

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mrs Yiting Zhang

Heard on: Tuesday, 23 January 2024

Location: Remotely via Microsoft Teams

Committee: Mr Andrew Gell (Chair)
Ms Andrea White (Accountant)
Mr Andrew Skelton (Lay Member)

Legal Adviser: Mr David Marshall

Persons present

and capacity: Ms Michelle Terry (ACCA Case Presenter)
Miss Nicole Boateng (Hearings Officer)

Summary: Dishonesty and Misconduct proved
Removal from affiliate register with immediate effect.

Costs: £500

1. The Committee heard an allegation of misconduct against Mrs Zhang. Ms Terry appeared for ACCA. Mrs Zhang was not present and not represented.
2. The Committee had a Main Bundle of papers containing 256 pages, a Supplementary Bundle containing 173 pages, an Additional Bundle containing 56 pages and a Service Bundle containing 23 pages.

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PROCEEDING IN ABSENCE

3. The Committee was satisfied that Mrs Zhang had been served with the documents required by Regulation 10(7) of The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 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 26 December 2023 to an email address notified by Mrs Zhang to ACCA as an address for all correspondence. That was 28 days ago.
4. There had been some engagement with Mrs Zhang. She had signed a Case Management Form on 28 April 2023 in which she said she would not be attending the hearing and she had made similar statements in emails. More recently the Hearings Officer had sent emails and made phone calls to ask if she would attend today but there had been no reply. The Committee was satisfied that Mrs Zhang knew or had the means of knowing that these proceedings were taking place but had chosen not to take part. The allegations in this matter were very serious and the Committee considered that the public interest required that a hearing take place without undue delay. The Committee considered that nothing would be gained by an adjournment. There was no reason to think that Mrs Zhang would attend an adjourned hearing.
5. The Committee determined to proceed in Mrs Zhang's absence.

ALLEGATION(S)/BRIEF BACKGROUND

6. Mrs Zhang was registered as an ACCA student on 19 April 2017. On 12 April 2021 she became an ACCA Affiliate, having passed her ACCA exams. On or about 5 February 2022 she applied for membership.
7. Regulation 3(a) of ACCA's Membership Regulations 2014 (amended 1 April 2022) provides that one of the qualifications for membership is that the applicant has 'completed three years of approved experience in accordance with the Association's Practical Experience Requirement' ('PER'). The PER involves completing 36 months supervised practical experience in a relevant role and demonstrating that the trainee has achieved the required number of

performance objectives ('POs'). These are benchmarks of effective performance describing the types of work activities they would have been involved in as a trainee accountant. A trainee has to achieve nine POs in total. An ACCA trainee's practical experience is recorded in that trainee's Practical Experience Requirement (PER) training record, which is completed using an online tool called 'MyExperience' which is accessed via the student's 'MyACCA' portal.

8. The POs have to be completed under the supervision of a qualified accountant. A person is recognised by ACCA as a qualified accountant if that person is a qualified accountant recognised by law in the trainee's country and/or is a member of an IFAC body. (IFAC is the International Federation of Accountants). The supervisor would typically be the trainee's line manager but ACCA recognises that a line manager may not meet the definition of 'qualified accountant' so another person can be acceptable.
9. When Mrs Zhang applied for membership she relied on her PER training record. The supervisor named was 'Person A', said to be a member of the Chinese Institute of Certified Public Accountants (CICPA), an IFAC registered body. ACCA says that there are up to 100 similar cases in which trainees have applied for membership of ACCA on the basis of alleged supervision by Person A. ACCA's case is that although there is a Person A who is a member of CICPA, that person did not supervise any of those trainees. In particular ACCA alleges that Person A did not supervise Mrs Zhang and has no knowledge of her.
10. Mrs Zhang faced the following allegations:

Schedule of Allegations

Yiting Zhang ('Mrs Zhang'), at all material times an ACCA trainee,

1. Applied for membership to ACCA on or about 5 February 2022 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 1 July 2015 to 17 December

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 Objectives:

- 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 7: Prepare external financial reports
- Performance Objective 8: Analyse and interpret financial reports
- Performance Objective 10: Manage and control working capital
- Performance Objective 11: Identify and manage financial risk

2. Mrs Zhang's conduct in respect of the matters described in Allegation 1 above was:

- a) In respect of Allegation 1a), dishonest, in that Mrs Zhang sought to confirm her Practical Experience Supervisor did supervise her practical experience training in accordance with ACCA's requirements or otherwise which they knew to be untrue.
- b) In respect of Allegation 1b) dishonest, in that Mrs Zhang knew she had not achieved all or any of the performance objectives referred to in paragraph 1b) above as described in the corresponding performance objective statements 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 Mrs Zhang 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. By reason of her conduct, Mrs Zhang is guilty of misconduct pursuant to ACCA bye-law 8(a)(i) in respect of any or all the matters set out at 1 to 3 above.

DECISION ON FACTS/ALLEGATION(S) AND REASONS

- 11. In fairness to Mrs Zhang, the Committee required all the allegations to be proved by ACCA even though during the course of the investigation Mrs Zhang had made some admissions.
- 12. Ms Terry took the Committee through the documentary evidence including two witness statements from Person A. Person A stated that they had only ever supervised one ACCA trainee, a person who they named. That person was not Mrs Zhang nor was it one of the people in the approximately 100 similar cases mentioned above. In those cases, the supervisor had been registered as Person A, supported by a CICPA membership card. An email address for the supervisor had been supplied. Person A confirmed that the membership card was genuine, but the email address was not. They knew nothing about these other cases. Person A said that they had been asked for a copy of their card by their (genuine) trainee and it was 'quite possible' that they had misused it to facilitate these registrations.

13. Ms Terry also referred to witness statements from members of ACCA staff producing documents and explanations in relation to Mrs Zhang's application. There was no oral evidence.

14. Mrs Zhang provided detailed written responses during the course of the investigation. In a response submitted to ACCA on 26 August 2022 she said:

I admit that Person A has no working relationship with my job. My work is not supervised by Person A.

15. Her various admissions were summarised in the Case Management Form she submitted on 28 April 2023:

I used [Person A] to sign the working hours and POS [performance objectives] for me not because I was dishonest, but because I really didn't know the requirements of membership application at that time. I thought any ACCA member could sign for me. I don't know that the supervisor who signs the working hours and POs must have a supervision relationship with me. And I thought that only ACCA members could sign, and [Person A] said that they were an ACCA member and could sign for me. In fact, a part-time financial director of [company name] is CICPA. They can help me sign the working hours and POs. But I didn't know CICPA could sign before.

I admit that I didn't read the guidance for membership application, nor have I ever asked ACCA about the process of membership application. And I chose to ask in an ACCA student communication group in Wechat. Several students who have applied for membership told me that any ACCA member can help me apply for ACCA membership.

I met [Person A] in that ACCA communication Wechat group. At that time, I was seeking help in the group asking how to apply for ACCA membership and wanted to know the application process. [Person A] contacted me. They said that they were an ACCA member and knew the process of applying for ACCA membership. They can help me to apply for membership. They said that the process of applying for membership is very simple. As long as the working time meets the standards of 36 months, I can apply. They asked me to give them my ACCA account and password, so they could apply for membership

for me conveniently.

[Person A] also told me that I don't need to write my own POs. Other students' POs are all templates. You can apply for membership after working for 36 months. POs and supervisor are not important. They said they could help me write POs with templates.

Therefore, I gave [Person A] my ACCA account and password. And I told them about the detail of my work experiences. Then, [Person A] started to help me apply for ACCA membership.

In August 2021, I found that ACCA had not confirmed my membership application for a long time. So, I asked ACCA China representative office for help. This was the first time I learn about the guidance of applying for ACCA membership. I realized that ACCA application requires a supervisor who has work communication with me. And I learned that CICPA can also sign the working hours and POS. So I contacted ACCA, and asked to change the supervisor, fill in the POs again, and resubmit the application. However, ACCA told me that my application has been submitted, and I can't change the supervisor or reapply.

16. Ms Terry confirmed that Mrs Zhang had contacted ACCA and tried to change her supervisor. ACCA did not agree since she was under investigation. On 4 September 2021 Mrs Zhang asked *'If I cannot amend PES [Practical Experience Supervisor], can you just reject my application? So I can apply the membership application again, and ask my line manager to sign-off my work experience time and PO.'* Again, this was refused.

Allegation 1(a)

17. It was clear from ACCA's records that Mrs Zhang applied for ACCA membership on or about 5 February 2022 naming Person A as her practical experience supervisor. The evidence of the genuine Person A and others showed that this was not true. Person A did not supervise Mrs Zhang's work and Mrs Zhang knew that. Mrs Zhang admitted it in her response dated 26 August 2022.
18. The Committee found Allegation 1(a) proved.

Allegation 1(b)

19. Mrs Zhang claimed to have met the nine POs listed but it was clear from the evidence that the experience claimed was not genuine. The POs had been copied from those of other applicants. Again, Mrs Zhang did not dispute that, and gave her explanation for it in the case management form as quoted above.
20. With regard to Mrs Zhang's explanation, she had 73 months experience in a rules-based profession. The Committee did not find it credible that she would not have established what the process was for her to qualify for membership. ACCA provided many explanatory guides, some in Mandarin. ACCA also provided other resources through which affiliates could discover exactly what was required of them.
21. Mrs Zhang had delegated the task of evidencing her POs to the person she thought was Person A. She knew quite well that she had not herself achieved those POs.
22. The Committee found Allegation 1(b) proved.

Allegation 2(a)

23. Mrs Zhang knew that Person A was not her supervisor and that her application to ACCA was false. The purpose of the application was to advance her own interests by obtaining ACCA membership to which she was not entitled.
24. This was clearly dishonest. The Committee found Allegation 2(a) proved.

Allegation 2(b)

25. A trainee's personal statement for each PO must be their own personal statement that is unique to them and their own experience. Mrs Zhang knew that she had not completed the POs which she claimed to have completed.
26. This was clearly dishonest. The Committee found Allegation 2(a) proved.
27. Allegation 2(c) was in the alternative and did not have to be considered.

Allegation 3

28. Allegation 3 was also in the alternative and did not have to be considered.

Allegation 4

29. The Committee had no doubt that deceiving one's professional body into granting membership by providing false evidence of experience amounted to misconduct. The Committee found Allegation 4 proved.

SANCTION(S) AND REASONS

30. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions (2023). It first sought to identify aggravating and mitigating factors.
31. The finding itself was clearly a serious one. Dishonesty in applying for membership is a very serious matter. It tends to undermine confidence in the ACCA qualification. By its nature it is committed for personal gain and puts the public at risk by potentially allowing an unqualified person to claim the same status as a fully qualified one. The decision to take this route to qualification rather than an honest route was a premeditated one.
32. Ms Terry informed the Committee that there were no previous findings against Mrs Zhang. That was a mitigating factor, but the misconduct in this case was committed at an early stage in Mrs Zhang's career so the mitigation carries less weight. The Committee gave Mrs Zhang credit for the fact that she had engaged with the investigation to some extent and had made some admissions. However, her responses were rather mixed. She had admitted dishonesty but also sought to describe what she did as reckless, rather than deliberate, behaviour. It was suggested that latterly she may have been under considerable personal pressure, which she had explained in writing.
33. A number of typical mitigating factors were absent in this case. Mrs Zhang had made expressions of regret but there was no indication that she really understood the importance of the public interest in the integrity of professional qualifications and the seriousness of her misconduct. The Committee considered that she lacked meaningful insight.

34. The Committee was quite satisfied that a sanction was required in this case. It considered the available sanctions in order of seriousness having regard to ACCA's sanctions guidance.
35. The Committee first considered the sanctions of admonishment and then reprimand but the guidance made it clear that these were not sufficient. For reprimand, the guidance states 'This sanction would usually be applied in situations where the conduct is of a minor nature and there appears to be no continuing risk to the public'. Falsifying a practical experience record to obtain membership cannot be described as a minor matter.
36. The Committee next considered the sanction of severe reprimand. The guidance states that this sanction would usually be applied in situations where the conduct is of a serious nature but there are particular circumstances of the case or mitigation advanced which satisfy the Committee that there is no continuing risk to the public, and there is evidence of the individual's understanding and appreciation of the conduct found proved. Those elements were not present in this case. The Committee went through the list of suggested factors in the guidance. Apart from previous good character, none of the factors supporting a severe reprimand was present. Even if combined with a fine, a severe reprimand would not be sufficient to mark the seriousness of the misconduct in this case.
37. The Committee considered that Mrs Zhang's dishonest conduct was fundamentally incompatible with remaining as an ACCA affiliate and that the minimum sanction it could impose was removal from the affiliate register.
38. A person who has been removed can normally apply to be re-admitted after one year. The Committee considered whether to extend this period but decided that it was not necessary. If Mrs Zhang does apply for readmission her application will be scrutinised by the Admissions and Licensing Committee.

COSTS AND REASONS

39. Ms Terry applied for costs totalling £6,001.25. She accepted that the hearing would probably conclude earlier than had been estimated so the time-based

costs for Case Presenter and Hearings Officer could be reduced.

40. The Committee was satisfied that the proceedings had been properly brought and that ACCA was entitled in principle to its costs. The Committee considered that the time spent and the sums claimed were reasonable. It was appropriate to make a reduction for the fact that the hearing would last for less time than estimated. That would reduce the reasonable costs to about £5,500
41. The Committee was concerned about Mrs Zhang's ability to make a contribution to costs of that order. She had submitted a statement of financial position as part of her Case Management Form and the Committee accepted it. It showed that she had a salary of £600 per month and outgoings of £520. She had savings of £800. The Committee concluded that the highest contribution she could be ordered to make without causing undue hardship was £500.

EFFECTIVE DATE OF ORDER

42. Ms Terry submitted that Mrs Zhang would represent a danger to the public during the period before which this order came into effect. The Committee agreed. Mrs Zhang currently had a form of ACCA membership which others would rely on as a guarantee of her probity. It would enable her to perform accountancy services and gain employment as a professionally qualified accountant. The Committee determined to order immediate removal.

ORDER

43. The Committee ordered as follows:
- (a) Mrs Yiting Zhang shall be removed from the affiliate register of ACCA.
 - (b) Mrs Yiting Zhang shall pay a contribution to ACCA's costs assessed at £500.
 - (c) This order shall take immediate effect.

Andrew Gell
Chair
23 January 2024