

**INSTITUTE OF CHARTERED ACCOUNTANTS OF NEW ZEALAND  
NOTICE OF DECISION OF THE DISCIPLINARY TRIBUNAL**

**(Member guilty of misconduct in a professional capacity, conduct unbecoming an accountant and Breaching the Institute's Rules and Code of Ethics)**

At a hearing of the Disciplinary Tribunal of the Institute of Chartered Accountants of New Zealand held in public on 1 March 2006, at which the member was in attendance and was represented by counsel, **HOWARD KARL TAYLOR** of Auckland pleaded guilty to the following charges (1), (2) and (4) and admitted the following particulars (a), (b), (c), (d), (e) (f), (i), (j), (k) and (l).

Charges (3), (5) and (6) and particulars (g), (h) and (m) were withdrawn.

**Charges:**

**THAT** in terms of the Institute of Chartered Accountants of New Zealand Act 1996 and the Rules made thereunder, and in particular Rule 21.30 the member is guilty of:

- (1) Misconduct in a professional capacity; and/or
- (2) Conduct unbecoming an accountant; and/or
- (3) (withdrawn)
- (4) Breaching the Rules and/or Code of Ethics of the Institute (specifically Rules 18.2, 19.2, 21.4, PS-2, Code of Ethics' Rules 2, 9, 10, 11 & 14); and/or
- (5) (withdrawn)
- (6) (withdrawn)

**Particulars:**

**IN THAT**

Being a member of the Institute of Chartered Accountants and in relation to two complaints, the member:

- (a) Deposited client monies into a bank account that had not been established as a trust account in accordance with paragraphs 7-13 of Professional Standard No. 2 "Client Monies and Members' Trust Accounts" ("PS-2");
- (b) Deducted fees from clients' funds without written authorisation from the client in breach of paragraph 30 of PS-2;
- (c) Failed to remit interest earned on client monies to clients, in breach of paragraphs 15 & 37 of PS-2;
- (d) Held client monies for a period that was longer than reasonably necessary to allow the purpose for which they were received to be discharged, in breach of paragraph 38 of PS-2;
- (e) Has breached and/or continues to be in breach of Rule 18.2 in that he is offering accounting services to the public without holding a Certificate of Public Practice;
- (f) Has breached and/or continues to be in breach of Rule 19.2(c) in that he is a director and shareholder of H K Taylor & Associates Ltd, which offers accounting services to the public without the consent of Council;
- (g) (withdrawn)
- (h) (withdrawn)
- (i) Provided misleading information to the Professional Conduct Committee;
- (j) Failed to file income tax returns and/or GST returns for his clients within the deadlines set by the Inland Revenue Department;

- (k) Signed and filed nil GST returns with the Inland Revenue Department for company A, when there were income and expense transactions;
- (l) Filed an incorrect income tax return with the Inland Revenue Department for company A, without the knowledge of the client;
- (m) (withdrawn)

### **Reasons**

The member, in pleading guilty to the charges and particulars, accepted that the decision of the Tribunal should be removal from membership with full costs and full publicity.

It was the unanimous decision of the Tribunal that the member be removed from membership of the Institute, that he pay full costs of \$17,920.98 and that the decision of the Tribunal be published in the Chartered Accountants Journal, the New Zealand Gazette and the New Zealand Herald.

### **ORDERS OF THE TRIBUNAL**

- (a) Pursuant to Rule 21.31 (a) of the Rules of the Institute of Chartered Accountants of New Zealand, the Disciplinary Tribunal ordered that the name of **HOWARD KARL TAYLOR** be removed from the Institute's register of members.
- (b) Pursuant to Rule 21.33 of the Rules of the Institute of Chartered Accountants of New Zealand, the Disciplinary Tribunal ordered that **HOWARD KARL TAYLOR** pay to the Institute the sum of \$17,920.98 (inclusive of GST) in respect of the costs and expenses of the hearing before the Disciplinary Tribunal and the investigation by the Professional Conduct Committee.

In accordance with Rule 21.35 of the Rules of the Institute of Chartered Accountants of New Zealand, the Disciplinary Tribunal directed that the decision of the Tribunal be published in the Chartered Accountants Journal, the New Zealand Gazette and the New Zealand Herald with mention of the member's name and locality.

### **RIGHT OF APPEAL**

Pursuant to Rule 21.41 of the Rules of the Institute of Chartered Accountants of New Zealand which were in force at the time of the original notice of complaint, the member may, not later than 14 days after the notification of this Tribunal to the member of the exercise of its powers, appeal in writing to the Appeals Council of the Institute against the decision.

No decision other than the direction as to publicity shall take effect while the member remains entitled to appeal or while any such appeal by the member awaits determination by the Appeals Council.

R J O Hoare  
**Tribunal Chairman**

6 March 2006

**Important Notice** – *New Zealand Institute of Chartered Accountants is the operating name of the Institute of Chartered Accountants of New Zealand.*