

## APPLICATION ON PAPERS

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

#### REASONS FOR DECISION

<b>In the matter of:</b>	<b>Mr James Joseph Ffrench FCCA</b>
<b>Considered on:</b>	<b>Wednesday, 26 May 2021</b>
<b>Chair:</b>	<b>Mrs Kate Douglas</b>
<b>Legal Adviser:</b>	<b>Mr Iain Ross</b>
<b>Outcome:</b>	<b>Draft Consent Order approved</b> <b>Member Severely Reprimanded</b>
<b>Costs:</b>	<b>£200.00</b>

#### INTRODUCTION

1. This matter has been referred to the Consent Orders Chair for them to determine on the basis of the evidence before them whether to approve or reject the draft Consent Order.
2. The Chair had a case bundle numbered pages 1-57, a Costs Schedule numbered pages 1-2 and a letter dated 24 May 2021, informing Mr Ffrench that the draft Consent Order would be considered by the Chair on 26 May 2021.

#### RELEVANT FACTS / PROVISIONAL AGREEMENT

3. Mr Ffrench has been a member of ACCA in good standing since 1996. By a signed provisional agreement dated 04 May 2021 between Mr Ffrench and ACCA, Mr Ffrench admitted the following allegations:

#### ACCA



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## **Allegation 1**

- a. Between 04 December 2019 and 26 August 2020, Mr James Joseph Ffrench FCCA failed to provide ACCA with all information necessary to enable ACCA to complete this monitoring process efficiently, contrary to Global Practising Regulation 14 (2).
  - b. By reason of his conduct at 1 (a) above, Mr Ffrench is guilty of misconduct pursuant to byelaw 8 (a)(i).
4. It was further agreed that Mr Ffrench would be Severely Reprimanded and would pay costs to ACCA in the sum of £200.
5. The facts are that Mr Ffrench is a sole practitioner in his firm, James J Ffrench (the firm). The firm holds a current Firms Auditing Certificate and Mr Ffrench holds a practising certificate with an audit qualification.
6. On 04 December 2019, ACCA's Senior Compliance Officer made a second visit to the firm, the purpose of which was to confirm that the firm had improved the standard of its audit work since a previous visit.
7. On 04 December 2019, Mr Ffrench did not have all of the audit files or his CPD records available at the visit as requested by ACCA. On 14 January 2020, ACCA's Senior Compliance Officer emailed Mr Ffrench noting that they had not received these items and requested that he provide them. Mr Ffrench subsequently submitted the information to ACCA on 14 January 2020.
8. On 20 January 2020, ACCA sent Mr Ffrench its report on the monitoring visit. Mr Ffrench was asked to complete an action plan of future improvements in the firm's audit work in response to the findings of a monitoring visit by 20 February 2020.
9. By 26 February 2020, ACCA had not received a response from Mr Ffrench and a reminder email was sent stating that his response was required by 10 March 2020. No response was received, and on 27 April 2020, Mr Ffrench was referred to ACCA's Investigations Department.
10. On 19 May 2020, ACCA's Investigations Officer wrote to Mr Ffrench requesting that he supply the outstanding information by 09 June 2020.

11. Between June and August 2020 there was continuing correspondence between ACCA and Mr Ffrench; however, it was not until 09 August 2020 that Mr Ffrench provided ACCA with all the information required to complete its monitoring process.

## **DECISION**

12. The powers available to the Chair 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 they may only do if they are 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 they are satisfied it is appropriate to deal with the complaint by way of consent but wish the terms of the draft order to be amended (CDR 8(13)).
13. The Chair had regard to ACCA's Guidance for Consent Orders. Having carefully considered all of the material before them, the Chair was satisfied that the matter had properly been investigated by ACCA. The Chair was further satisfied that Mr Ffrench had properly and willingly admitted the allegations.
14. In considering whether a Severe Reprimand was the appropriate sanction, the Chair noted that ACCA's Guidance for Disciplinary Sanctions (Guidance) has been considered and particularly the key principles, which includes the following:
  - Protection of members of the public;
  - Maintenance of public confidence in the profession and in ACCA; and
  - Declaring and upholding proper standards of conduct and performance.
15. Another key principle is that of proportionality, that is, balancing the member's own interests against the public interest. Further, the aggravating and mitigating features of the case have been considered.

16. The aggravating factors are considered to be as follows:

- The conduct which led to Mr Ffrench being the subject of action by ACCA was a serious departure from standards expected of a qualified ACCA member and one who held a practising certificate with audit qualification. As such, his conduct had brought discredit upon himself, ACCA and the accountancy profession;
- Mr Ffrench's failure to respond to the issues arising from the monitoring visits within the time requested delayed ACCA in completing its monitoring process. This had the effect of frustrating ACCA's duty of ensuring proper standards of behaviour and compliance;
- It took over six months after ACCA's monitoring visit report had been sent to him for Mr Ffrench finally to provide all the requested information;
- Mr Ffrench's failure to deal with matters in a timely fashion meant ACCA expended additional time and resources chasing him for the information, and ultimately was left with no option but to refer the matter for investigation, which also incurred additional time and expense for ACCA.

17. The mitigating factors were identified as being;

- Mr Ffrench has been a member of ACCA in good standing since 1996 and has no previous complaint or disciplinary history;
- ACCA has seen no evidence to demonstrate that his conduct caused direct or indirect harm to clients or the public;
- Mr Ffrench has shown insight and acknowledged his failings and has apologised for the events which led to the complaint. He also explained that the delay in submitting the required information was due to some confusion and to him overlooking the matter due to various factors, including family issues, the COVID-19 pandemic, dealing with client queries and concerns about an injury;
- The misconduct was an isolated incident which is unlikely to be repeated

and Mr French ultimately cooperated with the investigation. He took corrective steps which addressed the matters raised by the complaint after being notified in writing by ACCA

18. Taking into account all of the above factors, the Chair agreed that a severe reprimand was a proportionate sanction which sufficiently dealt with the public protection and public policy considerations.

### **ORDER**

19. The Chair made the following order:

The draft Consent Order is approved.

**Mrs Kate Douglas**  
**Chair**  
**26 May 2021**