

HEARING**DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF
CHARTERED CERTIFIED ACCOUNTANTS****REASONS FOR DECISION**

In the matter of:	Mr Muhammad Imtiaz
Heard on:	01 November and 05 December 2022
Location:	Held Remotely by video conference
Committee:	Mrs Helen Carter-Shaw (Chair) Ms Joanne Royden-Turner (Accountant) Mr Colin Childs (Lay)
Legal Adviser:	Mr David Marshall (Legal Adviser)
Persons present and capacity:	Mr Muhammad Imtiaz (Member) Ms Michelle Terry (ACCA Case Presenter) Ms Nyero Abboh (Hearings Officer)
Summary	Allegations 1, 3 and 4 found proved. Severe Reprimand plus a fine of £250
Costs:	£250

1. The Committee heard an allegation of misconduct against Mr Imtiaz. Ms Terry appeared for ACCA. Mr Imtiaz was present and represented himself.

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2. The Committee had a main bundle of papers containing 351 pages, a service bundle of 21 pages, a 'Tabled Additional's' bundle containing 4 pages, and a copy of a completed case management form of 22 pages. For the resumed hearing on 05 December 2022, the Committee was provided with a transcript of the first day's proceedings consisting of 64 pages.

ALLEGATIONS/BRIEF BACKGROUND

3. Mr Imtiaz became an ACCA Member on 31 July 2017. Regulation 3(a) of ACCA's Membership Regulations provided that one of the qualifications for membership was that the applicant had 'completed three years of approved experience in accordance with the Association's Practical Experience Requirement' ('PER'). The PER involved completing 36 months supervised practical experience in a relevant role and demonstrating that the trainee had achieved the required number of performance objectives ('POs'). These are benchmarks of effective performance describing the types of work activities they would have been involved in as a trainee accountant. At the relevant time trainees had to achieve nine POs in total.
4. ACCA alleged that in the course of obtaining membership, Mr Imtiaz had submitted training records to ACCA on 18 July 2017, in which he claimed to have satisfied the relevant PERs. The supervisor named in the records was a former ACCA member referred to in the hearing as Mr A. Mr A came before a hearing of a Disciplinary Committee which concluded on 29 January 2021. That Committee found, amongst other things, that Mr A had approved the Practical Experience Performance Objectives and/or supporting statements for 52 ACCA trainees when he had no reasonable basis for believing they had been achieved and/or were true. It also found that Mr A had falsely claimed to have supervised the work experience of those trainees. Mr Imtiaz was alleged to have been one of those trainees.
5. This called into question the probity of the process by which Mr Imtiaz achieved membership. The current hearing was not concerned with whether Mr Imtiaz met the requirements for membership of ACCA. It was concerned with whether he committed misconduct during the application process.
6. Mr Imtiaz faced the following allegations:

Allegations

Mr Muhammad Imtiaz, at all material times an ACCA trainee

1. *Submitted or caused to be submitted to ACCA on or about 18 July 2017 an ACCA Practical Experience training record which purported to confirm:*
 - a. *His Practical Experience Supervisor in respect of his practical experience training in the period 01 March 2015 to 30 June 2016 was Mr A, when Mr A did not and or could not supervise his practical experience training in accordance with ACCA's requirements as set out and published in ACCA's PER Guidance (the Guidance).*
 - b. *He had achieved:*
 - *Performance Objective 2 ("Stakeholder relationship management")*
 - *Performance Objective 3 ("Strategy and innovation")*
 - *Performance Objective 4 ("Governance, risk and control")*
 - *Performance Objective 5 ("Leadership and management")*
 - *Performance Objective 15 ("Tax computations and assessments")*
 - *Performance Objective 18 ("Prepare for and plan the audit and process")*
 - *Performance Objective 19 ("Collect and evaluate evidence for an audit or assurance engagement")*
 - *Performance Objective 20 ("Review and report on the findings of an audit or assurance engagement")*
2. *Mr Imtiaz's conduct in respect of the matters described in allegation 1 above was:-*

- a. *In respect of allegation 1a, dishonest, in that Mr Imtiaz sought to confirm his supervisor did and could supervise his practical experience training in accordance with ACCA's requirements which he knew to be untrue.*
 - b. *In respect of allegation 1b dishonest, in that Mr Imtiaz knew he had not achieved the performance objectives referred to in paragraph 1 b above as described in the corresponding performance objective statements or at all.*
 - c. *In the alternative, any or all of the conduct referred to in paragraph 1 above demonstrates a lack of integrity*
3. *In the further alternative to allegations 2a and or 2b above, such conduct was reckless in that it was in wilful disregard of ACCA's Guidance to ensure*
 - (i) *A Practical Experience Supervisor met the specified requirements in terms of qualification and supervision of the trainee and or*
 - (ii) *That the performance objective statements relating to the performance objectives referred to in paragraph 1 above accurately set out how the corresponding objective had been met*
4. *By reason of his conduct, Mr Imtiaz is guilty of misconduct pursuant to ACCA bye-law 8(a)(i) in respect of any or all the matters set out at 1 to 3 above.*

DECISION ON FACTS/ALLEGATIONS AND REASONS

7. Mr Imtiaz entered denials to each of the allegations although many of the underlying facts were not disputed.

Allegation 1

8. ACCA's records showed that on 18 July 2017, a Practical Experience Training Record in the name of Mr Imtiaz was submitted to ACCA using ACCA's online system. The training record stated that the Practical Experience Supervisor ('PES') for the period from 01 March 2015 to 30 June 2016 was Mr A. Mr A

could not in fact have acted as a training supervisor at that time because he did not become a professional accountant until 23 September 2016, when he became a member of ACCA. He was not a member of another specified accountancy body which would have qualified him, under ACCA's rules, to act as a PES.

9. The training record also stated that Mr Imtiaz had achieved the eight Performance Objectives listed in allegation 1(b).
10. Mr Imtiaz did not dispute these facts and he confirmed to the Committee that Mr A had not supervised his professional experience in 2015/16.
11. Although it was not a specific allegation, ACCA's case was that the statements in support of the practical experience were in many cases identical, or very similar, to the supporting statements made by other trainees associated with Mr A. To give just one example, these words appeared in both the supporting statement for Mr Imtiaz and that for at least one other trainee:

Our accounts department was not allowed to pay any payment before the stamp and sign of me being in a position of internal auditor. Management have made a check on the payments though me.

The words were identical in both submissions, including the mistake of 'though me' instead of 'through me'. The overwhelming inference was that the supporting statements had been copied and were not the work of the trainees in question.

12. Ms Terry submitted that it must have been Mr Imtiaz who uploaded the training record either directly or by causing it to be done and therefore, allegation 1 was, in her submission, proved.
13. Mr Imtiaz denied this. He chose to give evidence and was cross-examined by Ms Terry and questioned by the Committee.
14. Mr Imtiaz said he had gained the accountancy experience he believed he required from working in two large audit firms. He had the experience but did not know how to demonstrate compliance with the Practical Experience Requirement. He needed a mentor. A friend referred him to Mr A. He found

that he knew Mr A already. They had worked together for a few months some years earlier when Mr Imtiaz was in his first accountancy job. Mr A had been a senior in the same firm. Mr A provided Mr Imtiaz with templates of supporting statements. Mr Imtiaz said that he knew he could not simply copy and paste these. He used them as a model and drafted his own wording reflecting his own experience. He then wanted Mr A to check whether what he had written was suitable. He provided Mr A with his username and password so that Mr A could access the documents on ACCA's system. Mr Imtiaz told the Committee that after a day or so Mr A said *'don't worry. I have done it. You will receive membership.'* After a few days, Mr Imtiaz received an email from ACCA saying his Performance Objectives had been approved. Mr Imtiaz was surprised but he had been assured by Mr A that it was a simple process and he *'took it lightly'*. He did not go back into his account to check the documents that had been submitted. He said it was only later that he realised that Mr A had *'changed everything'*.

15. Mr Imtiaz was asked if he had read the PER guidance. He said no: *'I don't think anyone reads it. I knew that [the experience] should not be identical. I knew from other people about the 3.5 years' experience' needed. 'You had to fill out these statements and find someone who could authorise it.'* He said he believed at the time that Mr A was such a person.
16. The Committee found Mr Imtiaz to be a plausible witness. He readily made concessions when appropriate but was adamant about the key points in his evidence. His unshakeable position was that he did not know at the time what Mr A had done in his name. He also repeatedly said that there were other people at respected firms, where he had gained his experience, who would approve his PER objectives and he could have asked them to do so and indeed could do so now. Ms Terry submitted that the evidence of Mr Imtiaz was contradicted in some respects by what Mr A was reported to have said at his disciplinary hearing. Mr Imtiaz responded that Mr A had been proved to be dishonest and implied that limited weight should be put on Mr A's evidence. The Committee saw some force in this.
17. Ms Terry submitted that if Mr Imtiaz had drafted his own statements, Mr A would have had no reason to replace them with statements copied from other

trainees' submissions. The Committee did not agree. It appeared that Mr A may have had a set of standard entries for performance objectives which he presumably believed could be relied on to be acceptable to ACCA. On Mr Imtiaz's version of events, Mr A was being asked to review a trainee's own drafting and give advice on revisions: a request which would take a substantial amount of Mr A's time. Mr A may have thought it simpler not to bother and just to submit the documents in the familiar form without consulting Mr Imtiaz.

18. The Committee carefully considered whether ACCA had proved that Mr Imtiaz 'submitted or caused to be submitted' the Practical Experience Training Record in the form in which ACCA received it. It took into account that the standard of proof was the balance of probabilities. There was no direct evidence to support ACCA's case. All that could be known was that the documents were submitted by someone using Mr Imtiaz's account details. Mr Imtiaz had been clear and consistent in his version of events. He admitted that he had provided his user details and password to Mr A. Mr Imtiaz's evidence was Mr A acted on his own initiative in submitting the documents. The Committee found this plausible as Mr A had been involved with 51 other similar cases. The Committee found that Mr Imtiaz had not submitted the documents himself but that by providing his username and password to Mr A, he had caused the documents to be submitted and, on the evidence presented, the Committee found that ACCA's allegation that Mr Imtiaz caused the information to be submitted was more likely than not to be true. **The Committee found that Allegation 1 was proved.**

Allegation 2

19. The two allegations of dishonesty in (a) and (b) were based on the allegation that Mr Imtiaz *knowingly* submitted false information to ACCA. As outlined above, the Committee was not satisfied, on the balance of probabilities, that Mr Imtiaz knew that Mr A had acted on his own initiative and submitted false information. Therefore, the Committee did not find it proved that Mr Imtiaz had acted dishonestly.
20. Since it had not been proved that Mr Imtiaz knew the contents of the Practical Experience Training Record as submitted, it could not be said that he acted

without integrity as alleged in (c). **The Committee found that Allegation 2 was not proved.**

Allegation 3

21. The Committee was satisfied, on the balance of probabilities, that Mr Imtiaz had been reckless as alleged. He had made no attempt to read for himself the guidance he had been provided with. He had not sought information through other official channels. He had preferred to rely on the advice of an acquaintance, Mr A, when he knew little about Mr A. He had handed over his account details to Mr A without exercising any control over how they were used. When Mr A, instead of advising Mr Imtiaz on the drafting of his statements, simply submitted the practical experience documents to ACCA Mr Imtiaz made no attempt to check what had been done in his name. As he told the Committee, Mr Imtiaz did not treat the Practical Experience Requirement with sufficient seriousness. His attitude went beyond mere carelessness. He showed a disregard for the consequences of his actions. **The Committee found that Allegation 3 was proved.**

Allegation 4

22. The Committee considered, as a matter of judgement, whether the allegation found proved amounted to misconduct. The Committee had no doubt that Mr Imtiaz's actions did amount to misconduct. The process of demonstrating practical experience for the purpose of obtaining membership is an important one and should be treated with due care and respect. Mr Imtiaz's reckless approach was a discredit to him, to ACCA and to the profession. Members of the profession would regard his conduct as deplorable. **The Committee concluded that Mr Imtiaz was guilty of misconduct.**

SANCTIONS AND REASONS

23. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions.
24. It first sought to identify mitigating and aggravating factors. In mitigation, it noted that Mr Imtiaz had no previous disciplinary findings against him and there was no evidence of any subsequent misconduct. The Committee

regarded this as a one-off incident resulting from Mr Imtiaz failing to pay due attention to his responsibilities when applying for membership. Mr Imtiaz did not initially respond to ACCA's correspondence but the Committee accepted his explanation that he thought the emails from ACCA were spam. Subsequently, he had fully cooperated with ACCA's investigation.

25. In aggravation of the seriousness of this case was the fact that Mr Imtiaz had been reckless with regard to the application process. He failed to appreciate that it is crucially important to ACCA's role, and to the status of ACCA's members, that applications for membership are properly scrutinised. He recklessly put another person in a position to rewrite his application which had the consequence that ACCA took its decision on the basis of false information.
26. The Committee considered the available and relevant sanctions in ascending order having regard to the Guidance for Disciplinary Sanctions.
27. The matters found proved were far too serious to conclude this case without making an order. The sanctions of admonishment, and then reprimand, are only suitable where the conduct is of a minor nature. In this case, the misconduct was too serious for these sanctions to be adequate.
28. The sanction of Severe Reprimand can be appropriate for serious misconduct if there are particular circumstances of the case or mitigation advanced which satisfy the Committee that there is no continuing risk to the public, and there is evidence of the individual's understanding and appreciation of the conduct found proved. The first factor listed in the guidance was that 'The misconduct was not intentional and is no longer continuing, though the member may have acted recklessly'. The Committee considered that that was a fair description of the misconduct in this case. Also, Mr Imtiaz had a good record and there had been no other allegations of reckless behaviour.
29. Other factors in the guidance were less clearly met. It was difficult to say that there was no evidence of indirect harm. Anything that undermines the integrity of the admissions process could be regarded as harmful to the public interest. Mr Imtiaz provided no references. The Committee did not consider that he had well developed insight into his misconduct. He had described his failings

as a *'small mistake'*.

30. Leaving aside a fine, the next relevant sanction available was exclusion from membership. The Committee considered that sanction carefully but ultimately concluded that it was disproportionate. The sanctions guidance said that it 'is likely to be appropriate when the behaviour is fundamentally incompatible with being a member.' If Mr Imtiaz had himself submitted the false documents, the Committee would have had no doubt that this test was met. However, what he did was to pass on his log-in details to someone else who abused that trust.
31. The Committee concluded that severe reprimand was an insufficient sanction while exclusion would be disproportionate. It decided to impose a severe reprimand combined with a fine.
32. As to the amount of the fine, this had to be a significant sanction in relation to Mr Imtiaz's means. However, his means were very limited. Since there was also an application for costs, the Committee considered both matters together.

COSTS AND REASONS

33. Ms Terry applied for costs totalling £12,701 for the two days of hearing. The Committee was satisfied that the proceedings had been properly brought and that ACCA was entitled in principle to a contribution to its costs.
34. As to the amount of costs, the Committee noted that they included 5 hours preparation time (£825) for the Case Presenter for each day of hearing. The Committee did not consider that this was justified for the second day. Also, since the hearing would conclude within half a day, the time claimed for the case presenter and the Hearings Officer should be reduced. The Committee assessed a reasonable figure for the costs of the two days at £11,300.
35. The Committee next considered whether this sum should be reduced on the basis of an inability on the part of Mr Imtiaz to pay. Mr Imtiaz had submitted a statement of financial position which he confirmed in his submissions to the Committee. This showed that his only income was [PRIVATE] from his employment in the UAE. He told the Committee that he had no security in that employment and no prospect of an increase in salary. His outgoings were

[PRIVATE]. A significant part of that was supporting his family in Pakistan. The Committee recognised that people tend to spend up to their income and may be able to find a way to meet exceptional expenses. Nevertheless, his means were clearly very limited. The Committee concluded that the most he could pay in the short term without causing undue hardship was [PRIVATE].

36. The Committee had decided to impose a significant fine but it also considered that it was right that a person who had caused ACCA to incur costs should make a significant contribution. It was not fair that other members should be penalised.
37. The Committee concluded that Mr Imtiaz should pay a fine of £250 and make a contribution to ACCA's costs of £250.

ORDER

38. The Committee ordered that:
 - (a) Mr Muhammad Imtiaz shall be severely reprimanded and shall pay a fine of £250.
 - (b) Mr Imtiaz shall make a contribution to ACCA's costs of £250.
 - (c) The existing interim order on Mr Imtiaz's registration be rescinded.

EFFECTIVE DATE OF ORDER

39. The Committee's order will take effect at the expiry of the appeal period.

Mrs Helen Carter-Shaw
Chair
05 December 2022