

## HEARING

### DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

**In the matter of:** Mr Bashir Ahmed

**Heard on:** Thursday, 13 April, and Friday, 14 April 2023

**Location:** ACCA, The Adelphi, 1-11 John Adam Street, London,  
WC2N 6AU. Remotely via MS Teams

**Committee:** Ms Suzan Matthews KC (Chair)  
Mr George Wood (Accountant)  
Mr Colin Childs (Lay)

**Legal Adviser:** Ms Tope Adeyemi (Legal Adviser)

**Persons present  
and capacity:** Ms Michelle Terry (ACCA Case Presenter)  
Ms Anna Packowska (Hearings Officer)

**Summary:** Severe reprimand and fine of £9,750.00 imposed.  
Any application for an audit certificate to be made subject  
to an application to ACCA's Admissions & Licensing  
Committee.

**Costs:** £8,000.00

#### ACCA



+44 (0)20 7059 5000



info@accaglobal.com



[www.accaglobal.com](http://www.accaglobal.com)



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

## INTRODUCTION

1. The Disciplinary Committee (“the Committee”) met to hear allegations against Mr Bashir Ahmed. Mr Ahmed was in attendance but not represented. The papers before the Committee consisted of a main bundle numbered 1 to 1137, a tabled additional bundle numbered 1 to 4 and a service bundle numbered 1 to 17.

## ALLEGATIONS

2. The allegations faced by Mr Ahmed are set out below.
  1. *Mr Ahmed, a member of the Association of Chartered Certified Accountants (‘ACCA’), inaccurately declared that the Firm held “nil” audit clients in the Firm’s Auditing Certificate Renewal:*
    - a. *For the year 2016, on or about 23 December 2015;*
    - b. *For the year 2017, on or about 19 December 2016*
  2. *Mr Ahmed’s conduct in respect of Allegation 1 was:*
    - a. *Dishonest in that he knew the Firm held audit clients and/or sought to conceal information regarding audit clients from ACCA; or in the alternative,*
    - b. *Failed to act with integrity or in the further alternative,*
    - c. *Contrary to Global Practising Regulation 14(2) and/or (3) (2015-2016).*
  3. *Contrary to Regulation 13 of Annex 1, Appendix 1 of ACCA’s Global Practising Regulations (2016), Mr Ahmed signed one or more of the audit reports described in Schedule B without applying or*

*complying with one or more of the International Standards on Auditing set out in Schedule D.*

4. *Contrary to Section B6(5) of ACCA's Code of Ethics and Conduct (2016-2020), Mr Ahmed has not retained audit working paper files in respect of any or all of the audit reports described in Schedule B.*
5. *Contrary to Section B9(5) of ACCA's Code of Ethics and Conduct (2015-2016), Mr Ahmed signed any or all of the audit reports described in Schedule C without obtaining a signed engagement letter for the file.*
6. *By virtue of:*
  - a. *Any or all of the conduct in Allegations 1 to 5, Mr Ahmed is guilty of misconduct contrary to bye-law 8(a)(i); or in the alternative,*
  - b. *Any or all of the conduct in Allegations 1, 2c, 3, 4, and/or 5, Mr Ahmed is liable to disciplinary action pursuant to bye-law 8(a)(iii).*

## **BACKGROUND**

3. Mr Ahmed has been a member of ACCA since 13 April 1989 and a Fellow of the association since 13 April 1994. He is the principal of B Limited ("the Firm") an incorporated sole practice. Between 01 January 1998 and 21 May 2019, Mr Ahmed held a practising certificate and audit qualification with ACCA. Between 25 December 1991 and 21 May 2019, the Firm held a firm's Auditing Certificate.
4. On 26 June 2018 a routine monitoring visit was made to the firm by a Senior Compliance Office ('the SCO') in ACCA's monitoring department. It was noted during the visit that the Firm had 15 limited company audit clients. A concern was raised relating to the audit work that was carried out.

5. On 18 February 2019 a referral was made by ACCA in relation to the concerns arising from the visit. An investigation followed which led to allegations that Mr Ahmed had failed to disclose to ACCA the existence of multiple companies as audit clients of the Firm in the Firm's Auditing Renewal Forms submitted for the years 2016 and 2017. It was further alleged that Mr Ahmed had not conducted audits in accordance with International Standard on Auditing (ISA), that he failed to retain audit working papers in accordance with the provisions of ACCA's Rulebook and that he signed 21 audit reports in respect of the accounts of twelve companies without obtaining signed engagement letters between the Firm and those companies, with such conduct allegedly constituting a separate breach of ACCA's Rulebook.
6. In response, Mr Ahmed has stated that he did not consider the companies to have been clients of the Firm. He explained that the companies formed part of one large group and were clients of a separate accounting firm, Company A. The principal of Company A, a Mr I, is said to have approached Mr Ahmed to request that he assist him in reviewing the files. No declarations had been made in respect of the companies in the Firm's Auditing Certificate Renewal Forms as the work completed were not audits but hot reviews.

#### **APPLICATION TO AMEND**

7. Prior to the hearing, on 31 March 2023, an email was sent by ACCA notifying Mr Ahmed that upon review of the case it had been noted that the allegations he faced required amendment. It was explained that the proposed amendment related to allegation 6(b) and the removal of reference to allegation 1 in the following way: *"b. Any or all of the conduct in Allegations 1, 2c, 3, 4, and/or 5, Mr Ahmed is liable to disciplinary action pursuant to bye-law 8(a)(iii)."*
8. An application was subsequently made by Ms Terry on the first day of the hearing to amend allegation 6(b). It was submitted that Mr Ahmed would not be prejudiced as a result of the amendment as what was proposed did not alter the substance of the allegations against him.

9. Regulation 10(5) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ('CDR') allow the Committee at any stage, upon the application of either party or on its own motion, to amend the allegations, provided the relevant person is not prejudiced in the conduct of their defence.
10. The Committee was satisfied the proposed amendment did not cause prejudice to Mr Ahmed. It was considered to be a pragmatic amendment which would correct a typographical error. The Committee allowed the application.

### **DECISION ON FACTS AND REASONS**

11. The Committee considered with care all the evidence presented and the submissions made by Ms Terry. The Committee heard oral evidence from Mr Ahmed and permitted Mrs Ahmed to provide oral evidence. It accepted the advice of the Legal Adviser and bore in mind that it was for ACCA to prove its case and to do so on the balance of probabilities.

#### **Allegation 1 (a) – (b) – Proved**

12. It was not in dispute that Mr Ahmed had signed the firm's audit certificate renewals dated 23 December 2015 and 19 December 2016, declaring that the Firm held nil audit clients. It was also not in dispute that Mr Ahmed had in the previous 24 months issued audit reports on 12 sets of financial statements relating to clients of Company A.
13. The Committee reviewed the audit reports signed by Mr Ahmed, noting that the wording in the first line of each of them was specific, commencing with the sentence "*We have audited the financial statements of...*" The Committee went on to consider the wording within the two Auditing Certificate Renewal Forms completed by Mr Ahmed. It found the wording used in those forms to be equally unambiguous and clear, simply asking for the "*Total number of current audit clients*". Particular regard was had to the fact that Mr Ahmed had signed one audit report on 22 December 2015 which was the day before he completed the renewal form on the 23 December 2015. The Committee formed the view that the only accurate response to the question posed in the renewal form regarding

the total number of audit clients held was one that reflected the number of companies Mr Ahmed had issued audit reports on. Taking everything together, the Committee was satisfied that allegation 1 was proved to the requisite standard.

### **Allegation 2 (a) – Proved**

14. The Committee took into account Mr Ahmed's early explanation that he did not consider the audited companies to be his clients and that he had been undertaking hot reviews as opposed to audits. However, in considering this allegation the Committee was again mindful of the wording of the documentation that Mr Ahmed had signed. It found the wording in the audit reports to have been clear, concluding that anyone reading the description of work done in the reports, would have known that the expectation was that they were signing as an auditor. As a result, the Committee found that Mr Ahmed in declaring he had no audit clients in circumstances where he had signed multiple audit reports, had provided a dishonest response capable and intending to deceive.
15. The Committee went on to consider whether Mr Ahmed had sought to conceal information regarding audit clients from ACCA. The Committee found the letters that Mr Ahmed had sent to ACCA to be helpful in deciding this issue.
16. In a letter to ACCA dated 14 August 2018 Mr Ahmed had stated the following in respect to audits he had conducted: *"I confirm that I did not sign any audit reports in the past 24 months"*. Mr Ahmed however then went on to state in a separate letter to ACCA dated 24 September 2018 that *"I did not mention the audits as the firm were unable to provide the audit files that had been reviewed"*. The Committee found these explanations to be contradictory and supportive of a view that Mr Ahmed was aware he may have acted wrongly and therefore had sought to conceal his wrongdoing by stating he had not signed any audit reports. Overall, the committee was satisfied that Mr Ahmed had sought to conceal information regarding the audit clients from ACCA. Allegation 2 (a) was therefore found proved.

### **Allegations 2 (b) and (c) N/A**

17. As allegation 2 (a) was found proved, the Committee did not go on to consider allegations 2 (b) and (c) which were drafted in the alternative.

### **Allegation 3 – Proved**

18. The Committee found that Mr Ahmed in signing audit reports in circumstances where he had admitted he had not personally completed the audits, behaved in a way that was not in compliance with the international standards of auditing. Accordingly, the Committee found allegation 3 proved.

### **Allegation 4 – Proved**

19. Section B6(5) of ACCA's Code of Ethics and Conduct (2016-2020) requires that a professional accountant retain audit working papers for a minimum of 7 years in circumstances where they have signed the audit reports. It was not disputed by Mr Ahmed that he had not retained the audit working paper files in respect of the audit reports that he had signed. Given this, the Committee was satisfied that allegation 4 had been proved to the requisite standard.

### **Allegation 5**

20. The Committee noted Mr Ahmed's evidence that he did not obtain a signed engagement letter from any party and that his agreement to undertake the work he did was an oral one. Additionally, no evidence was adduced to indicate that an engagement letter had been obtained by Mr Ahmed. The Committee was therefore satisfied that Mr Ahmed had signed all of the audit reports described in Schedule C without obtaining a signed engagement letter for the file.

### **Allegation 6**

21. The Committee considered that Mr Ahmed's actions in dishonestly declaring he did not hold audit clients and his failure to comply with ACCA regulations and its code of ethics, fell far short of what was expected of a qualified

registered accountant. The conduct was also serious in that it involved dishonesty. It also had the potential to cause financial harm to members of the public who might rely on those inappropriate audit reports and cause reputational damage to the profession. In all the circumstances it was considered that the behaviour amounted to misconduct as described under bye – law 8(a)(i).

22. Allegation 6 (a) was found proved. The Committee did not go on to consider allegation 6 (b) which was drafted in the alternative.

### **SANCTION AND REASONS**

23. In reaching its decision on sanction, the Committee took into account the submissions made by Mr Ahmed and by Ms Terry on behalf of ACCA. The Committee referred to the Guidance for Disciplinary Sanctions issued by ACCA and had in mind the fact that the purpose of sanctions was not to punish Mr Ahmed, but to protect the public, maintain public confidence in the profession and maintain proper standards of conduct. Furthermore, any sanction must be proportionate. The Committee accepted the advice of the Legal Adviser and considered the sanctions, starting with the least serious sanction first, the Committee also took special note of the guidance on dishonesty, and whether the mitigation presented by the member was so remarkable or exceptional that it warranted anything other than exclusion from membership.
24. The Committee turned first to consideration of the aggravating and mitigating features in this case.
25. The Committee found the following aggravating factors to be present: the absence of evidence of insight; no evidence of any remorse and no evidence of any steps taken by way of remediation. The Committee also considered there was potential for members of the public to suffer financial harm as a result of Mr Ahmed's actions.
26. The Committee went on to consider mitigation and found there to be a number of mitigating factors present. Mr Ahmed has been a qualified accountant since



1988. There was no evidence of any concerns being raised about him in his 30 years of practice, aside from the matters giving rise to the proceedings. Linked to this was the absence of any concerns arising since the referral in 2018. The Committee also considered it significant that by the time the monitoring visit occurred, Mr Ahmed had stopped signing the audit reports for the companies some two years prior.

27. Mr Ahmed's co-operation with ACCA's investigation was also considered as mitigation. As was the fact the conduct related to a single set of companies within the same group. The Committee had been provided with evidence to show that Mr Ahmed had suffered from significant ill health during the time period in which he had signed the renewal forms and was still experiencing discomfort arising from ill health.
28. The Committee did not think it was appropriate, or in the public interest, to take no further action or order an admonishment in a case where a member had failed to comply with ACCA's codes and regulations.
29. The Committee then considered whether to reprimand Mr Ahmed. The guidance indicates that a reprimand would be appropriate in cases where the misconduct is of a minor nature, there has been sufficient evidence of an individual's understanding, together with genuine insight into the conduct found proved. The Committee did not find those factors to be present in the current instance.
30. The Committee moved on to consider whether a severe reprimand would adequately reflect the seriousness of the case. The guidance indicates that such a sanction would be appropriate in circumstances where the conduct is of a serious nature but the particular circumstances of the case or mitigation advanced satisfied the Committee that there was no continuing risk to the public and evidence exists of the individual's understanding and appreciation of the conduct found proved.
31. In considering whether Mr Ahmed posed a continued risk to the public, the Committee noted that the audit certificate which he had held since 1998 had

been taken away from him by ACCA in 2019 and that no concerns of any kind had been raised about him following the referral having been made the same year. As a result, it was satisfied that Mr Ahmed did not pose a continuing risk to the public. The Committee also bore in mind the significant length of time Mr Ahmed had practised without concerns being raised about him and the evidence provided of the health challenges he had faced during the period he had signed the audit reports and made the renewal declarations. Therefore, while the misconduct was serious, involving dishonesty, the Committee was of the view that a sanction of a severe reprimand together with a fine was the most appropriate and proportionate in the circumstances.

32. In reaching the view that the sanction should include a fine the Committee took into account that Mr Ahmed had received £9,750.00 for the audit related work he had conducted for Company A. This was money that was improperly earned for the reasons outlined. Therefore, a fine equivalent to the amount he earned was appropriate to adequately mark the seriousness of the misconduct.
33. Bearing in mind the finding of dishonesty made, consideration was given to the imposition of a sanction of exclusion from membership. The Committee however were mindful of its conclusion that Mr Ahmed did not present an on-going risk to the public and of the mitigation outlined. Such mitigation included his co-operation with ACCA and the absence of any previous concerns being raised against him in a lengthy career. In all the circumstances the Committee considered that exclusion would be disproportionate. The Committee concluded that Mr Ahmed's proven dishonesty and his explanations for this had arisen in very narrow circumstances, and that the totality of his mitigation fell in this case just within the section of the guidance that deals with dishonesty and remarkable or exceptional circumstances.

## **COSTS AND REASONS**

34. The Committee had been provided with a 2-page detailed cost schedule and a further 2-page simple cost schedule. It considered both documents, together with the submissions made by ACCA. £13,630 in total was sought. Mr Ahmed

had provided oral evidence about his finances. This included details about his savings, income derived from his practice and his financial commitments.

35. The Committee found that in principle ACCA was entitled to claim its costs and therefore considered what if any amount Mr Ahmed should be directed to pay. The Committee considered that it was likely the costs incurred by ACCA had been impacted by the length of the time it had taken for the matter to be heard. Additionally, it considered that parts of the 1137-page final bundle adduced by ACCA included some unnecessary information which likely further impacted on the costs incurred. Overall, the Committee considered that the appropriate contribution that Mr Ahmed should pay towards the costs was £8,000.00. This amount was deemed to be reasonable and proportionate and an amount that Mr Ahmed could afford given the information he had provided.
36. Mr Ahmed should make no application for an audit certificate without an application being made to ACCA's Admissions and Licensing Committee. This order should take effect at the expiry of the period allowed for an appeal in accordance with the Appeal Regulations.

**Ms Suzan Matthews KC**  
**Chair**  
**14 April 2023**