

## HEARING

### DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

**In the matter of:** Miss Qianqian Hu

**Heard on:** Wednesday, 14 August 2024

**Location:** Virtual hearing using Microsoft Teams

**Committee:** HH Suzan Matthews KC (Chair)  
Ms Wanda Rossiter (Accountant)  
Mr Geoff Baines (Lay)

**Legal Adviser:** Mr David Marshall

#### Persons present

**and Capacity:** Mr Alex Mills (Case Presenter on behalf of ACCA)  
Miss Nicole Boateng (Hearings Officer)

**Summary:** Dishonesty and misconduct proved  
Exclusion with immediate effect

**Costs:** £4,850

1. The Committee heard an allegation of misconduct against Miss Hu. Mr Mills appeared for ACCA. Miss Hu was not present and not represented.
2. The Committee had a Main Bundle of papers containing 267 pages, a Separate Bundle of Performance Objectives containing 105 pages, an Additional Bundle containing 10 pages and a Service Bundle containing 20 pages.

### **PROCEEDING IN ABSENCE**

3. The Committee was satisfied that Miss Hu had been served with the documents required by Regulation 10(7) of The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 in accordance with regulation 22. The required documents were contained in the papers before the Committee. There was evidence that they were sent by email on 16 July 2024 to an email address notified by Miss Hu to ACCA as an address for all correspondence. That was 29 days ago.
4. There had been no engagement with Miss Hu throughout the investigation. She had not responded to any emails. Attempts had been made to phone her on a number she had registered with ACCA. The number appeared still to be in use but Miss Hu did not answer. She had not completed a Case Management Form. No application for an adjournment had been received. The Committee concluded that although Miss Hu knew, or had the means of knowing, that these proceedings were taking place she had chosen not to take part. The allegations in this matter were very serious and the Committee considered that the public interest required that a hearing take place without further delay. The Committee considered that nothing would be gained by an adjournment. There was no reason to think that Miss Hu would attend an adjourned hearing.
5. The Committee determined to proceed in Miss Hu's absence.

### **ALLEGATION(S)/BRIEF BACKGROUND**

6. In 2021 Miss Hu was an ACCA Affiliate, that is a student who had passed her ACCA exams. An Affiliate is entitled to work as an accountant to gain practical experience with a view to ultimately gaining full membership of ACCA. Such a person is commonly referred to as an ACCA trainee.
7. On or about 9 March 2021 Miss Hu applied for membership, which was granted on 11 March 2021. Regulation 3(a) of ACCA's Membership Regulations 2014 provides that one of the qualifications for membership is that the applicant has 'completed three years of approved experience in accordance with the Association's Practical Experience Requirement' ('PER'). The PER involves completing at least 36 months supervised practical experience in a relevant

role and demonstrating that the trainee has achieved the required number of performance objectives ('POs'). These are benchmarks of effective performance describing the types of work activities they would have been involved in as a trainee accountant. A trainee has to achieve nine POs in total. An ACCA trainee's practical experience is recorded in that trainee's Practical Experience Requirement (PER) training record, which is completed using an online tool called 'MyExperience' which is accessed via the student's 'MyACCA' portal.

8. The POs have to be completed under the supervision of a qualified accountant. A person is recognised by ACCA as a qualified accountant if that person is a qualified accountant recognised by law in the trainee's country and/or is a member of an IFAC body. (IFAC is the International Federation of Accountants). The supervisor would typically be the trainee's line manager but ACCA recognises that a line manager may not meet the definition of 'qualified accountant' so another person can be acceptable.
9. When Miss Hu applied for membership she relied on her PER training record. She named the firm for which she said she had worked since 1 July 2016. The period for which she claimed to have worked was well over the 36 months required. She named three persons as supervisors, although one did not register with ACCA so can be disregarded. One supervisor, Person A, appeared to have approved all nine of Miss Hu's performance objectives on 25 February 2021. The other supervisor, Person B, was stated to be her 'Non IFAC qualified line manager' who approved Miss Hu's time/experience on 26 February 2021.
10. Person A was said to be a member of the Chinese Institute of Certified Public Accountants (CICPA), an IFAC registered body. ACCA says that there are about 100 similar cases in which trainees have applied for membership of ACCA on the basis of alleged supervision by Person A. ACCA's case is that all nine of Miss Hu's PO statements were identical or significantly similar to the PO statements contained in the PERs of the other 100 trainees, all of which were earlier in date.
11. Miss Hu faced the following allegations:

## Schedule of Allegations

Qianqian Hu ('Miss Hu'), at all material times an ACCA trainee,

1. Applied for membership to ACCA on or about 9 March 2021 and in doing [so] claimed in her ACCA Practical Experience training record that she had achieved the following nine 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 8: Analyse and interpret financial reports
  - Performance Objective 17: Tax planning and advice
  - Performance Objective 21: Business Advisory
  - Performance Objective 22: Data analysis and decision support
  
2. Miss Hu's conduct in respect of the matters described in Allegation 1 above was:
  - a) Dishonest, in that Miss Hu knew she had not achieved all or any of the performance objectives referred to in Allegation 1 above in the manner claimed in the corresponding performance objective statements or at all.
  
  - b) In the alternative, the conduct referred to in Allegation 1 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 Miss Hu paid no or insufficient regard to ACCA's requirements to ensure the corresponding statements to 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) 13 September 2023;
  - (b) 2 October 2023;
  - (c) 17 October 2023.
  
5. By reason of her conduct, Miss Hu 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)

#### **DECISION ON FACTS/ALLEGATION(S) AND REASONS**

12. Mr Mills took the Committee through the extensive documentary evidence. He referred to witness statements from members of ACCA's staff: a Senior Administrator in the Member Support Team and the Professional Development Manager with the Professional Development team, part of the Quality and Recognition department within Professional Qualifications at ACCA.
  
13. Mr Mills identified the many resources available to ACCA trainees in China to help them to understand exactly what was required to gain ACCA membership. These included written instructions and also interactive resources where trainees could ask questions such as webinars and a WeChat social media group. The information was mainly in English, although some was in Mandarin. However, trainees always take their ACCA exams in English so would have sufficient fluency to understand the English language instructions. The instructions were not complex. For example, the PER booklet said 'Your situation and experience are unique to you, so we do not expect to see duplicated wording, whether from statement to statement, or from other trainees. If such duplication occurs then it may be referred to ACCA's Disciplinary Committee.'

14. No information had been submitted by Miss Hu.

#### **Allegation 1**

15. Allegation 1 simply dealt with the fact of an application having been made. There was no doubt that the facts were proved. ACCA's records showed that that an application was made on 9 March 2021 and that it relied on Miss Hu's claim that she had achieved the nine Performance Objectives set out.
16. The Committee found Allegation 1 proved.

#### **Allegation 2(a)**

17. The Committee considered first whether it had been proved that Miss Hu had not in fact completed these Performance Objectives in the manner claimed (or at all).
18. The Committee was satisfied that there was ample, clear, guidance available to Miss Hu from many different sources as an ACCA trainee in China. This was proved by the witness statements and the documents exhibited. There was also specific guidance to Miss Hu, in particular in an email dated 12 July 2019. This asked her to record the details of her relevant employment within the 'Employment and Claimed Time' section of ACCA's 'My Experience record' to confirm where her 36 months relevant practical experience has been gained. The email provided links to more detailed guidance. So much information was available that it was not credible that an ACCA trainee might not understand what to do.
19. The Committee was satisfied that Miss Hu must have known that the PO statements had to set out her own personal experience in her own words and had to be verified by named supervisors who had actually exercised supervision.
20. The Committee was satisfied that the PO statements were not in Miss Hu's own words. There was ample evidence of the striking similarities of her statements to earlier statements by other trainees. In particular, there was a chart in the Separate Bundle comparing passages in Miss Hu's PO statements side by side with equivalent passages in the statements of four other trainees. The

similarities were such that the Committee could only conclude that Miss Hu had copied from other statements rather than describe her own genuine experience. If Miss Hu had genuinely been supervised one would expect to find evidence from such supervisors but none was forthcoming.

21. ACCA had written to the firm which Miss Yu claimed had employed her while she gained relevant experience. Although that firm was an internationally-recognised name, it did not reply to ACCA.
22. The Committee was satisfied on the balance of probabilities that Miss Hu had not achieved the performance objectives referred to in Allegation 1 in the manner claimed or at all. It followed that when Miss Hu claimed to have achieved nine Performance Objectives in her application for membership she must have known that this claim was untrue. The Committee considered that this conduct was dishonest by the standards of ordinary decent people
23. The Committee found Allegation 2(a) proved.

### **Allegations 2(b) and 3**

24. These were in the alternative to Allegation 1 so do not need to be decided.

### **Allegation 4**

25. This allegation concerned Miss Hu's conduct during the investigation. It was clear from the correspondence that Miss Hu had not replied to a single email during the course of the investigation. The Committee accepted the evidence in witness statements that she had not responded to attempted telephone calls either. The first of the three communications listed under Allegation 4 was an initial letter (sent by email) from ACCA's investigator setting out the matters being investigated. This invited a response to the allegations and requested specific information and documents such as documents relating to Miss Hu's supervision. It set out the duty to cooperate. The other two emails were reminders.
26. Although ACCA's normal practice is to communicate using encrypted emails it had also sent unencrypted emails to alert Miss Hu to the fact that there was important correspondence for her. There was some evidence that Miss Hu had

opened emails addressed to her. The Committee considered that the information and documents sought by ACCA were important to the investigation and that Miss Hu had ignored them. In doing so, Miss Hu had failed in her duty to cooperate.

27. The Committee found Allegation 4 proved.

**Allegation 5(a): misconduct**

28. The Committee considered that Miss Hu's dishonesty and her failure to cooperate with the investigation were very serious breaches of her obligations as a member of ACCA. The Committee was satisfied that such dishonesty and failure amounted to misconduct.

29. The Committee found Allegation 5(a) proved.

30. Allegation 5(b) was in the alternative and did not have to be considered.

**SANCTION(S) AND REASONS**

31. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions (2023). It first sought to identify aggravating and mitigating factors.

32. The finding itself was clearly a serious one. Dishonesty in applying for membership is a very serious matter. It fundamentally undermines the status of ACCA membership. By its nature such an act is committed for personal gain and puts the public at risk by potentially allowing an unqualified person to claim the same status as a fully qualified one.

33. An aggravating factor was that the decision to take this route to qualification, rather than an honest route, was a deliberate one.

34. Mr Mills informed the Committee that there were no previous findings against Miss Hu. That was a mitigating factor.

35. Some typical mitigating factors were absent in this case. Miss Hu had displayed no insight and given no indication that she accepted that she had committed misconduct or the seriousness of it.



36. The Committee was quite satisfied that a sanction was required in this case. It considered the available sanctions in order of seriousness.
37. The Committee first considered the sanctions of admonishment and then reprimand but the guidance made it clear that these were not sufficient. For reprimand, the guidance states 'This sanction would usually be applied in situations where the conduct is of a minor nature and there appears to be no continuing risk to the public'. Falsifying a practical experience record to obtain membership cannot be described as a minor matter.
38. The Committee next considered the sanction of severe reprimand. The guidance states that this sanction 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. Those elements were not present in this case. The Committee went through the list of suggested factors in the guidance. Apart from previous good character, hardly any of the factors supporting a severe reprimand was present. Even if combined with a fine, a severe reprimand would not be sufficient to mark the seriousness of the misconduct in this case.
39. The Committee considered that Miss Hu's dishonest conduct was fundamentally incompatible with remaining as an ACCA member and that the minimum sanction it could impose was exclusion from membership.
40. A member who has been excluded can normally apply to be re-admitted after one year. The Committee considered whether to extend this period but decided that it was not necessary. If Miss Hu does apply for readmission her application will be scrutinised by the Admissions and Licensing Committee.

#### **COSTS AND REASONS**

41. Mr Mills applied for costs totalling £5,012.50. ACCA had supplied a Detailed Costs Schedule and a Simple Costs Schedule. The Simple Schedule claimed a slightly higher amount so Mr Mills took the lower figure from the Detailed Schedule.

42. The Committee was satisfied that the proceedings had been properly brought and that ACCA was entitled in principle to its costs. The Committee considered that the time spent and the sums claimed were reasonable. It was appropriate to make a small reduction for the fact that less time than estimated would be required from the Hearings Officer. The Committee reduced the figure for costs to £4,850.
43. The Committee considered Miss Hu's ability to make a contribution to costs of that order. However, Miss Hu had not submitted a statement of financial position or any other information as to her means so the Committee was not able to make any adjustment.

#### **EFFECTIVE DATE OF ORDER**

44. The Committee considered that Miss Hu would represent a risk to the public during the period before which this order came into effect. Miss Hu was currently a full member of ACCA, although she had not met the requirements for membership. That would put her in a privileged position and enable her to obtain positions of trust to which she was not entitled. The Committee determined to order immediate removal.

#### **ORDER**

45. The Committee ordered as follows:
- (a) Miss Hu shall be excluded from membership of ACCA.
  - (b) Miss Hu shall pay a contribution to ACCA's costs assessed at £4,850.
  - (c) This order shall have immediate effect.

**HH Suzan Matthews KC**  
**Chair**  
**14 August 2024**