

**NOTICE OF DECISION AND ORDER OF THE
PROFESSIONAL CONDUCT COMMITTEE**

At a meeting of the Professional Conduct Committee of the New Zealand Institute of Chartered Accountants (“NZICA”) held in private in Wellington, New Zealand on 21 September 2015, in respect of **Keith Arnold McLeod of Auckland, New Zealand** (“the Member”), the Committee found that the following matter would otherwise warrant being referred to the Disciplinary Tribunal:

Being an Associate Chartered Accountant, he earned fee income from accounting services offered to the public which exceeded the permitted threshold of \$13,000 gross fees which a member may earn in any period of twelve consecutive months without holding a Certificate of Public Practice (“CPP”), in breach of paragraph 2.9 of Appendix V of the Rules.

The Committee was of the view that it was clear from the Member’s evidence that he is offering accounting services to the public well above the allowed income threshold of \$13,000 for non-CPP holders. The Committee noted the Member’s advice that his client base was constituted by friends and acquaintances. The Committee did not consider this mitigated the fact that he is operating outside NZICA’s rules. The Committee was also concerned that it appeared the Member was undertaking significant levels of accounting work without engagement letters or keeping up with suitable Continuing Professional Development requirements.

One of the matters that concerned the Committee was that the Member appeared to have operated outside of the Rules for a long period of time and that his earnings from accounting services was a material way in which the Member supported himself financially, however, as an Associate Chartered Accountant he would never be eligible to gain a CPP or be able to regularise his breach of the Rules without qualifying as a Chartered Accountant.

The Committee considered that the Member’s breach of the Rules was serious and met the threshold to warrant referral to the Disciplinary Tribunal. It was satisfied, however, that the complaint could be adequately dealt with by way of a consent order with terms that the Member receive a severe reprimand and pay costs to NZICA of \$1,800, contingent on the Member giving an undertaking to resign from membership of NZICA and Chartered Accountants Australia and New Zealand forthwith and refrain from using the designation ACA or other terms implying membership. The Committee also considered that it was in the public interest that its decision and the orders made be published in *Acuity* and on the website with mention of the Member’s name and location.

Robert Pascoe FCA
Chairman
Professional Conduct Committee

