

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Paul William McKendry
Heard on:	Wednesday, 07 May 2025
Location	Remotely via Microsoft Teams
Committee:	Ms Kathryn Douglas (Chair) Ms Fiona MacNamara (Accountant) Mr Damian Kearney (Lay)
Legal Adviser:	Miss Judith Chrystie
Persons present and capacity:	Mr Paul William McKendry (ACCA Fellow) Dr Lucie Danti (ACCA Case Presenter) Miss Sofia Tumburi (Hearings Officer)
Summary	Exclude from membership with immediate effect. Costs awarded to ACCA in the sum of £9432.50.

ALLEGATIONS

1. The Committee identified that there were a number of typographical errors in paragraph 1.3 of the allegations – in particular the word, ‘virtual’ rather than ‘virtue’ and ‘public practise’ rather than ‘public practice’. It considered that these were plainly typographical errors that had no bearing on the presentation of the case and could be corrected without causing prejudice to Mr McKendry in the conduct of his defence.

2. The Committee considered the following allegations:

1. Between 07 October 2011 and 20 September 2021 Mr Paul William McKendry ACCA breached the Global Practising Regulations (as applicable 2011-2021) in that:

1.1 He was a director of Firm A where public practice was carried on in the name of the firm contrary to paragraph 3(2)(a) of the Global Practising Regulations (as applicable in 2011-2021) without holding a valid practising certificate.

1.2 He held rights in Firm A (namely he owned 50% of the shares of that Firm) which therefore in effect put him in the position of a principal of the firm contrary to paragraph 3(2)(b) of the Global Practising Regulations (as applicable in 2011-2021), without holding a valid practising certificate.

1.3 By virtue of the matters referred to in paragraph 1.1 and 1.2, he was also engaging in public practice without holding a valid practising certificate in breach of paragraph 3(1)(a) of the Global Practising Regulations (as applicable in 2011 2021) without holding a valid practising certificate.

2. Mr McKendry completed and submitted his annual CPD (continuous professional development) returns in respect of the following periods:

CPD year	Date CPD declaration submitted
2014	10/11/14
2015	01/12/15
2016	29/11/16
2017	01/12/17
2018	10/06/19
2019	30/04/20
2020	25/01/21

where he declared that he had not engaged in public practice without holding an ACCA practising certificate.

2.1 As regards the matters referred to in paragraph 2 above Mr McKendry's conduct was dishonest in that in respect of any or all of the above referred to annual CPD returns the declarations were not as he knew true, or in the alternative his conduct was contrary to the Fundamental Principle of Integrity in that this conduct demonstrates a failure to be straightforward and honest.

2.2 In the further alternative as regards the matters referred to in paragraph 2 above Mr McKendry conduct was reckless in that he failed to have any or sufficient regard as to whether any or all of the above referred to annual CPD returns declarations were true.

3. Mr McKendry between 26 June 2017 to August 2020 provided accountancy services through Firm A without arranging for that firm to be supervised for anti-money laundering monitoring to enable ACCA to meet its obligations under Regulation 46 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

4. By reason of his conduct referred to in allegations 1, 2 and 3 above, Mr Paul William McKendry is:

- i) Guilty of misconduct pursuant to bye-law 8(a)(i); or
- ii) Liable to disciplinary action in respect of allegation 1 above, pursuant to byelaw 8(a)(iii).

PAPERS

5. The Committee considered the following papers:
- a. Disciplinary Committee report and bundle with page numbers 1-179.
 - b. Tabled Additional bundle with page numbers 1-6.
 - c. Tabled Additional (2) bundle with page numbers 1-3.
 - d. Service Bundle with page numbers 1-19.

BACKGROUND

General Background

6. Mr McKendry attended the hearing. He was not represented.
7. Mr McKendry was admitted as a member on 31 December 1992 and became a fellow on 13 December 2002.
8. In short, the Global Practising Regulations ('GPRs') (as applicable) prohibited members without a practising certificate from:
 - a. Carrying on public practice;
 - b. Being a director of a firm where public practice was carried out;
 - c. Holding rights in a firm where public practice was carried out as this put the member in the position of a principal of the firm.
9. The GPRs defined public practice as including an individual or firm carrying out any of the activities set out below:
 - a. Accepting an appointment as an auditor;
 - b. Signing or producing any accounts or report or certificate or tax return where reliance is likely to be placed on the document by a third party;
 - c. Holding oneself or itself out as being available to undertake the activities referred to in (a) and (b) above (and using descriptors such as "Chartered Certified Accountant(s)", "Certified Accountant(s)", "Chartered Accountant(s)", "Accountant(s)", or "Auditor(s)" or similar description is regarded as an example of such a holding out);
 - d. Holding oneself out as a director of a firm where public practice is carried on.

10. Annex 1 of the GPRs requires that members who provide accountancy services, including book-keeping, are subject to supervision – either by ACCA through a practising certificate or by registering with HMRC. This is to comply with the provisions of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

KEY CORRESPONDENCE BETWEEN ACCA AND MR MCKENDRY

11. On 30 April 2020, ACCA wrote to Mr McKendry raising concerns that he was undertaking public practice without a valid practising certificate given that he was listed as both a director and shareholder of Firm A ('the Firm').
12. The letter identified that Mr McKendry could regularise his position through four options and provided details for each one. The options were as follows:
 - a. Applying for an ACCA practising certificate, if he was eligible;
 - b. Stepping down as director and divesting himself of voting shares in the Firm to a maximum of 4.99 per cent in order not to be considered a principal and informing clients of these steps;
 - c. Restricting the Firm's services to basic book-keeping and services that did not fall within the definition of public practice - including removing 'Accounting' from the name of the Firm and providing an undertaking to this effect;
 - d. Requesting resignation from ACCA.
13. The letter also noted that if Mr McKendry was not currently subject to anti-money laundering supervision and provided accountancy services, he must take immediate steps to register with HMRC for supervision.
14. Following chasing communications to him on 11 June 2020 and 01 July 2020 (which also reminded him of his duty to cooperate with ACCA's investigation), on 01 July 2020, Mr McKendry sought an extension to the deadline for him to respond. On 07 July 2020, ACCA extended the deadline to 30 July 2020. On

30 July 2020, (re-sent on 04 August 2020) Mr McKendry responded stating, in summary, as below.

- a. The Firm was formed on the date listed at Companies House.
- b. The previous company was Firm B, although this later changed name and activity as the company owned investment properties and he wanted the trade activity to be separate.
- c. He had worked in his current capacity well before 2011.
- d. He was not aware he was in breach of the GPRs. He had been an accountant since 1988, had worked in public practice, then in industry and then providing services for small business and personal clients.
- e. He had been a member of ACCA for many years and always paid subscriptions and ensured professional development was done as requested.
- f. The Firm provided the following services:

“Bookkeeping services and advice regard financial systems and effective processing of the books and records; Installation and design of financial systems to meet the business needs; Payroll services and associated tasks; Financial advice on all aspects of finance developing strong client relationships both business and personal; Preparation of accounts for sole traders / partnerships and small companies; Taxation advice and filing of tax returns for clients; All other financial service advice that clients may need or wish me to perform”.

- g. The Firm did not offer any audit services of any kind.
- h. He was the person responsible for preparing all the accounts, which clients reviewed and signed off as appropriate.
- i. He was the only accountant working in the Firm - although he had book-keeping and payroll support services.

- j. He did not hold a practising certificate from any other accountancy regulator.
 - k. He was up to date with his CPD.
 - l. The Firm had always held professional indemnity insurance ('PII') throughout his involvement with it.
 - m. The Firm was supervised for anti-money laundering (AML) by HMRC.
15. On 28 August 2020, Mr McKendry provided:
- a. PII supporting documents.
 - b. A copy of confirmation from HMRC that he was registered for AML supervision until 31 August 2021.
16. On 07 August 2020 and 04 September 2020 ACCA emailed Mr McKendry to ask again how he intended to regularise his position. On 13 October 2020 Mr McKendry responded that he intended to apply for a practising certificate. ACCA provided him with a deadline of 27 October 2020 to do so. Mr McKendry did not submit his practising certificate application.
17. On 13 November 2020, ACCA informed Mr McKendry that a report of disciplinary allegations would be drafted. On 14 November 2020, Mr McKendry advised ACCA that he had collated all the information for the application for a practising certificate and it would be submitted by 16 November 2020. Mr McKendry did not submit a practising certificate application.
18. In January 2021, ACCA emailed Mr McKendry regarding the outstanding practising certificate application and providing a deadline of 31 January 2021 by which Mr McKendry needed to regularise his position. Mr McKendry responded:

I will be perfectly honest with you and say this has been nowhere near my priority over the xmas break and into January 2021. These are very difficult times and further to the period [PRIVATE].

Now at present we are under severe restrictions and cannot leave the house. This situation will not in anyway change before the date you request 29/01/21, and for that reason the last part of the information the application needs will not be complete by then. I have already sent the PC application, as you are aware, although I am equally aware that a further form needs submitting for experience. This should not pose major problems in terms of a principal, but also not straightforward either as everyone is in the same position as me, in that they are working under restrictions, and I cannot get required feedback. Also at my age some of my previous managers are no longer with us and not an option to approve any notes on experience.

19. There was no further correspondence or evidence that Mr McKendry had taken any steps to regularise his position.

ACCA'S SUBMISSIONS

Allegation 1 - Public Practice

20. ACCA submitted that Mr McKendry was in breach of the GPRs as alleged because:
 - a. The Firm was conducting public practice as the services it offered fell within the definition of public practice,
 - b. Mr McKendry was a director and the principal of the Firm,
 - c. Mr McKendry was engaged in public practice through the Firm by preparing accounts, offering tax advice, filing tax returns and all other forms of financial advice and by 'holding oneself out' contrary to GPRs;
 - d. Mr McKendry did not hold a practising certificate.
21. In seeking to prove its case, ACCA relied on:
 - a. The records held at Companies House, which showed that the Firm was incorporated on 07 October 2011,

- b. The Firm's LinkedIn profile, which recorded the Firm's business as, 'Accounting, and auditing services',
 - c. FAME (an online subscription database focusing on UK and Irish companies, offering company data, detailed financial reports, global ownership structures, risk insights and relevant news) report, which showed that Mr McKendry was a director and held 50% of the shares of the Firm and described the Firm's business as, 'accounting and auditing'.
- 22. ACCA also noted that in his correspondence with ACCA Mr McKendry had confirmed that the services provided by the Firm included activities that amounted to public practice. The Case Presenter identified that Mr McKendry had been given time to regularise his position but there was no indication that he had done so.

Allegation 2 – annual continuous professional development ('CPD') return

- 23. ACCA submitted that Mr McKendry had made a false and dishonest declaration when he completed his annual CPD return between 2014-2017 on paper and 2018-2020 online, as in the form he declared that he had not engaged in public practice without holding an ACCA practising certificate. ACCA argued that by submitting any or all of the declarations, Mr McKendry was dishonest – or lacked integrity or was reckless.
- 24. ACCA relied on a witness statement from Linda Calder, a Professional Development Manager at ACCA, dated 20 July 2021, which outlined the CPD declaration process. This explained:
 - a. All members are required to submit an annual signed declaration to ACCA on 01 January each year,
 - b. Since 2005, declarations could be submitted online via 'MyACCA' portal,
 - c. Instructions and guidance notes on how to complete the declaration were:
 - i. Until 2016, sent to members with paper copies of the return,

- ii. Between approximately 2015 and 2018, could be viewed by clicking the tab 'Instructions and guidance' in each member's 'MyACCA' portal,
 - iii. From 20 November 2019, accessible by clicking on hyperlinked text for 'Instructions and Guidance' contained within the declaration.
25. Ms Calder appended Mr McKendry's declarations from the years 2014 to 2017, which were submitted in paper form. Annexed were samples of the online declaration and Ms Calder stated that a member could not submit their online declaration until after they had checked the statement of truth box.
26. In her written statement, Ms Calder stated that Mr McKendry signed that he was not in public practice when his declarations were submitted for the years 2014-2020.
27. ACCA argued that there was no ambiguity on the CPD form and that Mr McKendry would have known, as a registered professional and as a matter of common sense, that he was engaged in public practice. ACCA submitted that Mr McKendry must have known he was required to hold a practising certificate yet on multiple occasions, and for many years, he completed the CPD annual return declaring that he was not conducting public practice without a practising certificate. ACCA submitted that ordinary, decent members of the public would consider Mr McKendry's actions as dishonest.
28. In respect of integrity, ACCA argued that the way Mr McKendry completed his CPD forms could not be described as straightforward; his conduct misled ACCA to believing, for a number of years, that he was not conducting public practice when that was not the case.

Allegation 3 – anti-money laundering (AML)

29. ACCA submitted that Mr McKendry provided accountancy services through the Firm without any supervisory arrangements from 26 June 2017 to August 2020.
30. ACCA relied on Government guidance (explaining the requirements for businesses operating in certain sectors, such as accountancy, to register for

money laundering supervision) and ACCA's own guidance (stating that members providing accountancy services were subject to AML supervision). ACCA argued that it was clear that supervision must either be undertaken by ACCA through the arrangements for practising certificates or through registration with HMRC.

31. ACCA relied on email confirmation from HMRC dated 04 March 2021 which stated that the Firm first sought registration for AML supervision with HMRC in August 2020. ACCA suggested that it was ACCA's correspondence in April 2020 which prompted Mr McKendry to act on the obligation to obtain supervision.

Allegation 4 - misconduct

32. ACCA argued that any or all of the conduct alleged amounted to misconduct.
33. In respect of Allegation 1, ACCA submitted that it was clear that public practice could not be undertaken by a member without a practising certificate. ACCA argued that Mr McKendry was guilty of misconduct because:
 - a. He was a director and shareholder of the Firm throughout the whole time without holding a practising certificate contrary to the GPRs,
 - b. He was a regulated professional who was more than capable of reading, familiarising himself with and complying with the GPRs,
 - c. The GPRs were there for a reason,
 - d. He had taken no steps to regularise his position despite being given numerous opportunities by ACCA to do so,
 - e. He continued to be knowingly in breach of the GPRs,
 - f. He continued to engage in public practice without holding a valid ACCA practising certificate and had done over a number of years.

34. ACCA further submitted that Mr McKendry's failure to comply with the GPRs was deliberate and wilful and amounted to deplorable conduct, which undermined the overarching public interest in that it hindered ACCA's ability to regulate. The Case Presenter argued that the public and other members of the profession would be shocked by Mr McKendry's conduct.
35. In respect of Allegation 2, ACCA submitted that Mr McKendry's conduct involved dishonesty.
36. In respect of Allegation 3, ACCA argued that it was clear that Mr McKendry had no AML supervision for 3 years despite AML being fundamental to the accountancy profession. The Case Presenter submitted that the public and the profession would be shocked by Mr McKendry's failure to have supervision in place and that he allowed this to continue for three years before remedying the situation. ACCA suggested that it appeared that Mr McKendry's application to HMRC for supervision might have been prompted by ACCA raising concerns and implied that this was the only reason he took action.
37. ACCA submitted that all of Mr McKendry's conduct amounted to a serious breach of regulations, risked the public losing trust and confidence, and brought Mr McKendry, the Firm, and ACCA into disrepute.

MR MCKENDRY'S POSITION AT THE HEARING

38. Mr McKendry confirmed the following:
 - a. He did not consider that any part of the hearing needed to be in private and was not formally making any application to do so.
 - b. He felt that the delay in ACCA progressing the hearing had confused matters as things were not now so fresh in his mind but he did not wish to make an application to argue that the delay had caused unfairness.

Allegation 1 - Public Practice

39. Mr McKendry admitted that allegations 1.1, 1.2 and 1.3 were factually correct.

40. Mr McKendry told the Committee that he had been a director before 2011 and was still a director of the Firm. He said that he felt that resigning as a director would have been more dishonest. He admitted that he was a principal, did not have a practising certificate and that the Firm carried out public practice but said that at the time he did not see this as a breach of the GPRs and did not consider his clients would have any expectations about his position.
41. Mr McKendry offered evidence about his career and why the Firm had been set up. He said as follows.
- a. He had started as an accountant doing public practice,[PRIVATE].
 - b. He set up the Firm in 2007, not 2011, to start to work as a consultant for a couple of larger firms but being paid through the Firm.
 - c. There was no intention to set up in public practice and he did not do audit work but in hindsight it was obvious that he should have applied for a practising certificate.
 - d. The Firm started to grow, “*arms and legs*” over the years.
 - e. He had 100s of clients.
 - f. He had no PAYE employees but outsources book-keeping services.
 - g. He works [PRIVATE].
42. Mr McKendry answered questions from the Committee about why he had not applied for a practising certificate having advised ACCA that this was how he would regularise his position. He said that, with the benefit of hindsight, it was obvious that he should have applied for the practising certificate and that he could, “*not answer properly why he had not done anything about it*” but he noted that he needed references from previous bosses who would not be working and were probably not now alive.

Allegation 2 - CPD

43. Mr McKendry denied Allegation 2.1. He said that he, “*did not take very well*” and “*took some offence*” to being accused of dishonesty and lacking integrity. Mr McKendry initially denied allegation 2.2 but during the course of the hearing he accepted that he was reckless.
44. In giving evidence and answering questions, Mr McKendry said that:
- a. He didn’t think the CPD annual return was a form that he spent much time on - it was a form to tick some boxes and pay some money,
 - b. He ticked the right boxes on the form and sent the CPD material,
 - c. He only worked part-time so he ticked the box for part-time,
 - d. His CPD was found to be perfectly acceptable,
 - e. He accepted he submitted the declaration but did not remember reference to public practice being part of the process so he never thought about it,
 - f. He just filled in the forms and didn’t read the declaration properly,
 - g. Looking back at the declaration it was clear,
 - h. Had he read the declaration properly, the answer would be ‘no’,
 - i. It was silly for him to have signed the declaration but he filled them in the best that he could,
 - j. He thought he must have completed the forms quite quickly,
 - k. He had not gone into the link with the instructions about how to complete the return,
 - l. He knew what holding a practising certificate entailed,

- m. He was capable of checking what was required of him but did not accept that for each of the years that he submitted the CPD forms, he knew that he was filling out the form incorrectly knowing that the declaration was untrue,
- n. He had not been misleading as that implied intent and the forms were not completed that way,
- o. He did not propose to do any CPD in the future as [PRIVATE].

Allegation 3 – anti-money laundering (AML)

- 45. Mr McKendry denied Allegation 3. He said that he thought that supervision by HMRC was, “*perfectly fine*”.
- 46. Mr McKendry said that he was not personally aware of the AML regulations or when they took effect and that he was not an AML expert. He felt that there was probably general ignorance among the profession about the requirement to have AML supervision. Mr McKendry told the Committee that gaining AML supervision was not top of his priority list and that he had not undertaken any CPD on the AML requirements.
- 47. When asked about what prompted him to gain supervision from HMRC, Mr McKendry responded that, with the delay in dealing with the case by ACCA, he did not remember.

DECISION ON FACTS AND REASONS

- 48. Mr McKendry admitted Allegation 1 in its entirety. In accordance with the provisions under regulation 12(3)(c) of the Complaints and Disciplinary Regulations 2014 (as amended), the Chair announced that the facts set out in allegations 1.1, 1.2, and 1.3 were found proved.
- 49. Through both his correspondence with ACCA and at the hearing, Mr McKendry had told the Committee about some of the services that he offered, which he undertook through the Firm. These included activities set out in the GPRs as amounting to private practice - such as compilation of accounts and tax returns.

Mr McKendry had not ever disputed that he was both a director and a shareholder of the Firm – and that he continued to be so even though he did not hold - and had not completed his application for - a practising certificate. In any event, notwithstanding the admissions by Mr McKendry, the Committee was satisfied that the written material relied on by ACCA evidenced Mr McKendry's position within the Firm as a director and principal as well as demonstrating that the Firm's services included those amounting to public practice. The Committee found Allegation 1 proved as admitted.

50. The Committee found Allegation 2.1 proved. Mr McKendry did not dispute that he had signed a declaration on the annual CPD return each year in the period 2014-2020. He thus declared that he had not engaged in public practice without holding an ACCA practising certificate. The Committee was able to review copies of the paper version of the CPD form submitted by Mr McKendry from 2014-2017. It was clear that he had signed a declaration that confirmed he had:

... not engaged in public practice activities (as defined by The Chartered Certified Accountants' Global Practising Regulations 3 and 4), without holding an ACCA practising certificate.

51. Further, the Committee accepted the evidence set out in the witness statement from Linda Calder that a member could not submit the CPD annual return online without checking the same declaration and that Mr McKendry had submitted his forms online from 2018-2020. The Committee was satisfied that Mr McKendry had declared he had not engaged in public practice without holding an ACCA practising certificate when his CPD declarations were submitted for the years 2014-2020.
52. Given the admissions and findings in respect of Allegation 1, it was evident that these declarations were not true and were incorrect. The Committee considered whether ACCA had proved Mr McKendry was dishonest in making the inaccurate declarations. The Committee applied the two-stage test set out in *Ivey v Genting Casinos (UK) Ltd t/a Crockfords* [2017] UKSC 67.
53. The Committee first sought to ascertain the actual state of Mr McKendry's knowledge or belief as to the facts. In this regard, the Committee was conscious of the delay in ACCA progressing the investigation and the impact that this

might have on the fullness of Mr McKendry's recollection of the specific way in which he had completed each form. The Committee was satisfied that, although the declaration was clear and Mr McKendry had signed it on seven separate occasions, Mr McKendry was genuinely ignorant of what he had signed and declared. It accepted Mr McKendry's evidence that he had not read the declaration on any of the occasions he completed the forms. It considered Mr McKendry's evidence – which included describing the annual returns as a form, *"to tick some boxes and to pay some money"* - showed a dismissive attitude towards the importance of the forms and a cavalier disregard for regulation. On this basis it was satisfied that Mr McKendry's dismissive view towards the annual return was such that he would have completed the declaration without reading its contents and that, as a consequence, he was unaware what he was signing.

54. Whilst the Committee was highly critical of Mr McKendry's approach and considered it shows a lack of proper concern as a professional, it accepted his evidence that he did not review the form and was not aware of the content of the declaration before he signed and submitted it. The Committee considered that the ordinary, decent person would not condone, or have confidence in, a professional completing an annual return to his regulator without reading it and therefore being unaware of the content of a declaration - but they would not describe such conduct as being dishonest.
55. Whilst the Committee considered that ACCA had not proven Mr McKendry acted dishonestly, it was satisfied that Mr McKendry had acted contrary to the Fundamental Principle of Integrity. The Committee therefore found allegation 2.1 proved in the alternative. The Committee considered Mr McKendry had failed to be straightforward and honest. It regarded the completion of the annual return without any regard to the truth or accuracy of the declaration as demonstrating an absence of any professional or proper concern as to whether what was being signed was accurate and what the regulator was being told could be trusted and relied upon as true. The Committee recognised that the Courts had described integrity as a broader concept than honesty, as something that implied commitment to the ethical standards to the profession and, as a concept that recognised the higher standards which society expects from professional persons and which the professions expect from their own members.

56. The Committee considered that Mr McKendry had not met these standards or behaved in a straightforward, ethical way. He had not conducted himself as expected of the accountancy profession – he had repeatedly signed a declaration which was untrue without regard to whether he was being honest and straightforward with ACCA as his regulator. The Committee considered that such conduct lacked professional integrity.
57. Having found Allegation 2.1 proved in the alternative, the Committee did not go on to consider Allegation 2.2, which was alleged as a further alternative.
58. The Committee found Allegation 3 proved. HMRC had confirmed that Mr McKendry first obtained AML supervision for the Firm from HMRC in August 2020; the Firm was therefore not supervised for AML as required under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 from 26 June 2017 to August 2020, as alleged.
59. The Committee found Allegation 4 proved; Mr McKendry was guilty of misconduct. The Committee regarded the conduct set out in Allegations 1-3 as serious failings - both individually and collectively. It considered that Mr McKendry's acts and omissions fell far below the standards expected of a professional accountant. For many years Mr McKendry had engaged in public practice without a practising certificate - thereby avoiding the additional fees, regulatory scrutiny and quality assurance that is attached to those carrying on public practice. Mr McKendry repeatedly completed an annual returning without bothering to read it and, in doing so, demonstrated a disregard for providing ACCA, as his regulator, with current, accurate and truthful information and failed to demonstrate integrity. For a prolonged period, Mr McKendry failed to obtain AML supervision – a fundamental professional duty under important regulations.
60. The Committee regarded Mr McKendry's actions and omissions as being discreditable in nature. The Committee was satisfied that Mr McKendry's conduct would be held in low esteem by the public – and would lead them to question the extent to which they could trust and have confidence in Mr McKendry as an accountant. Mr McKendry conducted himself in a way that was unbecoming of a professional, lacked integrity, and disregarded professional

requirements and expectations. The Committee considered that he had acted in a way that brought him, his Firm, the accountancy profession, and ACCA into disrepute.

SANCTION AND REASONS

61. The Committee had regard to the Guidance for Disciplinary Sanctions ('the Guidance').
62. The Committee regarded the misconduct as very serious – it involved actions and omissions that resulted in Mr McKendry acting without integrity and contrary to two separate sets of regulations and legislative requirements.
63. The Committee considered the mitigation and aggravated features in the case.
64. Mr McKendry had been an accountant for over 30 years and had no previous disciplinary findings. In mitigation it also recognised that Mr McKendry had engaged with ACCA's investigative process and today's hearing.
65. However, although Mr McKendry had made some admissions, the Committee considered that he had demonstrated extremely limited understanding of the misconduct and had no active insight. Mr McKendry had not developed any appreciation of the seriousness, and the implications, of his wrongdoing. During the investigation and hearing he appeared unperturbed by, and largely unapologetic for, the fact he had breached – and continued to be in breach of – the GPRs and dismissed the fundamental importance of gaining proper AML protections and supervision. The Committee recognised that the concerns about his practice were first raised during the pandemic and accepted that this was an exceptional time. The Committee did not criticise the initially slow response by Mr McKendry during this period. However, partly due to inaction by ACCA, over five years had passed since ACCA had identified Mr McKendry was acting contrary to the GPRs; Mr McKendry had taken no remedial action and had failed to rectify and regularise his position despite the prolonged period of time, ACCA's suggested remedies, and extensive opportunities for him to do so. The Committee was puzzled by Mr McKendry's approach: he had knowingly remained in breach of the GPR and appeared to have made an active decision to ignore a number of potential options to resolve the situation. Mr McKendry's lack of action had led him to the disciplinary hearing; this may have been

avoidable had Mr McKendry taken steps to comply with the GPRs. Mr McKendry did not convince the Committee that had learned from his wrongdoing and this meant the Committee could not be reassured that there would not be a repetition of the misconduct.

66. Given these circumstances and the very serious nature of the misconduct, the Committee determined a sanction was required. Further, given the long period over which the various elements of Mr McKendry's misconduct continued and the overall significance of the issues, the Committee concluded that it would be wholly inappropriate and insufficient to conclude this matter with an admonishment or a reprimand. It considered that none of these orders would reflect the gravity of the misconduct. They would be inadequate in declaring appropriate standards of behaviour to the accountancy profession and could have a detrimental impact on the public's confidence in accountancy and the regulation of the profession. Further, it noted that, either none, or most, of the factors set out in the Guidance to suggest that one of these orders was sufficient to conclude the matter, were not present in this case.

67. The Committee considered whether it would be reasonable and proportionate to conclude the matter with a severe reprimand. It noted that the Guidance identified that a severe reprimand:

.... 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

68. The Committee considered that Mr McKendry had not demonstrated any genuine insight or remorse. Further the Committee identified that Mr McKendry had not taken steps, offered evidence or made submissions, which would reassure it that he recognised the potential for harm to the public and the reputational consequences for the profession and ACCA from his misconduct. Mr McKendry engaged in public practice without a practising certificate for a prolonged period of time, he operated without AML supervision for three years, and he adopted an approach towards the completion of ACCA's annual return that lacked integrity. Individually and collectively, these were very significant professional matters and yet Mr McKendry appeared to lack any understanding

and appreciation of the seriousness of his actions and omissions and that remedial action was necessary. In particular, Mr McKendry had not demonstrated any intention to regularise undertaking public practice work without a practising certificate. He offered no comment on the Committee's findings of fact and on misconduct other than to advise that his answers were honestly given and he found the Committee's findings offensive and a slight on his character.

69. The Committee was satisfied that there was an ongoing risk to the public in allowing Mr McKendry to retain his membership in light of the misconduct and his continued breaches of GPR. Mr McKendry's conduct - both past and ongoing - was fundamentally incompatible with his name remaining on the register. The Committee therefore concluded that the only appropriate and proportionate sanction in the particular circumstances of this case was exclusion from membership; such an order was necessary in the public interest.

EFFECTIVE DATE OF ORDER

70. The Committee determined that it was in the interest of the public for Mr McKendry to be removed from the register with immediate effect.
71. The Committee had found he had acted contrary to regulations and without integrity. Without immediate action, Mr McKendry could continue to hold himself out as an ACCA member and continue to carry out public practice, which would place members of the public and businesses at risk and/or provide false reassurance that he was being monitored by ACCA.

COSTS AND REASONS

72. ACCA claimed costs in the sum of £9432.50. No costs were claimed for the hearing on 07 May 2025 but the cost schedule did include a claim for costs for an adjourned hearing in February 2025. The Committee was satisfied that overall, the costs were reasonable and had been reasonably incurred.
73. The Committee recognised the principle that the majority of those paying ACCA's fees should not be required to subsidise the minority who, through their own misconduct, have found themselves subject to disciplinary proceedings.

Mr McKendry had been found guilty of misconduct which the Committee had described as a significant departure from the standards expected of members of the accountancy profession.

74. Mr McKendry had been offered an opportunity to submit a statement of financial position and to provide evidence setting out his circumstances both prior to and at the hearing. He declined to do so – advising that he was not happy to provide such information. As a consequence, it was Mr McKendry's active choice not to provide the Committee with any evidence regarding his financial circumstance. He also made no submission on ACCA's claim for costs.
75. As a consequence, the Committee was unable to draw any conclusions about Mr McKendry's ability to pay and had no evidence on which it could decide whether any reduction of the claim for costs should be made to reflect his ability, or otherwise, to pay. In the absence of any material about his financial circumstances, the Committee applied ACCA's guidance on costs and inferred that Mr McKendry was able to meet the costs claimed and assessed as reasonable by the Committee.
76. The Committee therefore ordered Mr McKendry to pay ACCA's costs in the sum of £9432.50.

Ms Kathryn Douglas
Chair
12 May 2025