

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Ms Yujie Zhang

Heard on: Thursday, 16 January 2025

Location: Heard remotely by video conference

Committee: HH Suzan Matthews KC (Chair)
Mr George Wood (Accountant)
Ms Deborah Fajoye (Lay)

Legal Adviser: Mr Andrew Granville Stafford

Persons present

and capacity: Mr Matthew Kerruish-Jones (Case Presenter on behalf of
ACCA)
Miss Nicole Boateng (Hearings Officer)

Summary: Allegations 1, 2(a), 4 and 5(a) proved
Excluded from membership with immediate effect
Costs of £1,000

PRELIMINARY

1. The Disciplinary Committee of ACCA ('the Committee') convened to consider a report concerning Ms Yujie Zhang.

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2. The Committee had before it a Bundle of documents (239 pages), an Additional Bundle (45 pages), a Supplementary Bundle (62 pages), a Tabled Additional Bundles (18 pages) and a Service Bundle (17 pages).
3. Ms Zhang, who is resident in China, did not attend the hearing and was not represented.

PROCEEDING IN ABSENCE

4. The Notice of Hearing was sent by email on 16 December 2024 to Ms Zhang's registered email address. The Committee was provided with a delivery receipt showing the email had been received by the addressee and a screenshot from the membership database showing Ms Zhang's registered contact details.
5. Ms Zhang replied by email the same day, confirming receipt of the Notice of Hearing, and saying that she had already sent her Case Management Form ('CMF') to ACCA. The Hearings Officer asked her to clarify whether she intended to attend the hearing and she replied, also on 16 December 2024, saying '*I confirm that I don't attend.*' Ms Zhang was subsequently provided with the link to access the hearing on 14 January 2025, but there has been no further communication from her.
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. It noted, in particular, that the email address to which the Notice of Hearing had been sent was not only Ms Zhang's registered address but also the address from which she had been communicating with ACCA during the course of the case.
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 Ms Zhang. 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 was satisfied that Ms Zhang was aware of the hearing. The email correspondence between her and the Hearings Officer made that clear. The Committee noted that, in addition to the email of 14 January 2025, she also stated in the CMF that she did not intend to attend the hearing and was content for it to proceed in her absence. She was made aware that she could apply for an adjournment, if she had reason to do so, and that she can ask for an interpreter to be arranged for her, but she has not done either.
9. The Committee therefore considered that no useful purpose would be served by adjourning this hearing. There was no reason to think that she would attend if this case were to be relisted on a future date. Ms Zhang has provided some explanation in the CMF as to her position in respect of the allegations, which the Committee can consider in making its findings in this case.
10. In all the circumstances, the Committee considered that it was both in the interests of justice and the public interest that the hearing should proceed in Ms Zhang's absence.

APPLICATION

11. In her CMF, Ms Zhang asked for the case to be heard in private. The reason she gave for making that application was that she considered herself to be the victim and wished to be protected by ACCA.
12. The application was opposed by Mr Kerruish-Jones on behalf of ACCA. He submitted that Ms Zhang had provided no good reason to depart from the normal principle of open justice.
13. Regulation 11(1)(a) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ('CDR') gives the Committee a discretion to hear all or part of a case in private if it satisfied that the particular circumstances of the case outweigh the public interest in holding the hearing in public.
14. The Committee accepted with Mr Kerruish-Jones' argument. In the Committee's view, Ms Zhang had not provided any reason which outweighed

the public interest in an open hearing, or which would justify holding the hearing in private. The Committee refused this application.

ALLEGATIONS

15. The allegations against Ms Zhang are as follows:

Ms Yujie Zhang ('Ms Zhang'), at all material times an ACCA trainee:

1. Whether by herself or through a third party applied for membership to ACCA on or about 4 November 2021 and in doing so purported to confirm in relation to her ACCA Practical Experience training record 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 6: Record and process transactions and events
 - Performance Objective 7: Prepare external financial reports
 - Performance Objective 9: Evaluate investment and financing decisions
 - Performance Objective 13: Plan and control performance

2. Ms Zhang's conduct in respect of the matters described in Allegation 1 above was: -
 - a) Dishonest in that Ms Zhang knew she had not achieved all or any of the performance objectives referred to in paragraph 1 above as described in the corresponding performance objective statements or at all.

 - b) In the alternative, any or all of the conduct referred to in Allegation above demonstrates a failure to act with Integrity.

3. In the further alternative to Allegations 2a) and 2b) above, such conduct was reckless in that Ms Zhang paid no or insufficient regard to ACCA's requirements to ensure that the statements corresponding with the performance objectives referred to in Allegation 1 accurately set out how each 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) 15 March 2024
 - b) 2 April 2024
 - c) 17 April 2024
5. By reason of her conduct, Ms Zhang is
 - a) Guilty of misconduct pursuant to ACCA bye-law 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 bye-law 8(a)(iii)

ACCA's CASE

16. Ms Zhang was admitted as a full member of ACCA on 11 November 2021, following an application for membership submitted on 4 November 2021.
17. Part of the requirements of becoming an ACCA member, in addition to passing the relevant exams, is the completion of practical experience. ACCA's practical experience requirement ('PER'). PER is a key component of the ACCA qualification.
18. 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. The period of practical experience must be verified by a PES.
19. Those undertaking the PER are known as trainees. The trainee's progress towards the PER is recorded online in their PER Training Record.
 20. In support of her application for membership, Ms Zhang submitted her PER Training Record to ACCA on 4 November 2021. She stated she had worked for Company C from 4 October 2018 to 3 November 2021 in the role of accountant, and therefore had practical experience of over three years.
 21. Ms Zhang's PER Training Record names Ms A as her 'IFAC qualified line manager'. Ms A acted as Ms Zhang's PES and approved her POs and her time experience.
 22. During 2023 it came to the attention of ACCA's Professional Development Team that the PESs registered to 91 ACCA trainees shared three email addresses, despite the names of such supervisors being different. It would not be expected for a supervisor to share an email address with any other supervisor. The email address given for Ms A on Ms Zhang's PER was one of these three addresses.

23. Most of these 91 candidates, including Ms Zhang, were resident in China. Further analysis showed that many of the PO statements submitted by these candidates had been copied from one another.
24. ACCA's case, supported by evidence from Ms Linda Calder, 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. All PO statements would be expected to be unique, as they are drawn from the trainee's own experiences.
25. A review carried out by ACCA's Professional Development Team showed that a number of POs submitted by the trainees Ms A had allegedly supervised were the same. In relation to Ms Zhang, the review showed that her POs 1, 2, 3, 4, 5, 6, 7, 9 and 13 were identical or strikingly similar to those submitted by a number of other of the 91 trainees. For example, Ms Zhang's PO4 read as follows:

[Private]
26. The PO4 for trainee NC17 read:

[Private]
27. None of Ms Zhang's POs were first in time, meaning that the date on which they were submitted was after the date on which one or more of the similar POs was submitted by another of the trainees. ACCA's case, therefore, was that this was evidence that Ms Zhang's POs were copied and did not actually reflect her own practical experience.
28. The matter was referred to ACCA's Investigations Team. A member of that team sent an encrypted email to Ms Zhang's registered email address on 15 March 2024. Attached to the email was a letter which set out the complaint and requested that Ms Zhang respond to a number of questions by 29 March 2024. 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 Ms Zhang that the encrypted email had been sent.

Further, three days later on 18 March 2024, ACCA's China office sent a text message to Ms Zhang's, informing her that the email had been sent.

29. No response was received from Ms Zhang, so chaser emails were sent on 2 and 17 April 2024. These emails stated that, should she fail to reply, an allegation of failing to co-operate in breach of CDR 3(1) may be brought against him. There has been no response from Ms Zhang to any of this correspondence.
30. ACCA's Case Management system shows that the first two of these emails sent to Ms Zhang had been opened on the same day that they had been sent.
31. ACCA's Investigations Officer attempted to telephone Ms Zhang on 19 April 2024. The call was not answered. A further call was made on 5 September 2024, which was answered. Ms Zhang said she had not checked her emails, so they were re-sent to her. Ms Zhang replied on 17 September 2024 saying:
*'It's not that I didn't cooperate with ACCA, I didn't know I was under investigation until I received a call last week. This matter is too sudden for me, please give me some more time.
I have a lot of emails in my mailbox, but I can only open the one from September 5th. I can't open anything else, and when I open it, it shows Access Not Allowed. Please help me open the other emails.'*
32. Notwithstanding, ACCA submitted that it was more likely than not that the above emails came to Ms Zhang's attention and, in not responding to any of these emails, she has made a conscious decision not to cooperate with ACCA's investigation.

MEMBER'S CASE

33. Ms Zhang completed and returned her Case Management Form on 19 September 2024.
34. Ms Zhang admitted Allegation 1 and stated:

'These POs were not written by me, and I will provide a detailed answer to this question in the following questions'.

35. Ms Zhang denied the remaining allegations. In relation to Allegation 2 she stated:

'Before answering the question, please allow me to clarify a fact: I have 36 months of work experience and am engaged in accounting work. I was indeed deceived in this incident.

I am usually busy with work because the company does not require ACCA qualifications, and I am also introverted with a small network of contacts. I have never used ACCA in my daily life or work, nor have I told anyone around me. I found a forum online where a teacher (I don't know his name, so I'll call him teacher) shared a lot of ACCA content, including membership applications. Many people consulted him on the forum, and he also helped many other members. It is also related to my personal negligence. I am not familiar with the process of applying for membership. I thought that after the exam, applying for membership was just a simple step. All you needed to do was fill in your work unit and personal information, click apply, and you can obtain your identity. Therefore, with the sharing of other students, I also contacted the teacher, who asked about my work situation and promised to help me apply. He asked me to post a post on the forum to prove this after my application was successful, and I agreed. I gave him my account and job information, and he helped me apply for membership. Afterwards, I became a member and I didn't know there were any issues with applying for membership until I received a call a few days ago. I checked the forum at that time and found that it had been closed, so I couldn't contact him anymore

This is my first communication with ACCA, and I have not concealed any issues (otherwise, I would not have admitted that someone else helped me apply for membership). I am willing to actively cooperate with ACCA's investigation. I admit that I made a mistake, which was due to my lack of understanding of the membership application process. At that time, many students received help from this teacher, which also affected my judgment.

I am not dishonest, I did not intentionally participate in this matter subjectively. I really did not know the steps to apply for membership at that time. This accusation is too serious for me. Perhaps accusing me of negligence is more appropriate'.

36. Ms Zhang further stated, in relation to Allegation 3:

'As I mentioned earlier, none of these POs were written by me, and I admit this mistake. But I have worked in the accounting position for 3 years, and I am qualified to apply for membership and meet the conditions for applying for membership. If ACCA can give me another chance, I am willing to reapply for membership.'

37. In relation to the allegation that she failed to co-operate with ACCA, Ms Zhang stated:

'I did not refuse to cooperate with ACCA's investigation. In fact, I did not pay attention to this incident until I received a call from ACCA a few days ago, when I learned about it. After receiving the call, I checked my email, but the attachment had expired. I contacted ACCA again to request the attachment. If I had known about this beforehand, I wouldn't have needed to request the attachment.'

DECISIONS ON ALLEGATIONS AND REASONS

38. The Committee considered the documents before it, the submissions of Mr Kerruish-Jones on behalf of ACCA and the advice of the Legal Adviser. It took into account the explanations given by Ms Zhang on her CMF. 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

39. The issue for the Committee to determine in respect of this allegation was whether Ms Zhang, or someone on her behalf, had submitted the PER, and whether she thereby purported to confirm she had achieved POs 1 to 7, 9 and 13.
40. The Committee took into account Ms Zhang's admission to this allegation in the CMF, but nonetheless considered whether ACCA had proved this on the evidence.

41. It was unnecessary for the Committee to determine whether Ms Zhang submitted the application herself or whether it was done on her behalf by a third party. The Committee was satisfied that the membership application was submitted with her authority. The Committee therefore found Allegation 1 proved.

Allegation 2(a)

42. Ms Zhang disputed this allegation in her CMF.

43. The Committee was satisfied that Ms Zhang must have known that her POs should reflect her own personal experience. It was quite clear that Ms Zhang had simply used a template, which explains why her POs were the same as a number of others submitted by the cohort of 91 trainees. Indeed, she stated in her CMF:

'... none of these POs were written by me, and I admit this mistake.'

44. The Committee was therefore satisfied, as alleged in Allegation 2(a), that Ms Zhang knew she had not achieved the POs that she submitted in support of her application for membership.

45. The Committee considered the test for dishonesty, as set out in the case of *Ivey v Genting Casinos*.

46. The Committee noted that Ms Zhang said in her CMF:

'I am not dishonest, I did not intentionally participate in this matter subjectively.'

47. The Committee did not accept that contention. It was satisfied that she was aware that her POs should reflect her own experience. It did not accept that her actions were borne out of recklessness or misunderstanding, as she appeared to be alleging.

48. Having found Ms Zhang submitted her PER Training Record knowing that she had not achieved the POs in question as stated, the Committee was satisfied

that this conduct would be regarded as dishonest by the standards of ordinary and honest people.

49. The Committee therefore found Allegation 2(a) proved.

Allegation 2(b)

50. As Allegation 2(b) was put in the alternative to Allegation 2(a), there was no need for the Committee to consider it.

Allegation 3

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

Allegation 4

52. Ms Zhang disputed this allegation in the CMF.

53. CDR 3(1) imposes a requirement on an ACCA member to co-operate with any investigation into their conduct. It 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.

54. The emails in question were sent to the email address used by Ms Zhang. The 'clasped hands' symbol shows that the emails were opened. The Committee did not accept her explanation that she did not pay attention to this correspondence. It was highly unlikely, in the Committee's view, that having

received a number of emails from her professional body, Ms Zhang would simply have ignored them.

55. The Committee therefore found that ACCA had sent Ms Zhang requests for information by email on the dates set out in this allegation; that those emails had been received by her; and that she had not responded to any of them. The Committee was satisfied that she was under a duty to do so and, by failing to do so, was in breach of CDR 3(1).
56. Accordingly, it found Allegation 4 proved in its entirety.

Allegation 5(a)

57. Having found charges 1, 2(a) and 4 proved, the Committee considered whether this conduct amounted to misconduct. The Committee reminded itself that it had, in charge 2(a), found Ms Zhang had been dishonest in her application for membership of ACCA. In respect of Allegation 4, Ms Zhang had failed to co-operate with her regulator.
58. Such conduct clearly brings discredit to Ms Zhang, the Association and the profession of accountancy. It therefore amounted to misconduct, rendering her liable to disciplinary action under Bye-law 8(a)(i).
59. The Committee therefore found Allegation 5(a) proved.

Allegation 5(b)

60. As Allegation 5(b) was in the alternative, it was not necessary for the Committee to consider it.

SANCTION AND REASONS

61. 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.

62. In mitigation, the Committee took into account that Ms Zhang had no previous disciplinary record.
63. Having found that Ms Zhang had dishonestly obtained her ACCA qualification, the Committee considered that no sanction less than exclusion could be justified. The Committee considered that any order which allowed Ms Zhang to retain her membership of ACCA would not provide the appropriate degree of protection for the public.
64. Therefore, the Committee made an order under CDR 13(1)(c) of the Disciplinary Regulations excluding Ms Zhang from membership of ACCA.
65. 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 Ms Zhang's ability to apply for readmission beyond the normal minimum period of 12 months.

COSTS AND REASONS

66. ACCA applied for costs against Ms Zhang in the sum of £6,350. The application was supported by a Schedule providing a breakdown of the costs incurred by ACCA in connection with the investigation and hearing.
67. The Committee found that there was no reason in principle not to make an order for costs in ACCA's favour. It accepted that there should be some reduction, based on the actual rather than the estimated length of the hearing. Otherwise, it did not consider the sums claimed were unreasonable, taking into account the costs that it would expect to be incurred in a case of this nature.
68. The Committee had regard to the information provided by Ms Zhang about her financial circumstances, which was supported by a certificate from her employer. In light of that, and her limited means, the Committee considered it was disproportionate to make an award in the full amount sought.
69. The Committee considered that, in view of Ms Zhang's financial circumstances, it was appropriate to order her to pay costs to ACCA in the sum of £1,000.

EFFECTIVE DATE OF ORDER

70. The Committee was satisfied that there was a public interest in making the order of exclusion immediate, given that Ms Zhang had obtained her membership by dishonest means. any particular risk to the public, if the order were not made immediate.
71. Therefore, pursuant to CDR 20, the sanction of exclusion takes effect immediately.

HH Suzan Matthews KC
Chair
17 January 2025