

## HEARING

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

|  |  |
|--|--|
| <b>In the matter of:</b>                 | <b>Miss Hannah Collins</b>   |
| <b>Heard on:</b>                         | <b>Tuesday 27 September 2022 and Tuesday 28 March 2023</b>   |
| <b>Location:</b>                         | <b>The Adelphi, 1-11 John Adam Street, London WC2N 6AU (held remotely by video conference)</b>   |
| <b>Committee:</b>                        | <b>Mrs Valerie Paterson (Chair)<br/>Ms Fiona MacNamara (Accountant)<br/>Mrs Yvonne Walsh (Lay)</b>   |
| <b>Legal Adviser:</b>                    | <b>Ms Tope Adeyemi (27 September 2022) and<br/>Mr Andrew Granville Stafford (28 March 2023)</b>  |
| <b>Persons present<br/>and capacity:</b> | <b>Miss Hannah Collins (Member – 27 September 2022<br/>only)<br/>Mr Ben Jowett (ACCA Case Presenter – 27<br/>September 22) and<br/>Ms Michelle Terry (ACCA Case Presenter – 28<br/>March 2023)<br/>Mr Jon Lionel (Hearings Officer – 27 September<br/>2022) and<br/>Miss Geraldine Murray (Hearings Officer – 28 March<br/>2023)</b> |

## 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

**Outcome:** Allegations 1.1, 1.2, 1.3, 2, 3, 4 and 5.1 found proved. Removed from Student Register.

**Costs:** £10,000.

## **INTRODUCTION**

1. The Disciplinary Committee (“the Committee”) convened to consider a number of allegations against Ms Collins. Ms Collins was present and unrepresented.
2. The papers before the Committee were in a main bundle numbered 1 to 119. There were also 4 additional bundles: a service bundle (pages 1 to 15), a tabled additional bundle (pages 1 to 11) and a supplementary bundle of correspondence (pages 1 to 65) and a supplementary bundle of 3 pages.

## **ALLEGATIONS**

3. Ms Collins faced the following allegations:
  1. *Miss Hannah Collins, an ACCA student, breached the Membership Regulations 2014 as amended and then in force with regard to any or all of the following:*

*From 05 August 2020 to 22 March 2021:*

- 1.1 *Has been or has held herself out to be in public practice contrary to Membership Regulation 8(2)(a)(ii)*
- 1.2 *Has been or has held herself out to be a Director of A Ltd. where public practice is carried on in the name of that firm contrary to the Membership Regulation 8(2)(a)(iii)*
- 1.3 *Has been or has held herself out to be holding rights in A Ltd (namely sole shareholder) where public practice is carried on in the name of that firm which in effect puts her in the position of a principal of the firm contrary to Membership Regulation 8(2)(a)(iv).*
2. *Between 05 August 2020 and 07 January 2021, Miss Collins being a ‘relevant person’ within the terms of the Money Laundering, Terrorist*

*Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the regulations) failed to obtain registration for monitoring of her compliance with the regulations.*

3. *Between 05 August 2020 and 07 January 2021 failed to comply with subsection 115 of the Code of Ethics and Conduct (2020 and 2021) (Professional Behaviour) by reason of the matters referred to in allegation 2 above.*
4. *Between 30 January 2021 and 02 March 2021 failed to co-operate fully with the investigation of a complaint contrary to Complaints & Disciplinary Regulations 3(1) in that she failed to respond to any or all of ACCA's correspondence dated:*
  - *30 January 2021*
  - *15 February 2021*
  - *02 March 2021.*

5. *By reason of the above matters, Miss Collins is:*

- 5.1 *Guilty of misconduct pursuant to byelaw 8(a)(i), in respect of any or all of the matters set out at allegations 1 to 4 above;*
- 5.2 *In the alternative in respect of respect allegations 1,3 and 4 liable to disciplinary action pursuant to byelaw 8(a)(iii).*

## **DECISION ON FACTS**

4. At the start of the hearing the allegations were read and Ms Collins confirmed that none of them were admitted.
5. The Committee went on to consider with care all the evidence presented which included the written submissions provided by Ms Collins within the Case Management Form. It also took into account the oral submissions made by Mr Jowett and Ms Collins. The Committee accepted the advice of the Legal Adviser and was mindful that it was for ACCA to prove its case on the balance of probabilities.

**Allegation 1 1.1 – proved**

6. The Committee considered there to be clear evidence Ms Collins had held herself out to be in public practice. It reached this view taking into account all the evidence before it. The documentary evidence, which had not been disputed, included information that Ms Collins posted information on Facebook about the accountancy services her firm was to provide. Additionally, entries on Company's House showed Ms Collins had incorporated a company. The Committee also took into account Ms Collins own evidence, which was that during the relevant period she had been actively seeking clients.

**Allegation 1 1.2 – proved**

7. In finding this allegation proved, the Committee relied on the same evidence set out in respect of allegation 1 1.1 above. It was noted that there was documentary evidence in the form of the posts on Facebook and entries in Companies House showing that a company had been formed. Ms Collins had also provided evidence that she accepted setting up her own company. Overall, the Committee was evidentially satisfied that Ms Collins had held herself out to be a director of A Ltd where public practice was being carried on.

**Allegation 1 1.3 – proved**

8. In respect of this allegation, the Committee noted the extracts from Companies House. The extracts, which were not disputed, record that Ms Collins was the sole shareholder of A Ltd. It was also noted that she had referred in her responses provided within the ACCA Disciplinary Committee Case Management Form, where she stated that she had another accountant available to take over the shares of the company should she decide to continue with ACCA.

**Allegation 2 – proved**

9. The Committee was provided with evidence that showed Ms Collins did not have AML supervision in place for her compliance with the regulations until January 2021 and that there was a period of 5 months where there was no supervision in place. Ms Collins did not dispute this evidence and accepted that there was a gap when no supervision was in place. Ms Collins stated that this was because it took a period of 5 months for the supervision to be arranged.
10. The Committee bore in mind Ms Collins' evidence that she did not have any clients during the period when no supervision was in place. However, the

Committee noted, having reviewed the regulations, that an absence of clients does not have an impact on a member or student members' obligations under the regulations. Accordingly, the Committee found this allegation proved on the basis of the undisputed documentary evidence and Ms Collins own evidence that registration for supervision was not in place until January 2021.

### **Allegation 3 - proved**

11. The Committee considered that the matters referred to in allegation 2 did amount to a failure on Ms Collins part to comply with the Code of Ethics and Conduct.
12. Compliance with the Code of Ethics is a module that students are required to take during their initial studies with ACCA and is therefore likely to have been a matter that Ms Collins would have been aware of. By not complying with the regulations set out in allegation 2, the Committee was satisfied that Ms Collins was in breach of the Code of Ethics.

### **Allegation 4 - proved**

13. The Committee heard evidence from Ms Collins that she had not received the correspondence in the form of emails from ACCA which are alleged to have been sent in January 2021, February 2021 and March 2021. The Committee was satisfied that Ms Collins was under a duty to check her emails and respond and that there was no suggestion the emails had not been sent.
14. Furthermore, evidence had been provided in the form of a phone note of a conversation between Ms Collins and an ACCA Investigating Officer dated 01 February 2021 in which Ms Collins confirmed her email address was correct and during which she was referred to an email that had been sent to her by ACCA on 30 January 2021.
15. The Committee considered that having been alerted during the phone call on 01 February 2021 to the email sent on 30 January 2021, it was more likely than not that Ms Collins would have been aware that emails were being sent to her by ACCA. Given these points the Committee found on balance that Ms Collins received the emails and failed to respond.

### **Allegation 5.1 - proved**

16. The Committee was satisfied that the allegations found proved amounted to such a serious departure from acceptable standards that they brought discredit on Ms Collins, ACCA and the profession of accountancy. It therefore found that they amounted to misconduct and, accordingly, found allegation 5.1 proved.
17. As allegation 5.2 was in the alternative, there was no need for the Committee to consider it.

### **RESUMING HEARING**

18. There being insufficient time to complete the hearing on 27 September 2022, the hearing was adjourned and resumed on 28 March 2023. The Committee was provided with the following additional documents: a second service bundle (15 pages), a transcript of the hearing on 27 September 2022 and two costs schedules.
19. An email was sent to Ms Collins's registered email address on 17 March 2023 informing her that the hearing would be resuming on 28 March 2023 by videolink. The Hearings Officer also spoke to Ms Collins by telephone on 16 March 2023. She told Ms Collins that the hearing would recommence at 09.30am on 28 March 2023, and that a link to the documents would be sent by email. Ms Collins said that she understood and thanked the Hearings Officer for her call.
20. Regulation 10(8)(d) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ('CDR') specifies that, when a hearing has been adjourned, the member must be informed of the new date as soon as practicable.
21. The Committee was satisfied that this requirement had been complied with, taking into account both the telephone call on 16 March 2023 and the email on 17 March 2023. The Committee noted that, at the hearing in September 2022, Ms Collins had complained that emails to the address she had registered with ACCA had not been read because the inbox had not been monitored. However, Ms Collins had not suggested that this email address no longer worked, and she had been warned by the Hearings Officer that an email was on its way.
22. Having satisfied itself that service had been effected in accordance with the regulations, the Committee went on consider whether to proceed in the absence of Ms Collins. The Committee bore in mind that the discretion to do so

must be exercised with care and in light of the public interest in dealing with matters such as this fairly, economically and expeditiously.

23. The Committee considered that no useful purpose would be served by adjourning this hearing. Ms Collins was clearly aware that the hearing is resuming today. She had not requested an adjournment and there was no indication that she would attend on a future occasion if one were granted. This case has been ongoing for some time and there was, in the Committee's view, a clear public interest in bringing it to a conclusion.
24. The Committee determined that, in the interests of justice, the hearing should resume in Ms Collins's absence.

### **SANCTION AND REASONS**

25. The Committee considered what sanction, if any, to impose taking into account ACCA's Guidance for Disciplinary Sanctions ('GDS') and the principle of proportionality. The Committee bore in mind that the purpose of sanctions was not punitive but to protect the public, maintain confidence in the profession and declare and uphold proper standards of conduct and behaviour.
26. The Committee considered the following to be mitigating factors. There are no previous disciplinary findings recorded against Ms Collins. The Committee noted that at the material time Ms Collins considered, albeit incorrectly, that she had relinquished her status as an ACCA student. The allegations encompass a relatively short period of time, although that had to be seen in the context of the fact that it was brought to an end as a result of the concerns raised by ACCA.
27. An aggravating factor was Ms Collins's lack of insight into her failings. This was demonstrated by her failure to accept or admit to her wrongdoings and her willingness to try to shift the blame elsewhere. Further, the Committee found very little evidence of remorse.
28. Having found that Ms Collins's actions amounted to misconduct, taking no further action was clearly not appropriate. The Committee therefore considered the available sanctions in ascending order of seriousness.
29. The Committee first considered admonishment and then reprimand. It noted the guidance in the GDS in relation to these sanctions. Key factors which point to such sanctions being appropriate are insight, remorse and early admission.

None of those were present here. Further, the Committee considered that neither of these sanctions would adequately mark the seriousness of the misconduct in this case.

30. The Committee considered the guidance in relation to a severe reprimand. Again, the lack of insight or genuine regret militated against this being an appropriate sanction. The Committee further noted that there is an obvious risk to the public when a student member, who is not ACCA qualified and does not hold a practising certificate, engages in public practice.
31. This was not an isolated incident. It carried on for a period of time and was coupled with Ms Collins's failure to be AML supervised and her lack of co-operation with her regulator, which in itself is a serious matter. She had not undertaken appropriate corrective steps and there was a lack of evidence of rehabilitation, including an absence of any testimonials or references.
32. Therefore, the Committee concluded that a severe reprimand would not be an appropriate sanction.
33. Having found that no other sanction would adequately mark the seriousness of the conduct in this case, the Committee concluded that Ms Collins's actions in this case were fundamentally incompatible with retaining her student membership. Ms Collins's conduct demonstrated such serious departures from acceptable standards that no other outcome could be justified.
34. Therefore, the Committee made an order under CDR 13(4)(c) of the Disciplinary Regulations removing Ms Collins from ACCA's student register.
35. The Committee did not consider that the public interest in this case required it to additionally make an order under CDR 13(4)(c) restricting Ms Collins's right to apply for readmission beyond the normal minimum period. Nor did it consider there was any need to make ancillary directions under CDR 13(9) or 13(10).

#### **COSTS AND REASONS**

36. ACCA applied for costs against Ms Collins in the sum of £14,045.50. The application was supported by a schedule providing a breakdown of the costs incurred by ACCA in connection with the hearing.
37. The Committee found that there was no reason in principle not to make an order for costs in ACCA's favour. The costs had been incurred as a result of



the need to carry out this investigation and Ms Collins's lack of co-operation with that investigation.

38. Ms Collins had not submitted any information regarding her financial circumstances. The Committee noted that, underlying this case was Ms Collins's decision to set up an accountancy business whilst still a student member. However, in the absence of her co-operation, it had no information on what income she had earned from that business.
39. The Committee noted that this case had originally been listed to be heard on 17 March 2022, but that hearing had been adjourned at Ms Collins's request. The Committee on that date accepted there was good reason to adjourn and therefore, in this Committee's view, a reduction to the costs should be made to reflect this. The Committee further noted the acceptance by Ms Terry on behalf of ACCA that some further reduction would be appropriate to reflect the fact that the hearing on 28 March 2023 had not lasted a full day.
40. Taking all factors into account, the Committee determined it was appropriate to order that Ms Collins pay ACCA's costs; and that a fair and reasonable amount was £10,000.

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

41. The Committee did not consider there was any risk to the public which necessitated an immediate order, and nor did Ms Terry on behalf of ACCA suggest the order should have immediate effect. Therefore, the order will come into effect from the date of expiry of the appeal period, namely after 21 days from service of this written statement of the Committee's reasons for its decision, unless Ms Collins gives notice of appeal in accordance with the Appeal Regulations prior to that.

**Mrs Valerie Paterson**  
**Chair**  
**28 March 2023**