

HEARING

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

In the matter of:	Miss Qiuyi Yu
Heard on:	Tuesday, 07 November 2023
Location:	Heard remotely by video conference
Committee:	Mrs Carolyn Tetlow (Chair) Mr Ryan Moore (Accountant) Mr Nigel Pilkington (Lay)
Legal Adviser:	Mr Andrew Granville Stafford
Persons present and capacity:	Mr Benjamin Jowett (ACCA Case Presenter) Miss Nicole Boateng (Hearings Officer)
Summary:	Allegations 1(a),1(b),2(a), 2(b) and 4 and 5(a) proved Excluded from membership with immediate effect
Costs:	£5,350

PRELIMINARY

1. The Disciplinary Committee of ACCA ('the Committee') convened to consider a report concerning Miss Qiuyi Yu.

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2. The Committee had before it a Bundle of documents (247 pages), an Additional Bundle (32 pages), a Supplementary Bundle (174 pages) and a Service Bundle (20 pages).
3. Miss Yu, who is a resident in China, did not attend the remote hearing and was not represented.

PROCEEDING IN ABSENCE

4. The Notice of Hearing was sent by email on 10 October 2023 to the email address notified by Miss Yu to ACCA. The Committee was provided with a delivery receipt showing the email had been received by the addressee.
5. On 1 November 2023, the Hearings Officer attempted to contact Miss Yu by telephone on the number recorded for her on the register. The call was not answered and there was no opportunity to leave a message. A further call, with the same result, was made on 3 November. Those calls were followed up by emails from the Hearings Officer to Miss Yu, to which there has also been no response.
6. The Committee was satisfied that the requirements of Regulations 10(1) and 22(1) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ('CDR') as to service had been complied with.
7. 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 Miss Yu. 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.
8. The Committee noted that, at a previous stage of the proceedings, Miss Yu had answered a telephone call from ACCA. That was on 17 April 2023 but, having passed the identity checks, Miss Yu disconnected the call after the caller identified themselves as being from ACCA. The Committee noted that there was evidence that on the same day as that call Miss Yu opened an email about this case that ACCA had sent her the previous month. This shows that both the email and telephone numbers ACCA have used are valid and that Miss Yu must be aware of these proceedings.
9. The Committee considered that, in the circumstances, no useful purpose would be served by adjourning this hearing. Miss Yu has not engaged during the proceedings and has not responded to the Notice of Hearing or subsequent

emails sent by the Hearings Officer. There was no reason to think that she would attend if this case were to be relisted on a future date. The Committee was satisfied she had made a voluntary decision not to take part in this process.

10. The Committee noted that these are serious allegations, including allegations of dishonesty. The Committee considered that it was both in the interests of justice and the public interest that the hearing should proceed in Miss Yu's absence.

ALLEGATIONS AND BRIEF BACKGROUND

11. The Allegations against Miss Yu are as follows:

Miss Qiuyi Yu ('Miss Yu'), at all material times an ACCA trainee,

1. Applied for membership to ACCA on or about 9 December 2020 and in doing so purported to confirm in relation to her ACCA Practical Experience training record:
 - a) Her Practical Experience Supervisor in respect of her practical experience training in the period from 2 January 2017 to 19 October 2020 was Person 'A' when Person 'A' did not supervise that practical experience training in accordance with ACCA's requirements as published from time to time by ACCA or at all
 - b) She had achieved the following Performance Objective which was not true:
 - Performance Objective 1: Ethics and professionalism
 - Performance Objective 2: Stakeholder relationship management
 - Performance Objective 3: Strategy and innovation
 - Performance Objective 4: Governance, risk and control
 - Performance Objective 5: Leadership and management
 - Performance Objective 9: Evaluate investment and financing decisions
 - Performance Objective 11: Identify and manage financial risk

- Performance Objective 12: Evaluate management accounting systems
- Performance Objective 14: Monitor performance

2. Miss Yu's conduct in respect of the matters described in Allegation 1 above was: -

- a) In respect of Allegation 1a), dishonest, in that Miss Yu sought to confirm her Practical Experience Supervisor did supervise her practical experience training in accordance with ACCA's requirements or otherwise which she knew to be untrue.
- b) In respect of Allegation 1b) dishonest, in that Miss Yu knew she had not achieved the performance objective referred to in paragraph 1b) above as described in the corresponding performance objective statement or at all.
- c) In the alternative, any or all of the conduct referred to in Allegation 1 above demonstrates a failure to act with Integrity.

3. In the further alternative to Allegations 2a), 2b) and or 2c) above, such conduct was reckless in that Miss Yu paid no or insufficient regard to ACCA's requirements to ensure:

- a) Her practical experience was supervised;
- b) Her Practical Experience Supervisor was able to personally verify the achievement of the performance objectives she claimed and/or verify it had been achieved in the manner claimed;
- c) That the performance objective statements referred to in paragraph 1b) accurately set out how the corresponding objective had been met.

4. Failed to co-operate with ACCA's Investigating Officer in breach of Complaints and Disciplinary Regulation 3(1) in that she failed to respond fully or at all to any or all of ACCA's correspondence dated:

- a) 12 August 2022;
 - b) 30 August 2022;
 - c) 14 September 2022.
5. By reason of her conduct, Miss Yu is
- a) Guilty of misconduct pursuant to ACCA byelaw 8(a)(i) in respect of any or all the matters set out at 1 to 4 above; in the alternative in respect of Allegation 4 only
 - b) Liable to disciplinary action pursuant to byelaw 8(a)(iii).
12. Miss Yu became a student member of ACCA in December 2014 and was admitted as an affiliate on 15 January 2018. She was admitted as a member on 17 December 2020 following an application for membership submitted on or about 9 December 2020.
13. Part of the requirements of becoming an ACCA member, in addition to passing the relevant exams, is the completion of practical experience requirement. ACCA's Practical Experience Requirement ('PER') is a key component of the ACCA qualification.
14. ACCA's PER is designed to develop the skills needed to become a professionally qualified Accountant. There are two components to the PER:
- Completion of nine performance objectives ('POs'). Each PO includes a statement of 200 to 500 words, in which the student explains how they have achieved the objective. They should, therefore, be unique to that student. The PO must be signed off by a Practical Experience Supervisor ('PES'), who must be a qualified Accountant recognised by law in the relevant country and/or a member of an IFAC body. They must have knowledge of the student's work in order to act as a PES. The PES is typically the student's line manager, though if their Line Manager is not suitably qualified, they can nominate an external Supervisor provided the external Supervisor has sufficient connection with the trainee's place of work.
 - Completion of 36 months practical experience in accounting or finance related roles, verified by a PES. The period of practical experience may be verified by a non-IFAC qualified Line Manager.

15. Those undertaking the PER are sometimes called trainees. The trainee's progress towards the PER is recorded online in their PER Training Record.
16. In support of her application for membership, Miss Yu completed her PER Training Record on or around 9 December 2020. She stated she had worked for Company C as an Accountant from 2 January 2017 to 19 October 2020. She claimed to have complied with the three-year practical experience requirement on the basis that she had 44 months' employment with 80% of it in a relevant role.
17. Miss Yu's PER Training Record named three supervisors: Person A, an external PES, and Person B and Person E. Person A had signed-off all nine of the POs. Person B, who was described as a 'non-IFAC qualified Line Manager', verified Miss Yu's period of employment. Person E, also described as a 'non-IFAC qualified Line Manager', was also authorised to approve her time in the relevant role but did not in fact sign-off anything.
18. During 2021, it came to the attention of ACCA's Professional Development team that between December 2019 and January 2021, around 100 ACCA trainees had submitted PER Training Records in which they claimed their POs had been approved by Person A. ACCA's case, supported by evidence from Person C, Manager of ACCA's Professional Development Team, was that it would not be expected that a PES had more than two to three trainees at any one time.
19. A review was carried out by ACCA's Professional Development Team. It noted that a number of POs submitted by the trainees Person A had allegedly supervised were identical or strikingly similar to each other. In addition to considering similarities to POs of other trainees, ACCA considered whether the POs were first in time, meaning that the date the POs were submitted for Person A's approved was before that for any of the other trainees, and therefore may be original.
20. In relation to Miss Yu, the review showed:
 - None of her PO statements were first in time.
 - All nine of her PO statements were identical or significantly similar to other ACCA trainees who claimed to have been supervised by Person A.
 - Her PO1, PO2, PO3, PO4, PO5, PO9, PO11 and PO14 were identical or significantly similar in each case to that of at least five other trainees. Her

PO12 was identical or significantly similar to that submitted by at least four other trainees.

21. Person A, who is a member of the Chinese Institute of Certified Public Accountants (CICPA), an IFAC registered body, was contacted by ACCA. She provided a witness statement stating she had only supervised one ACCA trainee, who she named as Person D, and who was not one of the 100 trainees referred to above.
22. The matter was referred to ACCA's Investigations Team. A member of that team sent an encrypted email to Miss Yu's registered email address on 12 August 2022. Attached to the email was a letter which set out the complaint and requested that Miss Yu respond to a number of questions by 26 August 2022. The letter also referred to CDR 3(1), which requires a member to cooperate with an ACCA investigation. A further email was sent the same day, unencrypted, to inform Miss Yu that the encrypted email had been sent.
23. ACCA's China office also sent a text message to Miss Yu's mobile number, which is recorded as having been successfully delivered, alerting her to the fact that a password protected email had been sent to her on 12 August 2022.
24. Miss Yu did not reply, so chaser emails were sent on 30 August 2022 and 13 September 2022. These emails stated that, should she fail to reply, an Allegation of breaching CDR 3(1) would be brought. There has been no response to any of this correspondence from Miss Yu.

DECISIONS ON ALLEGATIONS AND REASONS

25. The Committee considered the documents before it, the submissions of Mr Jowett on behalf of ACCA and the advice of the Legal Adviser. The Committee bore in mind that the burden of proving an allegation rests on ACCA and the standard to be applied is proof on the balance of probabilities.

Allegation 1

26. The Committee had sight of Miss Yu's PER Training Record.
27. In respect of Allegation 1(a), it was clear that Miss Yu had named Person A as her PES in respect of her practical experience training in the period from January 2017 to October 2020. The issue for the Committee was whether ACCA had proved that Person A did not supervise that practical experience training in accordance with ACCA's requirements.

28. The Committee accepted the evidence of Person A contained in her witness statements dated 18 October 2022 and 12 September 2023. The Committee noted that Person A is a member of a professional accountancy body, and it considered her evidence was reliable. She stated that she had only acted as PES for one trainee, Person D. By necessary inference, therefore, she had not acted as PES for Miss Yu.
29. The Committee's view was supported by the surrounding evidence relating to the PER Training Record which, as Mr Jowett put it, bore the hallmarks of a manufactured application. In particular, the fact that all the POs were submitted and approved on the same day did not conform with what would be expected from a genuine application. In addition, there was no good explanation for Person A and Person B's having the same email address.
30. In respect of Allegation 1(b), Miss Yu's PER stated she had achieved nine POs. The issue for the Committee was whether ACCA had proved that this was not true.
31. The Committee was provided with a Bundle of PERs from other trainees allegedly supervised by Person A. There was simply no good explanation for the same POs appearing, word for word in some cases and strikingly similar in others, in a number of different trainees' Training Records. There was no doubt in the Committee's mind that Miss Yu had copied all her POs, and the only explanation for her doing so was that she had not achieved those performance objectives.
32. The Committee therefore found Allegations 1(a) and 1(b) proved.

Allegation 2

33. The Committee considered this Allegation in light of the test for dishonesty, as set out in the case of *Ivey v Genting Casinos*.
34. In respect of Allegation 1(a), the Committee had found that Miss Yu had not been supervised by Person A. The Committee noted that Miss Yu had had the opportunity to provide an explanation as to why she had claimed Person A was her PES, but she had not done so.
35. The Committee was satisfied that Miss Yu knew that she had not been supervised by Person A, and therefore claiming that she had been was untrue. There is no doubt that this would be regarded as dishonest by ordinary decent people.

36. The Committee was further satisfied that Miss Yu had submitted her PER Training Record knowing that she had not achieved the POs in question, based on the fact they were obviously copied from somewhere else. The Committee was in no doubt that this would be regarded as dishonest by the standards of ordinary decent people.
37. The Committee therefore found Allegation 2(a) and 2(b) proved. As Allegation 2(c) was put in the alternative, there was no need for the Committee to consider it.

Allegation 3

38. As Allegation 3 was an alternative to Allegation 2, there was no need for the Committee to consider it.

Allegation 4

39. CDR 3(1) reads:

(1) Duty to co-operate

(a) Every relevant person is under a duty to co-operate with any investigating officer and any assessor in relation to the consideration and investigation of any complaint.

(b) The duty to co-operate includes providing promptly such information, books, papers or records as the investigating officer or assessor may from time to time require.

40. The Committee found that ACCA had sent Miss Yu requests for information by email on the dates set out in this Allegation, namely 12 and 30 August 2022 and 14 September 2022. The Committee noted that both her registered email address and telephone number were valid, because on other occasions she had answered a call from and opened an email sent by ACCA.
41. The Committee was satisfied that those emails had been received by Miss Yu. She had not responded to any of them. The Committee was in no doubt that she was under a duty to do so and, by failing to do so, was in breach of CDR 3(1). It therefore found Allegation 4 proved in its entirety.

Allegation 5

42. Having found charges 1, 2(a), 2(b) and 4 proved, the Committee considered whether this conduct amounted to misconduct. The Committee reminded itself

that it had, in charges 2(a) and 2(b), found Miss Yu had been dishonest in her application for membership of ACCA. She had also failed to co-operate with her regulator during the investigation of a serious allegation.

43. Such conduct clearly brings discredit to Miss Yu, the Association and the profession of accountancy. It would be regarded as deplorable by fellow practitioners. It was therefore misconduct, rendering her liable to disciplinary action under byelaw 8(a)(i).
44. The Committee therefore found Allegations 5(a) proved. As Allegation 5(b) was in the alternative, it was not necessary for the Committee to consider it.

SANCTION AND REASONS

45. 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. Having found that Miss Yu'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.
46. In mitigation, the Committee took into account that no previous disciplinary findings had been made against Miss Yu.
47. The Committee considered that the following were aggravating factors. This was sustained dishonest conduct, committed with both premeditation and a degree of sophistication. There is clear potential for harm and adverse impact on the public when a member gains their accountancy qualification by dishonest means. Conduct of this nature also undermines the legitimacy and cogency of the ACCA qualification. Failing to co-operate with an investigation impedes ACCA's ability to regulate the profession. In addition, Miss Yu has failed to demonstrate any insight.
48. The Committee considered the guidance in the GDS in relation to admonishment and reprimand. It considered that none of the reasons potentially justifying an admonishment were present in this case. Further, this was not misconduct of a minor nature and therefore a reprimand was not appropriate.
49. The Committee considered whether a severe reprimand would be an appropriate sanction. Taking into account the guidance in the GDS, the

Committee considered that a severe reprimand would not adequately mark the seriousness of the misconduct or satisfy the public interest. Further, the majority of factors identified in the GDS as potentially justifying a severe reprimand were absent.

50. The GDS indicates that exclusion may be appropriate where a finding of dishonesty has been made. The Committee considered there were no mitigating or exceptional features which would justify a lesser sanction.
51. The Committee concluded that Miss Yu's actions in this case were fundamentally incompatible with being a member of a professional association. The Committee did not feel that any order which allowed Miss Yu to retain her membership of ACCA could possibly be justified.
52. Therefore, the Committee made an order under CDR 13(1)(c) of the Disciplinary Regulations excluding Miss Yu from membership of ACCA.
53. The Committee did not consider that the public interest in this case required it to additionally make an order under CDR 13(1)(c) restricting Miss Yu's ability to apply for readmission beyond the normal minimum period.

COSTS AND REASONS

54. ACCA applied for costs against Miss Yu in the sum of £6,008.75. The application was supported by a Schedule providing a breakdown of the costs incurred by ACCA in connection with the hearing. Mr Jowett accepted some reduction would be appropriate to reflect the actual rather than the estimated time the hearing had taken.
55. The Committee found that there was no reason in principle not to make an order for costs in ACCA's favour. Nor did it consider that the application was for an unreasonable amount, subject to an adjustment based on the length of the hearing.
56. The Committee had no information about Miss Yu's financial circumstances, and therefore had no basis on which a reduction in the costs claimed could be justified.
57. The Committee ordered Miss Yu to pay ACCA's costs in the sum of £5,350.

EFFECTIVE DATE OF ORDER

58. The Committee determined that it would be in the interests of the public for the order to take immediate effect, in light of the fact she is potentially able to

practise as an ACCA qualified accountant having gained that qualification dishonestly. Therefore, pursuant to CDR 20, the order removing Miss Yu from membership will take effect immediately.

Mrs Carolyn Tetlow
Chair
07 November 2023