of Company A were with Director B only.
9. In 2018, Mr Ineson prepared accounts for Company A for the year ended 30

November 2017 in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE 2008).

10. The FRSSE 2008 was effective from 06 April 2008 until 31 December 2014.
11. Director A requested information from Mr Ineson on the following dates:
 - i) 06 March 2018
 - ii) 21 March 2018
 - iii) 29 March 2018
12. Mr Ineson did not acknowledge these requests or explain that he was unable to provide the information requested.
13. Director A's representative requested information from Mr Ineson on the following dates:
 - i) 27 November 2018
 - ii) 06 December 2018
 - iii) 12 December 2018
 - iv) 01 March 2019
14. Mr Ineson failed to provide the information requested despite it being in his possession as his engagement as accountant for Company A ceased in November 2018.

DECISION AND REASONS

15. The Chair was satisfied that there was a case to answer, and that the Investigations Officer had carried out an appropriate investigation. He was satisfied that it was appropriate to deal with this case by way of a Consent Order. He decided that Mr Ineson was not at risk of exclusion from ACCA's register.

16. The Chair was satisfied that Mr Ineson had failed in four aspects to comply with ACCA's Code of Ethics and Conduct and that, accordingly, he was guilty of misconduct pursuant to byelaw 8(a)(i).
17. The Chair considered the proposed sanction. The Chair was satisfied that the admitted breach would not be likely to lead to an order of exclusion from the register, as such a sanction would be disproportionate in the circumstances of this case.
18. The Chair referred to the Guidance for Disciplinary Sanctions (for use in Disciplinary Proceedings with effect from January 2020). He considered that the proposed sanction set out in the Consent Order of a reprimand was proportionate and balanced the member's own interests against the public interest.
19. The Chair noted that the public interest required him to consider:
 - i) Protection of members of the public;
 - ii) Maintenance of public confidence in the profession and in ACCA;
 - iii) Declaring and upholding proper standards of conduct and performance.
20. The Chair also considered the aggravating and mitigating factors in this case as set out in the draft order. He found the following aggravating factor:
 - i) Length of time involved.
21. The Chair found the following mitigating factors:
 - i) There has been early and genuine acceptance that misconduct had been committed;
 - ii) Willingness to comply with directions and advice provided by ACCA;
 - iii) Early admission;
 - iv) Mr Ineson has been a member of ACCA since 1995 and has a previous good record with no recent complaint or disciplinary history;
 - v) Mr Ineson has shown insight into his failings.

22. The Chair considered paragraph C3 of the Guidance on Disciplinary Sanctions and noted that the Guidance states that a 'reprimand' would usually be applied in situations where there appears to be no continuing risk to the public and there is sufficient evidence of an individual's understanding and genuine insight into the conduct found proved. The Chair considered the factors set out in the Guidance at paragraph C3 and decided that a 'reprimand' was a sufficient sanction in this case.
23. He noted that if the allegations and particulars were considered cumulatively that the sanction of a reprimand was a proportionate and sufficient sanction in this case.
24. The Chair considered that to take no further action in this matter would not be appropriate or proportionate and would not adequately address the admitted conduct or the public interest in this case.
25. He further concluded that a sanction of admonishment was insufficient when the allegations were considered cumulatively because whilst each failing would of itself not attract a sanction of a reprimand, when considered together over a period of three years, he concluded that the sanction of a reprimand met the public interest.

COSTS AND REASONS

26. Mr Ineson has agreed to pay costs to ACCA in the sum of £2,093. The Chair found such costs to be reasonable.

ORDER

27. The Chair, therefore, approved the draft signed Consent Order.

Mr John Wilson
Chair
16 September 2020