

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Alexander George Parker
Heard on:	Thursday, 12 December 2024 – Friday, 13 December 2024
Location:	Held remotely by Microsoft Teams
Committee:	Ms Ilana Tessler (Chair) Dr David Horne (Accountant) Mr Nigel Pilkington (Lay)
Legal Adviser:	Ms Tope Adeyemi
Persons present and Capacity:	Mr Alexander George Parker (Member) Mr Matthew Corrie (Counsel for Mr Parker) Mr Ben Schofield (Solicitor for Parker) Mr Ryan Ross (Case Presenter on behalf of ACCA) Miss Mary Okunowo (Hearings Officer)
Observers:	Person C
Summary:	Severe Reprimand.
Costs:	£10,000

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

INTRODUCTION

1. The Disciplinary Committee (“the Committee”) met to hear allegations against Mr Alexander George Parker (“Mr Parker”). Mr Parker was present and represented by Mr Matthew Corrie. ACCA was represented by Mr Ryan Ross. The papers before the Committee consisted of a main bundle numbered 1 – 366, an “Additional Bundle” numbered 1 – 101, a service bundle numbered 1 – 19 and a supplementary member’s bundle numbered 1 – 5.

PRELIMINARY MATTERS

Application to amend

2. An application was made by ACCA to amend allegation 6. It was proposed that the section of the ACCA code of ethics referred to in the allegation be changed from section 115.1 A1 to section 115.3. Mr Ross explained that reference to Section 115.1 A1 was an error. Section 115.3 should have been referred to as the content of section 115.3 matches the wording within the allegation. Mr Ross submitted that the amendment essentially served to correct a typo and that it caused no prejudice to Mr Parker. Mr Corrie on behalf of Mr Parker did not object to the amendment.
3. Regulation 10(5) of the Chartered Certified Accountants’ Complaints and Disciplinary Regulations 2014 (‘CDR’) allows the Committee at any stage, upon the application of either party or on its own motion, to amend the allegations provided the relevant person is not prejudiced in the conduct of their defence.
4. The Committee was satisfied that the proposed amendment did not cause prejudice or unfairness to Mr Parker, and it was therefore content to accede to the application.

BACKGROUND

5. Mr Parker became a Member of ACCA in January 1990 and a Fellow in 1995. He is the current holder of a practising certificate. On 24 November 2020 a complaint was received from Person C in respect of Mr Parker’s involvement with Company A.

6. Person B and Person C had been directors of Company A since 05 December 2005 and were both shareholders.
7. From around 23 July 2020 to 04 September 2020, Mr Parker undertook work for Person B relating to the statutory accounts of Company A for the year-ending 30 June 2019 ("the Assignment"). In his correspondence with Company A's accountants, Mr Parker stated that his firm's client was Person B in circumstances where it is alleged it was Company A.
8. On 27 October 2020, Mr Parker raised an invoice to Company A in the sum of £456 referencing the work that he had undertaken for Person B in respect of the Assignment. On 19 November 2020 Mr Parker sent a letter of engagement to Company A, again referencing the work he had undertaken for Person B. The letter made reference to being effective from 23 July 2020 in circumstances where Mr Parker had not acted for Company A until around 17 October 2020.
9. ACCA state that on or around 23 July 2020, Mr Parker undertook work for Person B without carrying out 'Know Your Client' (KYC) checks until around 24 November 2020. On 27 October 2020 Person B transferred £76,000 from Company A's bank account to Mr Parker's firm's client account. Following this, Mr Parker raised an invoice to Company A in the sum of £456 referencing the work he had undertaken since 23 July 2020 for Person B. By 11 November 2020, Mr Parker had returned the £76,000 that had been transferred to his firm's client account from Company A's bank account.
10. ACCA state that Mr Parker caused his firm to accept an engagement with Company A, despite his personal connection to Person B and his firm's prior engagement by Person B where that engagement had been contentious in nature. Further, it is alleged that Mr Parker's firm while being engaged by Person B on or around 23 July 2020, did not obtain a signed letter of engagement from Person B until around 24 November 2020.
11. In November 2020, Mr Parker contacted ACCA's advisory service asking for guidance as to what to do in relation to the situation concerning Person B, Person C and Company A. On 05 November 2020 a technical consultant at ACCA responded to his query, they advised that his firm's client account should not have been used to bank client funds. He was further advised on 19 November 2020 that he appeared to have fallen short of ACCA rules stipulated

in the ACCA Rule book and that he should have issued the Parties involved with an engagement letter.

12. On 24 November 2020, Mr Parker emailed Person C to state that he held a signed letter of engagement specifying the nature of his employment. He also acknowledged that reference had previously been made by Person C that Person C had made a complaint about him. On 25 November 2020, Mr Parker sent an email to Person C in response to concerns Person C had raised, within it he referred to Person C's personality, stating *"I am instructed that you have [REDACTED] which explains why you react as you do to these present circumstances. Naturally, I have no way of confirming or denying these instructions."* ACCA allege that such a comment displayed a lack of courtesy and consideration.
13. Mr Parker responded to the concerns raised within various pieces of correspondence sent to ACCA. He explained that he was approached by Person B to review the company financial statements and report back to Person B as Person B was unable to obtain any information from Person C and as Person B had concerns about Person C's conduct in connection with Company A. Mr Parker stated that he initially intended to be engaged in an unofficial capacity and for this reason he did not complete the normal Know Your Customer procedures until later. Mr Parker stated that he had sought advice and that the raising of the invoice to Company A had occurred in part because Person B had stated that their friend who was a lawyer considered that this was the correct thing to do.
14. In a letter to ACCA dated 29 March 2021, Mr Parker stated that *"...the decision I would like to unwind in this instance, was to relent to Person B's request that [Person B] transfer company funds to my client account...I apologise unreservedly...I am happy for you to pass on to [Person C] my sincere apology if [Person C] felt I was disrespectful to [Person C]."*
15. In a witness statement dated 21 November 2024, Mr Parker admitted all the allegations save for the allegation that he had acted dishonestly, stating the following:

"Whilst I wholly accept I have made a number of mistakes and not used my best judgement, I have not been dishonest in any of my actions regarding the invoice and letter of engagement."

In regard to the invoice, I wrongly accepted the advice that I was given that any invoice should be made in the company's name. In regard to the letter of engagement, my state of mind was that I was just correcting a mistake following ACCA bringing the issue to my attention in their advice which I had sought from them."

ALLEGATIONS

16. Mr Parker faces the following allegations as amended:

Allegation 1

- (a) That on 19 November 2020, Alexander George Parker sent a letter of engagement to Company A that was incorrect as it stated that Mr Parker's firm had been engaged by Company A since 23 July 2020 when it had not been.
- (b) That on 27 October 2020, Mr Parker raised an invoice in the name of Company A that was incorrect as it referred to work that had been undertaken since 23 July 2020 when such work had not been undertaken for Company A.
- (c) Mr Parker's conduct in respect of 1(a) and/or 1(b):
 - (i) Was dishonest, in that he knew that his firm had not undertaken work for Company A from 23 July 2020; or in the alternative
 - (ii) Demonstrated a failure to act with integrity; or in the further alternative
 - (iii) Contrary to the Fundamental Principle of Professional Behaviour, as applicable in 2020.

Allegation 2

- (a) That on or around 23 July 2020, Alexander George Parker caused his firm to undertake work for Person B without first establishing their identity and address.

- (b) Mr Parker's conduct in respect of 2(a) was contrary to Paragraph 9 of Section B2 (Anti-Money Laundering) (as applicable in 2020).

Allegation 3

- (a) That on or around 17 October 2020, Alexander George Parker caused his firm to accept an engagement from and/or undertake work for Company A despite:
 - (i) Mr Parker's personal connection to Person B who was a director and 50% shareholder in Company A; and/or
 - (ii) Mr Parker's firm having been engaged by Person B, a 50% shareholder and director of Company A, on or around 23 July 2020.
- (b) Mr Parker's conduct in respect of 3(a) was contrary to:
 - (i) The Fundamental Principle of Objectivity (as applicable in 2020); or in the alternative
 - (ii) R310.4 (Conflicts of Interest) (as applicable in 2020).

Allegation 4

- (a) That on or around 17 October 2020, Alexander George Parker caused his firm to undertake work for Company A without:
 - (i) Obtaining proof of the incorporation of Company A;
 - (ii) Establishing the primary business address and/or registered address of Company A;
 - (iii) Establishing the structure, management and ownership of Company A;
 - (iv) Obtaining independent evidence of Person C's identity; and/or

- (v) Retaining copies of any evidence obtained in connection with 4(a)(i) to (iv).
- (b) Mr Parker's conduct in respect of 4(a) was contrary to Paragraph 9 of Section B2 (Anti-Money Laundering) (as applicable in 2020).

Allegation 5

- (a) That on or around 19 November 2020, Alexander George Parker sent a letter of engagement to Person B having first been engaged by them on or around 23 July 2020.
- (b) Mr Parker's conduct in respect of 5(a) was contrary to Paragraph 5 of Section B9 (Professional Liability of Accountants and Auditors) (as applicable in 2020).

Allegation 6

That on 25 November 2020, Alexander George Parker sent an email to Person C, a director of his firm's client, which displayed a lack of courtesy and consideration, contrary to Section 115.3 (Professional Behaviour) (as applicable in 2020).

Allegation 7

By reason of his conduct, Alexander George Parker is:

- (a) Guilty of misconduct in respect of any or all of the matters set out at allegations 1, 2, 3, 4, 5 and/or 6, pursuant to bye-law 8(a)(i); or in the alternative
- (b) Liable to disciplinary action in respect of any or all of the matters set out at allegations 1(c)(iii), 2 b, 3 b (i) (ii), 4 b, 5b and/or 6, pursuant to bye-law 8(a)(iii).

APPLICATION TO ADMIT EVIDENCE

17. On the morning of day two of the hearing, after ACCA had closed its case, the Committee were informed that Person C, who had been observing the first day

of the hearing had prepared a statement that had been shared with ACCA the evening before. Mr Ross on behalf of ACCA sought to adduce the statement which he described as a *“statement that gathers Person C’s thoughts together from what [Person C] heard yesterday”*. The application was opposed by Mr Corrie on the basis that the evidence was irrelevant, its admission would be unfair and that it had not been served 28 days before the hearing as required under Rule 10 of the regulations.

18. The Committee received advice from the Legal Adviser with their attention being drawn to Rule 12 (1) and 12 (2) (a) of the CDR. Rule 12 (1) sets out that *“Subject to this regulation 12 and to these regulations generally, the Disciplinary Committee shall conduct the hearing in its discretion having regard to the interests of justice, the public, of the relevant person, and of the profession as a whole”*. Regulation 12 (2) (a) provides that *“Subject to the requirements of justice and of fairness to the relevant person, a Disciplinary Committee considering any allegation may admit oral or documentary evidence whether or not such evidence would be admissible in a court of law...”*.
19. The Committee were also advised to take into account the notice provisions included at Rule 10 (1) (a) which requires the service of documents and information by the Association “no later than 28 days before the date set”. Its attention was also drawn to Rule 10 which states that the 28 days’ notice requirement can be dispensed with *“In exceptional circumstances” with the Committee considering “at the outset the appropriateness of short notice and the degree of urgency and may, if it is of the view that it is necessary in the public interest as weighed against any prejudice to the relevant person, order that the hearing proceed or be adjourned for such period and under such directions as it sees fit.”*
20. The Committee noted that the statement of Person C appeared to be based on Person C’s view of the evidence after Person C had observed all of the proceedings up to the close of ACCA’s case. It was the Committee’s view that it would be unfair to admit the evidence of Person C as it had been prepared after Person C had heard the evidence of Mr Parker.
21. The Committee had regard to the provisions set out at Rule 10 of the Regulations that allowed for documents to be adduced at short notice in exceptional circumstances. However, notwithstanding these provisions, the Committee considered it would be unfair to admit the evidence. Further, it did

not consider there to be any exceptional circumstances. In all the circumstances the Committee determined it would be unfair to admit the evidence and the application was therefore refused.

DECISION ON FACTS AND REASONS

22. At the start of the hearing Mr Parker confirmed he admitted all the allegations apart from allegation 1 (c) (i) concerning dishonesty. In light of his admissions, the allegations (bar allegation 7 concerning misconduct and those drafted in the alternative which fell away) were found proved by reason of admission.
23. The Committee heard oral evidence from three witnesses called on behalf of Mr Parker, Person I, Person J and Person K. ACCA did not call any witnesses. In its consideration of the outstanding allegations, the Committee took into account all the evidence presented, and the submissions made by Mr Corrie and Mr Ross. It also accepted the advice of the Legal Adviser and bore in mind that it was for ACCA to prove its case and to do so on the balance of probabilities.

Allegation 1 (a) – Proved

24. This allegation is found proved by reason of admission.

Allegation 1 (b) – Proved

25. This allegation is found proved by reason of admission.

Allegation 1 (c) (i) – Not proved

26. The Committee considered whether Mr Parker acted dishonestly having regard to the test for dishonesty as set out in the case of *Ivey v Genting Casinos (UK) Ltd t/a Crockfords [2017] UKSC 67* (“Ivey”). The test was expressed at paragraph 76 of the court’s judgement in the following terms:

“When dishonesty is in question the fact-finding tribunal must first ascertain(subjectively) the actual state of the individual’s knowledge or belief as to the facts. The reasonableness or otherwise of his belief is a matter of evidence (often in practice determinative) going to whether he held the belief, but it is not an additional requirement that his belief must be reasonable; the

question is whether it is genuinely held. When once his actual state of mind as to knowledge or belief as to facts is established, the question whether his conduct was honest or dishonest is to be determined by the fact-finder by applying the (objective) standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he has done is, by those standards, dishonest.”

27. Mr Parker provided oral evidence at the hearing. He was cross examined by ACCA and answered questions from the Committee. The Committee considered Mr Parker to be a co-operative and patient witness, noting that his oral evidence was in line with the written statements he had submitted. The Committee deemed his account both credible and consistent and in such circumstances were content to place weight on his oral evidence.
28. In his oral evidence, Mr Parker stated that he had not been motivated by any financial gain and instead sought only to help Person B. The Committee accepted his evidence in this regard noting that the amount billed for within the invoice was for a modest sum and in any event was for time spent undertaking professional services and therefore could not be categorised as being for personal gain. The Committee also took into account that Mr Parker had sought advice from his regulator about what to do and had gone on to act on the advice provided. It was considered unlikely that Mr Parker would have contacted ACCA and set out the details of the actions he had taken if his intentions were dishonest. Consideration was given as to whether Mr Parker only contacted ACCA in order to try and cover up what he was doing as suggested in submissions by ACCA. The Committee did not find evidence of this. Based on the information available, after contacting ACCA Mr Parker went on to act on the advice he had been provided with. For example, it was noted that he had been advised to issue an engagement letter. The evidence shows he went on to issue the letter within an hour of contacting ACCA. It was pointed out by ACCA that the engagement letter referred to work he had already done however the date of the letter reflected the date it was sent, therefore the Committee did not consider that it was a misleading document.
29. The Committee also took into account the evidence in the form of the oral and written testimonials attesting to Mr Parker’s honesty, together with the fact he had been a member of ACCA for 40 years without any concerns being raised as to his professional conduct.

30. In the Committee's view, based on the evidence it had received, Mr Parker at the time of the allegations appeared to have taken the information provided by Person B and Person B's friend, whom Person B stated was a lawyer, at face value without sufficiently scrutinising it, leading him to act in an inappropriate manner. Nevertheless, the Committee concluded that his intention at all times was to be of help. Insufficient evidence had been provided by ACCA to establish that he acted dishonestly when he sent out the letter of engagement and raised the invoice. It follows therefore that allegation 1(a)(c)(i) is not found proved.

Allegation 1 (c) (ii) – Proved

31. This allegation is found proved by reason of admission.

Allegation 1 (c) (iii) – N/A

32. As allegation 1(c)(ii) was found proved by reason of admission, the Committee did not go on to consider allegation 1(c) (iii) which was drafted in the alternative.

Allegation 2 (a) - Proved

33. This allegation is found proved by reason of admission.

Allegations 2 (b) - Proved

34. This allegation is found proved by reason of admission.

Allegation 3 (a) (i) - Proved

35. This allegation is found proved by reason of admission.

Allegation 3 (a) (ii) - Proved

36. This allegation is found proved by reason of admission.

Allegation 3 (b) (i) - Proved

37. This allegation is found proved by reason of admission.

Allegation 3 (b) (ii) - Proved

38. This allegation is found proved by reason of admission.

Allegation 4 (a) (i) - Proved

39. This allegation is found proved by reason of admission.

Allegation 4 (a) (ii) - Proved

40. This allegation is found proved by reason of admission.

Allegation 4 (a) (iii) - Proved

41. This allegation is found proved by reason of admission.

Allegation 4 (a) (iv) - Proved

42. This allegation is found proved by reason of admission.

Allegation 4 (a) (v) - Proved

43. This allegation is found proved by reason of admission.

Allegation 4 (b) - Proved

44. This allegation is found proved by reason of admission.

Allegation 5 (a) - Proved

45. This allegation is found proved by reason of admission.

Allegation 5 (b) - Proved

46. This allegation is found proved by reason of admission.

Allegation 6 (as amended) - Proved

47. This allegation is found proved by reason of admission.

Allegation 7 (a) – Proved

48. The Committee considered Mr Parker's admitted conduct fell far short of what was expected in the circumstances. This included acting contrary to the Fundamental Principle of Objectivity, accepting the transfer of Company A funds into his firm's Client Account and acting in circumstances where there was a conflict of interest amongst other matters. Additionally, Mr Parker caused his firm to undertake work for Company A without following the correct procedures in respect of Anti – Money Laundering Regulations and he acted in a manner that was discourteous to Person C.
49. The Committee considered such conduct would be viewed as deplorable by fellow practitioners and was both serious and discreditable to the accountancy profession therefore amounting to misconduct. It follows that allegation 7, to the extent it relates to misconduct, is found proved.

SANCTION AND REASONS

50. In reaching its decision the Committee took into account the submissions made by Mr Corrie and Mr Ross. The Committee referred to the Guidance for Disciplinary Sanctions issued by ACCA, effective from February 2024 and had in mind that the purpose of a sanction was not to punish Mr Parker but to protect the public. Furthermore, any sanction must be proportionate. The Committee accepted the advice of the Legal Adviser and considered the sanctions, starting with the least serious sanction first.
51. The Committee turned first to consideration of the aggravating and mitigating features in this case. The Committee was made aware that Mr Parker had not been subject to any previous disciplinary findings, attaining a lengthy period of good character. Further, he had made full admissions to the matters found proved and undertaken relevant training in an attempt to remediate his conduct. He had also engaged fully with the investigation and the hearing. All these factors were to his credit.
52. The Committee noted by way of aggravation, that his actions, which included sending a discourteous email to Person C, appeared to have had a direct adverse impact on Person C.

53. Set against those mitigating and aggravating factors and taking into account all the circumstances of the case, the Committee did not think it was appropriate, nor in the public interest, to take no further action. Neither did it consider it would be appropriate to order an admonishment in a case where a member had failed to act with integrity, objectivity, in conflict of interest and contrary to Anti – Money Laundering Regulations.
54. The Committee then considered whether to reprimand Mr Parker. The guidance indicates that a reprimand would be appropriate in cases where the conduct is of a minor nature and there is sufficient evidence of an individual's understanding and genuine insight into the conduct found proved. The guidance goes on to state that a reprimand may be appropriate where the conduct was not in deliberate disregard of professional obligations and the period of misconduct was stopped as soon as possible. The Committee did not find those factors to be present in the current instance. While Mr Parker had demonstrated insight, his actions had been deliberate and were not considered to be minor in nature.
55. The Committee moved on to consider whether a severe reprimand would adequately reflect the seriousness of the case. The guidance indicates that such a sanction would usually be applied in situations where the conduct is of a serious nature but where there are particular circumstances of the case, or mitigation advanced, which satisfy the Committee that there is no continuing risk to the public and that corrective steps had been taken to address the conduct and ensure such behaviour was not repeated. The Committee was satisfied that although Mr Parker's conduct had been serious, his actions in taking steps to remedy his behaviour and his expressions of remorse together with his insight and engagement with ACCA's proceedings, evidenced no continuing risk to the public. With these points in mind the Committee concluded that a severe reprimand constituted the most proportionate and appropriate sanction in the circumstances.

COSTS AND REASONS

56. ACCA applied for costs in the sum of £12,913.50. The application was supported by a schedule providing a detailed breakdown of the costs incurred by ACCA in connection with the hearing. Financial information was received from Mr Parker in the form of his income and outgoings, timesheets and details of his taxable income. Mr Parker also submitted a copy of his tax return for the

periods of 2021 to 2022 and 2022 to 2023 together with the Director's Report and Financial statements of his accounting firm for the year ended 31 March 2023.

57. The Committee was satisfied that ACCA were entitled to its costs and that they had been reasonably incurred. It was mindful however that Mr Parker had made admissions in advance of the hearing to all the allegations found proved. The Committee also bore in mind that whilst Mr Parker had some savings, his income appeared to be low. In light of this, the Committee considered it appropriate to make a deduction to the amount claimed by ACCA and therefore ordered Mr Parker to pay ACCA's costs in the sum of £10,000.

EFFECTIVE DATE OF ORDER

58. In accordance with Regulation 20(1)(a) of the Regulations, the order to severely reprimand Mr Parker will take effect at the expiry of the appeal period.

Ms Ilana Tessler
Chair
23 December 2024