

APPLICATION ON PAPERS

**CONSENT ORDER CHAIR OF THE ASSOCIATION OF
CHARTERED CERTIFIED ACCOUNTANTS**

REASONS FOR DECISION

In the matter of: Mr Kashif Raza Akram FCCA

Considered on: Tuesday, 12 October 2021

Chair: HH Suzan Matthews QC

Legal adviser: Mr Alastair McFarlane

Outcome: Consent Order Approved

DOCUMENTS BEFORE THE CHAIR

1. The Chair received a bundle of papers, numbered pages 1-195, including a signed Consent Order.

ALLEGATIONS

Mr Akram, a fellow member of ACCA and a director of KRA Accountants Ltd (KRA):

1. Failed to adequately supervise the work of an individual working in a professional capacity under his authority, as a result of which KRA:
 - (a) Prepared and filed dormant accounts of Company A at Companies House for the year ended 30 April 2018:
 - (i) When the company had not been dormant;

- (ii) Which contained incorrect comparatives for the year ended 30 April 2017;
 - (iii) Which contained a statement that they had been approved by the Board and signed by the company's director when this was not the case.
- (b) Failed to provide information requested by an individual on behalf of Company A on 28 July 2020 in a timely manner.
- 2. By virtue of the facts in Allegation 1, breached R113.2 of the fundamental principle of professional competence and due care (2020).
- 3. Did not, after communications between him and Company A's director and a representative on behalf of Company A's director on 25 July 2019 and 23 August 2019, respectively, arrange for KRA to prepare accounts of Company A for the year ended 30 April 2018 for filing at Companies House in a timely manner, or prepare a tax return for submission to HM Revenue & Customs at all.
- 4. By virtue of the facts in Allegation 3, breached R113.1 of the fundamental principle of professional competence and due care (2019-20).
- 5. Is, by virtue of the facts in Allegations 1 to 4, guilty of misconduct pursuant to byelaw 8(a)(i).

BRIEF BACKGROUND

- 2. Mr Akram became an ACCA member in 2011.
- 3. Mr Akram admits all the Allegations and has signed the Consent Order on 21 September 2021.

Allegation 1(a)(i) and (ii)

- 4. KRA Accountants Ltd ('KRA') incorrectly prepared and filed dormant accounts for Company A at Companies House, which incorrectly showed a closing position of £100

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cash at bank and in hand and £100 issued share capital at both 30 April 2018 and 30 April 2017. Company A was not in fact dormant in these years.

5. The accounts were accordingly incorrect because they:
 - (i) failed to reflect Company A's trading activity from 01 May 2017 onwards (Company A ceased trading on 13 July 2018); and
 - (ii) showed incorrect comparatives at 30 April 2017. Company A's filed accounts for that year, prepared by KRA, had shown a completely different position

6. Mr Akram admits that this was an error on KRA's part. Mr Akram says the accounts were prepared and filed by a now former employee of KRA who it appears tried to apply the correct comparatives for year ended 30 April 2017 when filing the accounts online but was only permitted by Companies House to file figures for both current and comparative figures which were the same (i.e., dormant, with no movement). KRA subsequently offered to agree an engagement letter for the work required to rectify the position for a nominal fee, but Company A's director declined.

Allegation 1(a)(iii)

7. The balance sheet in Company A's dormant accounts prepared and filed by KRA for year ending 30 April 2018 stated that they were approved by the Board on 14 February 2020 and signed by Company A's director. However, they were not in fact signed by Company A's director. Mr Akram says the same former employee of KRA prepared and filed the accounts electronically and so the signature was missed. As described in relation to Allegations 1(a)(i) and (ii) above, KRA offered to rectify the situation by preparing new accounts at a nominal fee, but Company A's director declined.

Allegation 1(b)

8. On 28 July 2020, a representative on behalf of Company A's director emailed Mr Akram and requested (inter alia)

'... the signed 64-8 forms for COMPANY A, which you sent to HMRC'.

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Mr Akram forwarded this email to the former employee of KRA the same day and asked them to provide the information. The representative had to send further emails chasing some of the information requested. As a result, the former employee emailed some information to the representative, but not the 64-8 forms. The representative advised KRA's employee that she needed copies of the signed 64-8s for each service that KRA was running for Company A but these were not provided.

9. Some months later, Company A's director brought up the employee's failure to provide the representative with the 64-8s in his formal complaint to KRA. Company A's director has confirmed that KRA provided the information in response to that complaint.

Allegation 3 and 4

10. Company A's accounts for the year end April 2018 were due for filing at Companies House by 31 January 2019 and the associated corporation tax return was due for submission to HM Revenue & Customs (HMRC) by April 2019. On 29 June 2018, Company A's director informed Mr Akram that Company A would cease to trade from 14 July 2018 and requested KRA's final invoice as soon as practically possible. KRA had not, at this time, prepared/filed accounts, or a tax return for year-end April 2018. However, Mr Akram considered KRA's formal appointment for Company A to have ended at this time. Although the engagement letter between Company A and KRA said '*You or we may vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing*', KRA did not issue a formal disengagement letter to Company A and subsequently assisted Company A with various tasks, for which it received no payment. Mr Akram did not, despite communications between him and Company A's director and a representative on behalf of Company A's director on 25 July 2019 and 23 August 2019, respectively, arrange for KRA to prepare accounts of Company A for the year ended 30 April 2018 for filing at Companies House in a timely manner, or prepare a tax return for submission to HM Revenue & Customs at all.

CHAIR'S DECISION

11. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, the Chair has to determine whether on the basis of the evidence before them it is appropriate to approve or reject the draft Consent Order.

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12. The Chair noted that under Regulation 8(12), they shall 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.
13. The Chair considered the seriousness of the breaches 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 considered the ACCA Guidance given in respect of Disciplinary Sanctions.
14. The Chair noted the list of aggravating and mitigating factors advanced at paragraphs 10 of the draft Consent Order and concluded that those factors advanced in mitigation including the member's previous good character, his admissions, the modification of KRA's work practices and his co-operation with ACCA were significant. They were satisfied that Mr Akram's apology showed insight and that the positive testimonials were also supportive.
15. The Chair had regard to ACCA's Guidance for Disciplinary Sanctions. They were satisfied that there had been early and genuine acceptance of the misconduct and that the risk to the public and profession from Mr Akram continuing as a member was low.
16. For the reasons set out above, the Chair was satisfied that the admitted breaches would be unlikely to result in exclusion from membership, and therefore, there was no basis to reject the Consent Order under Regulation 8(12). The Chair noted the proposed Consent Order, and considering all the information before them, was satisfied that it was an appropriate and proportionate disposal of this case and made the Order consented to by both parties.

ORDER

17. The Chair, pursuant to their powers under Regulation 8, made an Order in terms of the draft Consent Order, namely that Mr Akram be severely reprimanded and pay ACCA's costs of £2,112.50.

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**HH Suzan Matthews QC
Chair
12 October 2021**

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