

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Miss Yutong Wan

Heard on: Tuesday, 28 March 2023

Location: ACCA, The Adelphi, 1-11 John Adam Street, London,
WC2N 6AU. Virtual hearing using Microsoft Teams.

Committee: Ms Kathryn Douglas (Chair)
Ms Andrea White (Accountant)
Mr Colin Childs (Lay)

Legal Adviser: Mr David Marshall

Persons present Ms Afshan Ali (ACCA Case Presenter)
and capacity: Ms Anna Packowska (Hearings Officer)
Observers: Mr Bill Matthews (ACCA Appointments Board)
Ms Jackie Alexander (ACCA Appointments Board)

Summary: Removed from the student register

Costs: No order

1. The Committee heard an allegation of misconduct against Miss Wan. Ms Ali appeared for ACCA. Miss Wan was not present and was not represented.

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2. The Committee had before it a main bundle of papers containing 92 pages and a service bundle containing 17 pages.

PROCEEDING IN ABSENCE

3. The Committee was satisfied that Miss Wan had been served with the documents required by regulation 10(7) of The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (as amended) in accordance with regulation 22. The required documents were contained in the papers before the Committee. There was evidence that they were sent by email on 27 February 2023 to an email address notified by Miss Wan to ACCA as an address for all correspondence.
4. Although Miss Wan had been served in accordance with the Regulations, the Committee recognised that she may not be aware of this hearing. She was in correspondence with ACCA in 2020 (using the same email address as was used for service) but does not seem to have had any contact with ACCA since then, despite attempts to contact her by email and telephone. It may be that her contact details have changed. If so, she had a duty to update her contact details to ACCA but had not done so. That would mean that there would be no point in adjourning this case because ACCA would not be able to notify her of the new date.
5. The Committee considered that there was an important public interest in a hearing taking place within a reasonable time of the events to which it relates. This case relates to events in August 2020 and it is long overdue for a hearing. The Committee determined to proceed in Miss Wan's absence.

PRELIMINARY APPLICATION

6. Ms Ali applied to amend the allegation to correct two minor typing errors. In paragraph 1(b)(i) the word 'of' had been omitted. In paragraph 1(b)(ii) the word 'with' had been omitted. After taking advice from the Legal Adviser, the Committee determined that these amendments were desirable to clarify the allegations and that Miss Wan could not be prejudiced by them. The Committee

allowed the amendments, which are shown in square brackets in the allegation as quoted below.

ALLEGATION(S)/BRIEF BACKGROUND

7. Miss Wan was admitted as a student of ACCA on 24 June 2019. She was based in Beijing and studied there. She had arranged to take three ACCA examinations in September 2020 (during the COVID pandemic). These were Financial Reporting (FR), Audit and Assurance (AA) and Financial Management (FM). She became concerned that she might not be able to take these exams because of the restrictions imposed during COVID. The time had passed when she could cancel the exams herself. So from 17 August 2020 she started emailing ACCA to reschedule the exams. She did not get a reply for some time. The deadline for asking to cancel by email was approaching when she was told that she needed a certificate from her institution with an official seal. She submitted a letter with a forged seal. She faced the following allegations:

Allegations

1. *Miss Yutong WAN ('Miss Wan') a registered student of the Association of Chartered Certified Accountants ("ACCA"):*
 - (a) *On 25 August 2020, for the purpose of re-locating her September 2020 ACCA exams, Miss Wan submitted or caused to be submitted to ACCA, a falsified letter from the Office of Huaqiao University / Overseas Chinese College, Capital University of Economics and Business.*
 - (b) *Miss Wan's conduct in respect of 1(a):*
 - (i) *Was dishonest, in that she knew the document she submitted or caused to be submitted to ACCA described in 1(a) is false and was submitted by her for the purpose [of] relocating her September 2020 exams; or in the alternative;*

(ii) Demonstrates a failure to act [with] integrity;

(c) By reason of her conduct in respect of any or all of the matters set out at 1(a) and/or 1(b) above, Miss Wan is guilty of misconduct pursuant to by-law 8(a)(i).

DECISION ON FACTS/ALLEGATION(S) AND REASONS

8. Although Miss Wan had essentially admitted the factual allegations in correspondence in late 2020, the Committee considered that it would not be fair to treat those emails as formal admissions to these disciplinary proceedings instituted much later. ACCA was therefore required to prove all the allegations. Ms Ali took the Committee through the relevant documents.
9. Miss Wan did not make any written submissions but her position in 2020 was reasonably clear from her emails at that time. She first contacted ACCA on 17 August 2020. She said that 'students in Beijing are banned from entering and leaving their schools after the new term begins'. So, she could not leave to take her scheduled exams but it was too late for her to amend the booking online. She asked ACCA to help her to amend the exam details manually but did not receive a response.
10. Over the following days, Miss Wan sent a number of similar emails in quick succession, which the Committee considered were evidence of increasing frustration and panic. During this time, she received details from her university which confirmed that it would not be possible to take the scheduled exams. She still had no reply from ACCA.
11. The forged letter was submitted on 25 August 2020.
12. The background to that was described in her email to ACCA dated 9 October 2020 which started: 'With the guilty feeling ... I apply to withdraw my application'. It was a full confession. She explained how she learnt about the impossibility of leaving campus to take the exams. On 21 August 2020 she submitted an informal notice from the university about access arrangements to

show that she couldn't take the exams. She said she was told by 'ACCA's official Chinese customer service' that such documents needed an official seal. 'I made a stupid decision, forged the official seal' so that her request could be resolved quickly. She explained that she did this for the sake of her parents who 'had a low income' but had to pay high rent and tuition fees for their children. If the exams had not been rescheduled the exam fees would have been lost. She pointed out that she was only 20 at the time and said that she did not fully realise the seriousness of forging official seals. She said she was very sorry and would never make this mistake again.

13. On the basis of all the documentary evidence, including Miss Wan's emails, the Committee found allegation 1(a) proved.
14. On the same evidence, the Committee found allegation 1(b)(i) proved. Her email dated 9 October 2020 showed that she took a deliberate decision to 'forge' the seal. What she did was clearly dishonest by the standards of ordinary decent people.

SANCTION(S) AND REASONS

15. The Committee considered what sanction, if any, to impose in the light of its findings. It first sought to identify aggravating and mitigating factors. Any finding of dishonesty against an accountancy student is a very serious matter, but there were no particular aggravating factors in this case other than the fact that Miss Wan had not engaged with ACCA's investigation. Set against that is the fact that she made a full confession before that investigation started.
16. Because this was dishonesty in the context of the professional relationship between student and regulator, it was likely to cause damage to the reputation of ACCA and the profession. That adds to the seriousness of the finding.
17. There was significant mitigation in this case. The circumstances were extraordinary and unprecedented, not just for Miss Wan but for most people during that era of disease, lockdown and other restrictions on normal activity. In Miss Wan's case she had a justified fear that she would lose the opportunity

to take three examinations and lose the fees her parents had paid. The Committee accepted that this would have serious consequences for her family. Another factor in this was the fact that at that time ACCA was not dealing with emails as it normally would.

18. An important mitigating factor is Miss Wan's very early recognition of her misconduct and the fact that she voluntarily made full disclosure at an early stage. The Committee also took into account her inexperience (at the age of 20) and the absence of previous findings, although she had been an ACCA student for only 14 months at that time.
19. Given the seriousness of a finding of dishonesty the Committee was satisfied that it was necessary to impose a sanction. The Committee considered the relevant sanctions in increasing order of seriousness, having regard to ACCA's Guidance on Disciplinary Orders. The sanction of Admonishment is only for minor cases and was clearly not sufficient. Many factors relevant to the sanction of Reprimand were present but again it is usually applied 'where the conduct is of a minor nature'. It cannot be appropriate for dishonesty.
20. The Committee carefully considered the sanction of Severe Reprimand. Many of the criteria in the Guidance were met. The misconduct was not the 'result of misfortune' but it was committed at a time of extreme pressure. It was a one-off event which Miss Wan rapidly repented of. She had made 'early and genuine acceptance' of her misconduct. There had been no direct loss to anyone, although there was the reputational damage already mentioned.
21. Before taking a final decision the Committee considered the next available sanction, removal from the student register. Many of the suggested factors were either not present or not relevant. However, the misconduct involved dishonesty. Fundamentally, the issue was whether the mitigating circumstances were sufficient to mean that the finding of dishonesty should not, in this case, lead to removal.
22. The Committee noted this passage in the Guidance:
E2.2 The public is entitled to expect a high degree of probity from a professional

who has undertaken to abide by a code of ethics. The reputation of ACCA and the accountancy profession is built upon the public being able to rely on a member to do the right thing in difficult circumstances. It is a cornerstone of the public value which an accountant brings.

23. Even a student, when faced with a difficult situation, is expected to act with integrity. There were honest options open to Miss Wan. She could have set out what she had been told and explained why it was not possible to do so in a document with an official seal. Although the circumstances were extraordinary from a historical point of view, Miss Wan's situation must have been similar to that of many other ACCA students who did not choose to act dishonestly. While the Committee had great sympathy for Miss Wan it concluded that a sanction of severe reprimand was not sufficient to uphold the public interest in this case. It determined that Miss Wan should be removed from the student register. It saw no reason to extend the time after which she could apply to be re-admitted.

COSTS AND REASONS

24. Ms Ali applied for costs totalling £6,731. She accepted that the figure should be reduced because the hearing would take less time than estimated.
25. The Committee considered that in principle a costs order was justified but was concerned about Miss Wan's ability to pay costs. It was reasonable to infer from her email of 9 October 2020 that she had no means of her own and was supported by her parents. That would be a common situation for a student. It determined that she would not be able to meet any order for costs in a substantial sum and that an order for a nominal sum would be of no benefit to ACCA or its members.

EFFECTIVE DATE OF ORDER

26. The order will take effect on the expiry of the appeal period.

ORDER

27. The Committee **ordered** as follows:
- (a) Miss Yutong Wan shall be removed from the student register.
 - (b) There is no order for costs.

Ms Kathryn Douglas
Chair
28 March 2023