

APPLICATION ON PAPERS

**CONSENT ORDERS CHAIR OF THE ASSOCIATION OF
CHARTERED CERTIFIED ACCOUNTANTS****REASONS FOR DECISION**

In the matter of: Mrs Leena Kandoi

Considered on: Tuesday 24 January 2023

Location: ACCA, The Adelphi, 1-11 John Adam Street, London,
WC2N 6AU via Microsoft Teams

Chair: Mrs Helen Carter-Shaw

Legal Adviser: Mrs Sobia Hussain

Outcome: Consent Order Granted

DOCUMENTS BEFORE THE COMMITTEE

1. The Chair received a bundle of papers, numbered pages 1-156 including a signed draft Consent Order, a schedule of costs and a summary.

ALLEGATIONS

2. Mrs Leena Kandoi, Association of Certified Chartered Accountants (ACCA) member admits the following:

Allegation 1

Mrs Leena Kandoi breached the Global Practising Regulations (as applicable from 2014 to 2022) by virtue of the following:

ACCA



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- a) From 01 September 2014 to 10 October 2022, Mrs Kandoi carried on and allowed herself to be held out as being in public practice contrary to Regulation 3(1)(a) of the Global Practising Regulations (as applicable from 2014 to 2022).
- b) From 01 September 2014 to 16 January 2022, Mrs Kandoi was a Director of Company A which was a firm in and holding out to be in public practice, contrary to Global Practising Regulation 3(2)(a) (as applicable from 2014 to 2022).
- c) From 14 January 2020 to 16 January 2022, Mrs Kandoi was a Director of Company B, which was a firm in and holding out to be in public practice, contrary to Global Practising Regulation 3(2)(a) (as applicable from 2020 to 2022).
- d) From 06 April 2016 to 10 October 2022, Mrs Kandoi held at least 50 percent of the shares in Company A, which put her in the position of being in effect a principal in the firm, contrary to Global Practising Regulation 3(2)(b) (as applicable from 2014 to 2022).

Allegation 2

- a) Between 2014 to 2020, Mrs Kandoi submitted annual CPD returns to ACCA in which she declared that she had *"not engaged in public practice (as defined by The Chartered Certified Accountants' Global Practising Regulations 3 and 4), without holding an ACCA practising certificate"*
- b) Mrs Kandoi's conduct at 2a) above was reckless, in that she did not have sufficient regard to the declaration she gave when she incorrectly confirmed that she had not carried on public practice activities without holding a practising certificate (as per Global Practising Regulations 3 and 4).

Allegation 3

Between 26 June 2017 and 05 October 2022, Mrs Kandoi provided accountancy services within the terms of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 without having registered with a supervisory authority for monitoring purposes contrary to Regulation 3(2) of Annex 1 of the Global Practising Regulations 2003 (as applicable between 2017 to 2022).

Allegation 4

In light of any or all the facts set out at allegations 1a-1d, 2a-2b and 3 above, Mrs Kandoi is guilty of misconduct pursuant to bye-law 8(a)(i).

BACKGROUND AND MRS KANDOI'S SUBMISSIONS

3. On 03 February 2022, an internal complaint was raised against Mrs Leena Kandoi as it appeared that she was carrying on public practice activities whilst not holding an ACCA practicing certificate.
4. A search of Mrs Kandoi's accounting activities and correspondence with her about Company A and Company B revealed that Mrs Kandoi was appointed as a director of Company A on 01 September 2014 and resigned on 16 January 2022. Companies House records reflect that the SIC code for this company was 'bookkeeping activities'. However, Company A's Facebook profile listed a range of services which included work that came within the definition of public practice and included a reference to 'Chartered Certified Accountants and Business Advisors'.
5. Mrs Kandoi was appointed as a Director of Company B on 14 January 2020 and resigned on 16 January 2022. Company B's Facebook profile listed a range of services which included work that came within the definition of public practice.

6. Mrs Kandoi explained that she was not aware that she had been listed as a shareholder of Company A on Companies House. When this was brought to her attention, by ACCA, during the investigation, she promptly relinquished her shares and informed Companies House accordingly. Mrs Kandoi has stated that she was unaware that she could be in breach of ACCA's regulations by being a director and shareholder of Company A and a director of Company B.
7. In terms of the public practice declarations within the annual CPD returns, Mrs Kandoi had submitted to ACCA, Mrs Kandoi acknowledged and confirmed that it was a mistake to complete them as she had done. She explained that she had mistakenly completed them whilst she had been in full-time employment and had a number of personal and family problems to contend with.
8. Mrs Kandoi was asked what she had in mind when she was appointed a director and shareholder of Company A on 01 September 2014 and a director of Company B on 14 January 2020. Mrs Kandoi explained, *"being the director of the company just came out of ego, to be honest as the company initially was formed in my husband's name and soon I realised that I am qualified and should have my name on the company as a director too, that was the pure reason of me being director of Company A. The reason why I was director at Company B was I had various problems at work and was thinking to apply for a practising certificate and not sure why I thought it's one of the requirements to be director of the company as my employer was director of his company, of course, he had a practising certificate and it was too late when I realised it. I am so sorry again"*.
9. In relation to why Mrs Kandoi applied for an ACCA practicing certificate in or around October 2021, she explained *"We had [Private] in 2020 as a result I was not able to give my 100% and had been [Private] from 15 July 2020, due to [Private], one of other family had renovations and [Private] so the whole of their family responsibility was mine and in short it all eased off in September 2021 when [Private] and then my mind started actually working and thought of next steps for me and my career and applying for practicing certificate was the utmost priority hence started working on training records and finally applied for it on 15 October 2021"*. (sic).
10. Mrs Kandoi explained that she works, full-time, at Company A and her duties

and responsibilities are *"I work as a practice manager for a very small client base providing accounting compliance services like payroll, vat, tax returns, finalisation of accounts and preparation and submission of corporation tax returns, personal tax returns."* She explained that she does not sign off accounts or reports on accounts or conducts audit work or taxation work. She explained the company has less than 40 clients, most of whom are family and friends and had 4 employees from a kickstart scheme who finished with them on 08 September 2022. She stated that *"we mainly used them for book-keeping services and to create an online rapport on social medias, there daily work was to prepare poster and post it on social media. No one had audit certificates with any professional bodies and none of them are professionally qualified persons."* (sic). Mrs Kandoi further explained *"it started with free services but then as I was not employed anywhere, they started paying me a minimal amount, say for eg - personal tax returns with rental property normally charged £250 but they just paid me £100"*.

11. Mrs Kandoi provided details of her employment history and confirmed that she had been employed full-time during her career between 2004 and 2020 and only started working for Company A after she was [Private] a few months after November 2020.
12. In relation to her role in Company B between 14 January 2020 and 16 January 2022, Mrs Kandoi explained *"this company is dormant since incorporated and has not started trading."*
13. Mrs Kandoi explained and provided proof that both companies hold professional indemnity insurance.
14. With regards to failure to obtain AML supervision for Company A, Mrs Kandoi explained that she was not aware of the requirement to be registered with an

anti-money laundering supervisor until she applied to ACCA for a practising certificate. Mrs Kandoi took steps to rectify her position and paid for AML supervision with HMRC on 05 October 2022. As Company B is a dormant company not providing accounting services, they are not required to be registered for anti-money laundering supervision, although Mrs Kandoi has confirmed she has registered the company for registration with HMRC in any event.

15. Mrs Kandoi submitted an application to ACCA for a practising certificate on 15 October 2021, before this complaint was brought to her attention. She has taken action to regularise her position and is now not in breach of ACCA's regulations. However, she has continued to liaise with the Authorisations Team at ACCA throughout the period of investigation in order to proceed with her application for a practising certificate. The Authorisations Team have currently placed Mrs Kandoi's application on hold but they have confirmed that they are satisfied with the experience Mrs Kandoi has documented and the application she has submitted.
16. Mrs Kandoi has taken remedial action and regularised her position by resigning as a director of Company A and Company B and by relinquishing her shares in Company A on 10 October 2022. She has also amended all her social media and website to ensure that she is no longer holding out to be public practice. Mrs Kandoi has co-operated with the investigation of this complaint and co-operated with the Authorisation department in relation to her application for a practising certificate and confirmed from the beginning of the investigation that she wishes to cooperate with ACCA and not continue to be in breach of ACCA's regulations.

CHAIR'S DECISION

17. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, the Chair must determine whether, based on the evidence before them, the draft Consent Order should be approved or rejected. The Chair had regard to the Consent Orders Guidance and the Consent Orders Guidance FAQs.

18. The Chair has power to approve the Consent Order and 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 before a Disciplinary Committee.
19. The Chair considered the seriousness of the breaches as set out 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. The Chair balanced this against Mrs Kandoi's interests.
20. The Chair noted the list of aggravating and mitigating factors advanced at paragraphs 9 and 10 of ACCA's summary in the bundle. The breaches, though not deliberate, had persisted for many years. As a professional, Mrs Kandoi should be fully appraised of and comply with her professional obligations and the requirements of her regulatory body. On the basis of the evidence before them, the Chair was satisfied that Mrs Kandoi had shown considerable insight and remorse, fully cooperated with the investigation and taken appropriate remedial steps and that there was no continuing risk to the public.
21. 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 Mrs Kandoi continuing as a member was low.
22. For the reasons set out above, the Chair was satisfied that although very serious, the admitted breaches would be unlikely to result in exclusion from membership before a Disciplinary Committee, and therefore there was no basis for them 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 a Severe Reprimand together with a fine was an appropriate and proportionate disposal of this case.

ORDER

23. The Chair, pursuant to their powers under Regulation 8, made an Order in terms of the draft Consent Order and approved the Order made by ACCA signed by Mrs Kandoi on 05 January 2023 and signed by ACCA on 05 January 2023, namely that Mrs Kandoi be severely reprimanded and pay ACCA's costs of £429.50 and a fine of £2773.00.

Mrs Helen Carter-Shaw
Chair
24 January 2023