

## APPLICATION ON PAPERS

**CONSENT ORDERS CHAIR OF THE ASSOCIATION OF  
CHARTERED CERTIFIED ACCOUNTANTS**

**In the matter of:** Mr Ian David Johnson

**Considered on:** Thursday 30 March 2023

**Location:** Remotely using Microsoft Teams

**Chair:** Mr Andrew Gell

**Legal Adviser:** Mr David Mason

**Summary:** Consent order, agreed sanction and costs award approved. No recommendations for amendment made.

**INTRODUCTION**

1. On 30 March 2023 the Committee, a Chair sitting alone pursuant to Regulation 8(12) of the Complaint and Disciplinary Rules 2016 (CDR), considered a Consent Order (CO) agreed between ACCA and Mr Ian David Johnson. Under the terms of this CO, Mr Johnson admits the allegation made against him, agrees to accept a sanction of reprimand and to pay costs to ACCA in the amount of £818.00.

**DOCUMENTATION**

2. In considering this matter the Committee had before it the following documentation:
  - A Consent Order Bundle of 104 pages.

## ACCA



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- ACCA Consent Orders Guidance.
- ACCA Consent Orders Guidance FAQs.
- ACCA Guidance for Disciplinary Sanctions.

### **BASIS FOR CONSIDERATION OF A CO BY A CHAIR**

3. ACCA Consent Order Guidance lays out the basis for consideration of a CO by a Chair.
4. A Committee has the power to approve any signed draft CO setting out terms as to sanction, and costs, against the relevant person which a Disciplinary Committee would have the power to make, except for a sanction of exclusion from membership or removal from the student register or affiliate register as appropriate. The Committee must before doing so be satisfied that the Investigation Officer has carried out all necessary investigations.
5. A Committee shall only reject the signed draft CO if it is of the view that the admitted breaches would more likely than not result in exclusion from membership or removal from the student register or affiliate register as appropriate.
6. If a Committee is satisfied that it is appropriate to deal with the complaint by way of CO, but wishes the terms of the draft CO to be amended, the Committee has the power to recommend amendments to the signed draft CO to ACCA and the relevant person, and to subsequently approve any amended order agreed by those parties.
7. If the signed draft CO is approved by a Committee it constitutes a formal finding and order.
8. The Committee has applied the relevant law as set out above with the concurrence of its Legal Adviser.

### **BACKGROUND**

8. Disciplinary action was taken against Mr Johnson by ICAEW on 18 October 2022. However, Mr Johnson did not notify ACCA of this fact.
9. The Committee notes that in an email dated 19 October 2022, ICAEW had directly notified ACCA of the matter. The Committee further notes that Mr

Johnson had accepted an ICAEW Consent Order as the appropriate outcome from their disciplinary process.

10. In a letter dated 06 December 2022, ACCA wrote to Mr Johnson informing him of ICAEW's notification to them and reminding Mr Johnson that he did not appear to have discharged his obligation to personally inform ACCA of the matter. Mr Johnson was told that this alleged failure would be investigated by ACCA.
11. The matters that had been subject to disciplinary action by ICAEW concerned allegations that Mr Ian Johnson, in his capacity as appointed senior statutory auditor, permitted his firm to continue to act as auditor to entities in respect of which he was a person in a position to influence the conduct and outcome of the engagement, as he held a business relationship with the director and majority shareholder of the audited entity.
12. The outcome of the ICAEW disciplinary action was that Mr Johnson had agreed to accept a reprimand, to pay a fine of £1,050 and to pay costs of £2,080.

## **ALLEGATIONS**

13. Mr Johnson admits the following allegations:

### *Allegation 1*

- a. *Pursuant to byelaw 8(a)(vi), Mr Johnson is liable to disciplinary action by virtue of action taken against him on the 18 October 2022 by Institute of Chartered Accountants in England and Wales (ICAEW).*

### *Allegation 2*

- a. *Mr Johnson failed to promptly bring to the attention of ACCA that he may have become liable to disciplinary action by reason of the action taken against him by ICAEW in breach of byelaw 10(b) of ACCA's Complaints and Disciplinary Regulations;*
- b. *By reason of the conduct at 2(a) above, Mr Johnson is guilty of misconduct pursuant to byelaw 8(a)(1) of ACCA's byelaws.*

### *Allegation 3*

*Mr Johnson breached ACCA's Global Practising Regulation 12 by virtue of the following:*

- a. As a holder of a practising certificate Mr Johnson should have provided written notice forthwith of his disciplinary action taken against him by ICAEW and failed to do so contrary to contrary to [sic] Regulation 12(2)(g) of the Global Practising Regulations (2022);*
- b. By reason of his conduct in respect of any and all of the matters set out at 3(a) above, Mr Johnson is guilty of misconduct pursuant to byelaw 8(a)(1) of ACCA's byelaws.*

#### **CONSIDERATION OF CO**

14. The Committee finds that ACCA's summary of the background in the Consent Order bundle and Mr Johnson's admissions are consistent with the facts before it.
15. In mitigation, Mr Johnson states that he was under the impression that ICAEW would have informed ACCA of the disciplinary matter, which they had, and that he was therefore not required to make any further notification. He also stated that he was unfamiliar with the applicable processes as this was the first occasion, during a 30-year career, that he had been the subject of disciplinary action.
16. After careful consideration, the Committee agrees with ACCA's assessment that Mr Johnson had not acted dishonestly in failing to self-report. Nonetheless, he had an obligation to inform ACCA and his actions in not doing so fall short of what would have been proper in the circumstances and amount to misconduct.
17. The Committee notes that ICAEW did not consider it necessary to revoke or suspend Mr Johnson's practising certificate.

#### **SANCTION**

18. The Committee is satisfied that the agreed sanction of reprimand is both appropriate and proportionate in the circumstances.

19. Mr Johnson's cooperation throughout both the ICAEW and ACCA investigations, his full admissions, the apology offered in his letter of 15 December 2022 and his acceptance of the draft CO show that he has insight to his misconduct. The Committee assesses the risk of repetition to be low. Therefore, the agreed sanction is sufficient to meet the overarching objective of the disciplinary process: to protect the public, maintain public confidence in the profession and to declare and uphold proper professional standards.
20. For these reasons, the Committee does not find Mr Johnson's actions to be fundamentally incompatible with continued membership of ACCA. The Committee finds that there is no realistic prospect that Mr Johnson's misconduct would result in exclusion from membership and therefore that it is not more likely than not that his actions would result in his removal from the ACCA Register.

### **COSTS**

21. The Committee notes that a costs award against Mr Johnson in the sum of £818.00 has been agreed. This amount appears to be fair and reasonable.

### **CONCLUSION**

22. The Committee approves the draft CO.

**Mr Andrew Gell**  
**Chair**  
**30 March 2023**