

Professional Conduct Committee - 12 April 2021

Adverse finding - Member A

At a meeting of the Professional Conduct Committee (PCC) of Chartered Accountants Australia and New Zealand held in private on 12 April 2021 by videoconference in respect of Member A, the PCC decided that the Disciplinary Tribunal would be likely to find that the Member's conduct did not comply with:

- By-Law 40(2.1)(a);
- By-Law 40(2.1)(e); and
- By-Law 40(2.1)(k).

The PCC considered that this matter is sufficiently serious to warrant referral to the Disciplinary Tribunal.

However, the PCC decided to propose that an agreement be made with the Member which shall be entered on the Member's record, on terms that:

1. the Member receive a reprimand;
2. the Member pay to CA ANZ the sum of \$1,655 by way of contribution towards the costs of investigating and dealing with the matters the subject of the complaint and the Case Conference; and
3. the PCC will publish:
 - a) details of these sanctions on the website of CA ANZ; and
 - b) a notice in the digital and print magazine "Acuity", with a link to the published decision,without disclosing the Member's name or State location.

The PCC considers that it is in the public interest for this sanction to be published, but that there are no special circumstances which warrant disclosing the name of the Member or location of the Member.

Background

The Member was banned by the Australian Securities and Investments Commission (ASIC) from providing financial services for three years.

Reasons

The PCC considered that the Member's ban by ASIC from providing financial services for three years, along with the findings by ASIC which accompanied the ban, amount to an adverse or unfavourable finding, which in the PCC's view amount to a breach of By-Law 40 (2.1)(e). The PCC also considers that ASIC's findings, and the Member's evidence regarding the manner in which she provided financial services, establish that the Member also failed to observe a proper standard of professional care, skill, competence or diligence, which in the PCC's view amount to a breach of By-Law 40(2.1)(a). Finally, the PCC considers that the banning order and the conduct which resulted in it, constitutes conduct which may bring discredit on the Member, CA ANZ or the profession in breach of By-Law 40(2.1)(k). The public nature of the banning order means that discredit has been brought even though no clients left the Member following its publication.

Accordingly, the PCC considers that the Disciplinary Tribunal would be likely to find that the Member is in breach of By-Laws 40(2.1)(a), (e) and (k).

While the PCC took account of the Member's submissions regarding the lack of training provided to her by the licence holder, the PCC noted the Member's comments that she did not regard herself as adequately trained and did not fully understand the process. The PCC also observed the Member's comment that she relied on the audit process to detect any errors or mistakes as opposed to understanding the process and that she failed to seek relevant training or assistance. In the PCC's view, it is incumbent on a professional accountant when taking on a role of this nature to first ensure that the accountant is sufficiently competent to do so.

The PCC also notes that the Member had surrendered her licence before being banned and that the Member did not dispute the ASIC outcome. The PCC has taken this into account but also considered the serious nature of a three year ban in making the decision referred to above.

**Professional Conduct Committee
Chartered Accountants Australia and New Zealand**

12 April 2021