

CONSENT ORDERS MEETING

CONSENT ORDER OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr John Joseph Greaney

Heard on: Thursday, 19 March 2020

Location: ACCA, The Adelphi, 1-11 John Adam Street, London,
WC2N 6AU (by telephone link)

Chair: Ms Carolyn Tetlow (Chair)

Legal Adviser: Miss Juliet Gibbon (Legal Adviser)

**Persons present
and capacity:** None

DECISION The Chair approved the proposed Consent Order that Mr Greaney shall be severely reprimanded and shall pay costs to ACCA in the sum of £1,400.00.

1. This matter has been referred to the Chair of the Disciplinary Committee of ACCA (“the Chair”), pursuant to Regulation 8(8) of The Chartered Certified Accountants’ Complaints and Disciplinary Regulations 2014, as amended (“the Regulations”) for the Chair to determine, on the basis of the evidence before them, whether to approve or reject the draft Consent Order.

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2. The Chair had before them a service bundle, numbered pages 1-11, and a bundle of case papers, that included the draft agreement, numbered pages 1-244.
3. The Chair considered the proposed Consent Order in the absence of the parties and without a hearing, in accordance with Regulation 8(9) of the Regulations. They were satisfied that Mr Greaney had been notified that the proposed Consent Order would be considered today.
4. For avoidance of doubt, the Legal Adviser is an independent barrister or solicitor, and the role of a Legal Adviser is as set out in ACCA's Regulations and is advisory only. The Chair alone will make the determination on the proposed consent order.
5. ACCA and Mr Greaney have agreed as follows:
 1. Mr John Joseph Greaney admits the following allegation:

Allegation 1

Contrary to paragraph 14(2) of the Global Practising Regulations (as applicable in 2018-2019), between 26 April 2018 and in or about 5 February 2019, Mr John Joseph Greaney failed to supply ACCA with all the information necessary to enable ACCA to complete its monitoring process efficiently in that he:

- (a) Failed to provide an action plan of future improvements in Greaney Consulting Limited audit work in response to the findings of a monitoring visit.*
- (b) Failed to provide a copy his renewed professional indemnity policy showing cover of at least £125,000 or evidence a waiver granted by Admissions and Licensing Committee under the exception set out in Global Practising Regulations 9(6)(b).*

- (c) By reason of his conduct in respect of the matters set out at 1(a) and 1(b), Mr John Joseph Greaney is guilty of misconduct pursuant to by-law 8(a).*
2. *That Mr John Joseph Greaney FCCA ("Mr Greaney") shall be severely reprimanded and shall pay costs to ACCA in the sum of £1,400.*

BRIEF BACKGROUND

6. Mr Greaney is a member of ACCA and a director of Greaney Consulting Limited ("the firm"), an ACCA registered firm which holds an ACCA firm's auditing certificate ("FAC").
7. On 22 March 2018, an ACCA Senior Compliance Officer ("SCO") conducted an audit monitoring visit to the firm to confirm its eligibility for registered audit status and compliance with the Chartered Certified Accountants' Global Practising Regulations 2003 ("the GPRs").
8. On 26 March 2018, the SCO sent Mr Greaney a report of the findings of the monitoring visit, requesting him to provide an action plan of future improvements in the firm's audit work and the firm's updated professional indemnity insurance ("PII") by 26 April 2018.
9. Mr Greaney failed to respond to the SCO.
10. On 2 May 2018, an ACCA Administration Officer emailed Mr Greaney reminding him that he had been sent a report of the findings of the monitoring visit, stating that he should have provided a detailed response within one month of the report date, and that he should provide his response within the next two weeks if he hadn't since done so. Mr Greaney did not respond to the ACCA Administration Officer, or to a further reminder sent by the Administration Officer on 16 May 2018.
11. On 4 February 2019, the SCO referred Mr Greaney for investigation.

12. Mr Greaney accepted that he had received the SCO's report and subsequent correspondence, and that he had failed to provide an action plan of future improvements in response to the findings of the SCO at the monitoring visit. In terms of the PII, the firm had been engaged by another company on a sub-contract basis, and work carried out by the firm was covered by that company's PII policy. Evidence of this was subsequently provided in a letter from that company, dated 9 August 2019.
13. Mr Greaney subsequently provided an action plan to ACCA that was, subject to certain amendments, acceptable to ACCA.
14. In a letter dated 18 October 2019, Mr Greaney stated:

"I underestimated the seriousness of the matter. As far as I was concerned the assessment given to my audit was satisfactory with a list of improvements provided most of which I implemented."

There had been two that he had not implemented but he had now done so. In relation to his failure to provide evidence of his PII cover, he stated:

"I didn't know how to demonstrate to the compliance officer that I was covered and I don't think I was given clear guidance on how to demonstrate it until my replies of 9 August".

Mr Greaney reiterated that he had not been under-insured at any time.

15. Mr Greaney explained that the firm is a small, part-time practice. He has only four clients, one of which is an audit. He is employed full-time as a pension fund accountant and, due to the pressures of this work, he usually carries out work for the firm on weekends.
16. Mr Greaney, in the proposed Consent Order, admitted the allegations and accepted that he should be severely reprimanded and pay ACCA's costs in the sum of £1,400.

DECISION AND REASONS

17. The Chair was satisfied that the Investigating Officer had conducted the appropriate level of investigation, and that there was a case to answer against Mr Greaney.
18. By virtue of Regulation 8(8) of the Regulations 2014, the Chair is required to determine whether, on the evidence before them, it is appropriate to approve or reject the draft Consent Order.
19. The Chair noted that under Regulation 8(12), they should only reject the signed Consent Order if they are of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
20. The Chair considered the seriousness of the allegations 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. They balanced this against Mr Greaney's own interests.
21. The Chair found the following aggravating factors:
 - a. Mr Greaney's failure to respond to the SCO's report of the findings of the monitoring visit, which included a request to provide an action plan of improvements by 26 April 2018;
 - b. Mr Greaney's failure to respond to ACCA's follow-up requests for his response to the SCO's report of the findings of the monitoring visit for a period of ten months;
 - c. Mr Greaney's failure delayed ACCA's monitoring process by a period of about ten months.
22. The Chair found the following mitigating factors:

- a. Mr Greaney has been a member of ACCA since 1994, and has no previous disciplinary history;
 - b. Mr Greaney's conduct was not intentional, in that he had incorrectly assumed the matter had been closed when he heard nothing further from ACCA;
 - c. Mr Greaney was initially unsure as to how he could demonstrate that he held the necessary professional indemnity insurance required by the Global Practising Regulations, and this was the reason for his delay in supplying the necessary information;
 - d. Mr Greaney has shown insight into his failings by accepting that he underestimated the seriousness of the matter;
 - e. Mr Greaney's misconduct has not caused harm to members of the public;
 - f. Mr Greaney co-operated with ACCA's investigation.
23. The Chair was satisfied that the admitted misconduct would be unlikely to result in exclusion from membership and, therefore, that there was no basis for them to reject the Consent Order under Regulation 8(12).
24. The Chair paid due regard to ACCA's Guidance for Disciplinary Sanctions. They found that the following factors in relation to the sanction of a Severe Reprimand were relevant in this case:
 - a. The misconduct was not intentional and is no longer continuing;
 - b. Insight into his failings;
 - c. Genuine expression of regret/apologies;
 - d. Previous good record;

- e. No repetition of failure / conduct;
 - f. Rehabilitative / corrective steps taken to cure the conduct and ensure future errors do not occur;
 - g. Co-operation during the investigations stage.
25. The Chair, having considered all the evidence before them, was satisfied that a Severe Reprimand was the appropriate and proportionate sanction in this case. The Chair, accordingly, made the Order consented to by both ACCA and Mr Geaney.

ORDER

26. The Chair, pursuant to their powers under Regulation 8 of the Regulations, made an Order in terms of the draft Consent Order, namely that Mr Greaney be Severely Reprimanded and pay ACCA's costs in the sum of £1,400.00.

Ms Carolyn Tetlow
Chair
19 March 2020