

## HEARING

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

#### REASONS FOR DECISION

<b>In the matter of:</b>	<b>Mr Muhammad Ali</b>
<b>Heard on:</b>	<b>Monday, 14 August 2023</b>
<b>Location:</b>	<b>Virtual hearing via Microsoft Teams</b>
<b>Committee:</b>	<b>Mr Andrew Popat CBE (Chair) Mr George Wood (Accountant) Ms Cath Brown (Lay)</b>
<b>Legal Adviser:</b>	<b>Ms Tope Adeyemi</b>
<b>Persons present and capacity:</b>	<b>Mr Alex Mills (Case Presenter on behalf of ACCA) Mr Muhammad Ali (Member) Miss Geraldine Murray (Hearings Officer)</b>
<b>Summary:</b>	<b>Exclusion from membership. Effective date of the order: Immediate.</b>
<b>Costs:</b>	<b>£4,000.00</b>

#### INTRODUCTION

1. The Disciplinary Committee (“the Committee”) met to hear allegations against Mr Muhammad Ali. Mr Ali was in attendance but not represented. The papers

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before the Committee consisted of a main bundle numbered 1 to 138, a service bundle numbered 1 -12, an adjournment bundle numbered 1-7, a tabled additional bundle numbered 1 – 3 and a 2-page memorandum and agenda.

## **ALLEGATION**

2. The allegation faced by Mr Ali is set out below.
  1. Pursuant to ACCA byelaw 8(a)(vi), ACCA member, Mr Muhammad Ali is liable to disciplinary action by virtue of the disciplinary finding against him on 25 February 2022 by the Chartered Professional Accountants of Ontario (CPAO).

## **BACKGROUND**

3. Mr Ali was admitted as a member of ACCA in September 2020. Mr Ali was a member of the Chartered Professional Accountants of Ontario (CPAO) prior to his admission to ACCA and he obtained his ACCA membership through ACCA's 'direct entry' route, on account of his existing CPAO membership.
4. On 25 February 2022, Mr Ali informed ACCA that his membership of CPAO had been revoked by a CPAO Professional Conduct Committee (PCC). ACCA treated this as a self-referral from Mr Ali and the matter was investigated.
5. During the course of the investigation ACCA obtained a copy of the CPAO's PCC decision of 25 February 2022 regarding Mr Ali. The decision recorded that Mr Ali's membership of CPAO had been revoked, that he had been fined \$10,000 CAD, issued with a written reprimand, that the Decision and the Order would be published in the '*Globe and Mail*' and that costs of \$72,000.00 CAD had been awarded against him. The decision set out that the evidence established on a balance of probabilities, the following allegations:
  - "1. That the said Muhammad Ali, in or about the period October 26, 2017, to March 09, 2021 while a member of CPA Ontario, was associated with [Corporation A], a corporation engaged in the practice of public

accounting, contrary to Rule 409 of the CPA Ontario Code of Professional Conduct.”

- “2. That the said Muhammad Ali, in or about the period January 15, 2021, through March 09, 2021, failed to co-operate with the regulatory process of CPA Ontario contrary to Rule 104.1 of the CPA Ontario Code of Professional Conduct, in that he failed to provide documents or information when requested to do so by the Investigator appointed by the Professional Conduct Committee of CPA Ontario.”
6. The decision of the PCC recorded that Mr Ali initially disputed CPAO’s case against him but subsequently admitted the allegations through his counsel that he had associated with the corporation contrary to Rule 409 of the Code. Confirmation was obtained from CPAO that Mr Ali did not appeal the decision.
7. ACCA contacted Mr Ali for his comments and observations. He stated that he did not dispute CPAO’s decision but that he wished to retain his ACCA membership. Mr Ali highlighted that [Private]. He also questioned the necessity of an investigation and hearing in circumstances where he considered that he had accepted his conduct and reported CPAO’s decision immediately to ACCA.

## **DECISION ON FACTS AND REASONS**

### **Allegation 1 – Proved**

8. Mr Ali admitted the allegation. The Committee therefore found the allegation proved by reason of his admission.

## **SANCTIONS AND REASONS**

9. In reaching its decision on sanction, the Committee took into account the submissions made by Mr Ali and Mr Mills 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 Ali, 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.

10. In his submissions made on behalf of ACCA, Mr Mills referred the Committee to the ACCA's Guidance for Disciplinary Sanctions, highlighting in particular the information set out within section E1 titled "*Convictions and sanctions imposed by another professional body*". Reference was also made by Mr Mills to section F which addresses the factors relevant to seriousness. It was highlighted that the conduct that led to the revocation of Mr Ali's CPAO membership was directly related to his practice, that it had been noted that elements of his conduct demonstrated a lack of good faith, and that reference was made to Mr Ali's misconduct demonstrating an unwillingness to be governed by CPAO.
11. Mr Ali reiterated that while there were some '*controversies*' in respect of CPAO's decision, he did not dispute it, adding that he would accept the decision of the Committee. Mr Ali told the Committee that he was not currently practising and provided the Committee with information on his previous work history. Mr Ali stated that it was an honour for him to carry the ACCA designation and that he hoped to do so in the future. He submitted that he had been very co-operative with ACCA and that he was willing to guarantee in writing that he would never do anything contrary to the rules.
12. The Committee considered the available sanctions in increasing order of severity having decided that it was not appropriate to conclude the case with no order.
13. Consideration was first given to whether any mitigating or aggravating factors featured in this case. The Committee took into account Mr Ali's personal circumstances [Private]. While these factors were noted, the Committee considered the points did not take matters much further given the nature of the allegations and the public interest concerns that were engaged.
14. The matters the Committee did conclude amounted to mitigation were the absence of ACCA disciplinary findings against Mr Ali; his co-operation with the investigation and the hearing and his offers to resign from membership. The

Committee also considered that Mr Ali's early admission amounted to mitigation.

15. By way of aggravation, the Committee noted that the matters that led to the revocation of his CPAO membership were very serious. It considered Mr Ali to have demonstrated little insight into the conduct that led to the revocation of his CPAO membership or on how such conduct could be prevented in the future.
16. The Committee moved on to consider the range of potential sanctions. It was of the view that neither an admonishment nor reprimand would be appropriate in the circumstances. Mr Ali's lack of insight into his failings led the Committee to conclude that such a sanction was insufficient to address the seriousness of the allegation found proved.
17. Consideration was next given as to whether a severe reprimand would adequately reflect the seriousness of the case. The Committee took into account section F of the sanctions guidance which deals with factors relevant to seriousness in specific case types, noting that cases that relate to a member being disciplined by another professional body were categorised as "very serious". The guidance states that a severe reprimand would usually be applied in circumstances "*where the conduct is of a serious nature but where 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 individuals' understanding and appreciation of the conduct found proved*". The Committee did not consider it had been provided with any evidence that could satisfy it that Mr Ali did not pose any continuing risk to the public. And, as outlined, it considered that Mr Ali had demonstrated no insight into the conduct that led to the revocation of his membership with CPAO. For all these reasons the Committee concluded that the criteria for a severe reprimand were not met.
18. The Committee went on to consider the guidance relating to exclusion from membership. Having done so, it reached the view that Mr Ali's conduct was fundamentally incompatible with his continued membership. The conduct proved against Mr Ali by CPAO represented a serious departure from the relevant professional standards. Additionally, and of particular relevance in the

Committee's view, was the fact that Mr Ali had become an ACCA member purely on the basis of his membership of CPAO. In circumstances where that basis no longer existed, the Committee considered it would be perverse for Mr Ali to be allowed to remain on ACCA's register.

19. The Committee was mindful that the sanction of exclusion from membership was the most serious sanction that could be imposed and recognised that it was not the Committee's role to punish Mr Ali a second time for a sanction imposed by CPAO. However, the Committee considered exclusion from membership to be proportionate in the circumstances given the seriousness of the misconduct; the need to protect the public and the public interest in upholding proper professional standards and maintaining public confidence in ACCA and the accountancy profession.

#### **COSTS AND REASONS**

20. ACCA applied for costs in the sum of £5,292.00. The application was supported by a schedule providing a breakdown of the costs incurred by ACCA in connection with the hearing. A simplified schedule was also provided. Mr Ali provided oral evidence in regards to his circumstances. [Private]. Mr Ali submitted no means form or documentary evidence in respect of his finances.
21. The Committee was satisfied ACCA was entitled to claim its costs. It also accepted Mr Ali's submissions regarding his circumstances. However, in the absence of a completed means form it was unable to clearly ascertain what Mr Ali could afford. Nevertheless, the Committee considered a reduction in the costs was justified in light of the information available on Mr Ali's financial circumstances and therefore decided to award ACCA £4,000.00. This amount was considered appropriate and proportionate in the circumstances.

#### **EFFECTIVE DATE OF ORDER**

22. The Committee decided that the order shall take effect immediately. Immediate imposition was considered appropriate to protect the public and to be in the public interest.

**Mr Andrew Popat CBE  
Chair  
14 August 2023**