

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Miss Xiao Li Zhang
Heard on:	Wednesday, 11 December 2024
Location:	Held Remotely via Microsoft Teams
Committee:	Ms Ilana Tessler (Chair) Mr Abdul Samad (Accountant) Mr Mark Mills (Lay)
Legal Adviser:	Mr Ashraf Khan
Persons present and capacity:	Mr Ben Jowett (ACCA Case Presenter) Miss Anna Packowska (Hearings Officer)
Summary	Exclusion from membership with immediate effect
Costs:	£5,600.00

INTRODUCTION

1. The Disciplinary Committee (“the Committee”) met to hear allegations against Miss Xiao Li Zhang. Miss Zhang did not attend nor was she represented. ACCA was represented by Mr Ben Jowett.

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

2. The papers before the Committee consisted of a service bundle of 16 pages, the Disciplinary Committee hearing bundle of 246 pages an Additional bundle of 8 pages and a separate bundle of 27 pages.

ALLEGATIONS

Miss Xiao Li Zhang ('Miss Zhang'), at all material times an ACCA trainee:

1. *Whether by herself or through a third party, applied for membership to ACCA on or about 13 September 2021 and in doing so purported to confirm in relation to her ACCA Practical Experience training record she had achieved the following Performance Objectives:*

- *Performance Objective 3: Strategy and innovation*
- *Performance Objective 4: Governance, risk and control*
- *Performance Objective 5: Leadership and management*
- *Performance Objective 6: Record and process transactions and events*

2. *Miss Zhang's conduct in respect of the matters described in Allegation 1 above was:*

a) Dishonest in that Miss Zhang knew she had not achieved all or any of the performance objectives referred to in paragraph 1 above as described in the corresponding performance objective statements or at all.

b) In the alternative, any or all of 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 Zhang paid no or insufficient regard to ACCA's requirements to ensure that the statements corresponding with 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) 8 March 2024
- b) 25 March 2024
- c) 9 April 2024

5. *By reason of her conduct, Miss Zhang is:*

a) *Guilty of misconduct pursuant to ACCA bye-law 8(a)(i) in respect of an 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).*

PRELIMINARY APPLICATIONS

Service of Papers

- 3. The Committee was informed that Miss Zhang had been served with a notice of today's hearing, together with the necessary papers via electronic mail on 13 November 2024.
- 4. The Committee was satisfied that notice had been sent to Miss Zhang's registered email address in accordance with regulation 22 of the Complaints and Disciplinary Regulations 2014 as amended ("CDR"). The Committee noted that the email had been delivered successfully. CDR 22(8) stipulates that, when a notice has been sent by email, it is deemed to have been served on the day it was sent. Accordingly, the Committee was satisfied that Miss Zhang has been given 28 days' notice with the necessary information required in accordance with CDR 10.
- 5. The Committee decided that Miss Zhang had been properly served with Notice of Proceedings.

Proceeding in absence

- 6. The Committee noted communications from ACCA to Miss Zhang. On 13 November 2024, ACCA emailed Miss Zhang notifying her of the hearing date.
- 7. On 09 December ACCA emailed Miss Zhang seeking confirmation as to whether she intended to attend the remote hearing. She was asked to confirm

- if she did not wish to attend, whether she would be content for the hearing to proceed in her absence. Miss Zhang did not respond.
8. On 10 December 2024, ACCA emailed Miss Zhang again seeking confirmation as to whether she intended to attend the remote hearing. She was asked to confirm if she did not wish to attend, whether she would be content for the hearing to proceed in her absence. Miss Zhang did not respond.
 9. On 10 December 2024 ACCA attempted to contact Miss Zhang via her registered telephone number to ascertain whether she was intending to attend the remote hearing. The call was not answered. ACCA left a voice message requesting a response to ACCA communications. Miss Zhang did not respond.
 10. On 10 December 2024, ACCA emailed Miss Zhang the Microsoft Teams link for the hearing. Miss Zhang did not respond.
 11. The Committee considered that ACCA had taken reasonable steps to facilitate Miss Zhang to attend the hearing remotely. The Committee was satisfied that the emails had been sent to the address on the ACCA's register and that there was a record of the emails having been delivered successfully. The Committee was satisfied that a call had been made to Miss Zhang's phone number on the ACCA's register. The Committee concluded that Miss Zhang had disengaged with ACCA. The Committee determined Miss Zhang was aware of today's hearing and had voluntarily absented herself.
 12. The Committee was also satisfied that taking the seriousness of the allegations into account, it was in the public interest to proceed. The Committee did not consider that any benefit would be derived in adjourning the hearing and no such application had been made.

BACKGROUND ALLEGED FACTS

13. Upon an ACCA student completing all their ACCA exams, they become an ACCA affiliate. In order to apply for membership, they are required to obtain at least 36 months' practical experience in a relevant role. It is permissible for some or all of that practical experience to be obtained before completion of ACCA's written exams.

14. A person undertaking practical experience is often referred to as an ACCA trainee.
15. An ACCA trainee's practical experience is recorded in that trainee's Practical Experience Requirement training record (PER), which is completed using an online tool called 'MyExperience' which is accessed via the student's MyACCA portal.
16. As part of their practical experience, each trainee is required to complete nine performance objectives (POs) under the supervision of a qualified accountant.
17. An accountant is recognised by ACCA as a qualified accountant if they are a qualified accountant recognised by law in the trainee's country and or a member of an IFAC body (International Federation of Accountants). Once a trainee believes they have completed a PO, they are required to provide a statement in their PER training record describing the experience they have gained in order to meet the objective. Given this is a description of their own experience, the statement is unique to them. Through the online tool, the trainee then requests that their practical experience supervisor approves that PO.
18. In addition to approval of their POs, the trainee must ensure their employment where they have gained relevant practical experience (being a minimum of 36 months) has been confirmed by the trainee's line manager who is usually also the trainee's qualified supervisor. This means the same person can and often does approve both the trainee's time and achievement of POs.
19. If the trainee's line manager is not qualified, the trainee can nominate a supervisor who is external to the firm to supervise their work and approve their POs. This external supervisor must have some connection with the trainee's firm, for example as an external accountant or auditor.
20. Once all nine POs have been approved by the trainee's practical experience supervisor (whether internal or external) and their minimum 36 months of practical experience has been approved, the trainee is eligible to apply for membership – assuming they have also passed all their ACCA exams and successfully completed ACCA's Ethics module.

21. During 2023 it came to the attention of ACCA's Professional Development Team that the practical experience supervisors registered to 91 ACCA trainees, shared one of three email addresses despite the names of such supervisors being different. It would not be expected for a supervisor to share an email address with any other supervisor or person.
22. The three email addresses were as follows:
- [PRIVATE]
 - [PRIVATE]
 - [PRIVATE]
23. Further analysis of this cohort of 91 trainees recorded the following:
- Most of these trainees were registered with ACCA as resident in China.
 - Although each statement supporting a PO should be a description of a trainee's experience and therefore unique, many of such statements within this cohort of 91 trainees were the same.
 - Of these 91 trainees, the earliest date a supervisor with one of these three email addresses is recorded as approving a trainee's PER training record was August 2021 with the latest date being March 2023.
24. Consequently, all 91 trainees were referred to ACCA's Investigations Team. Miss Zhang was one such trainee.

ACCA submissions

25. ACCA submitted that Allegation 1 is capable of proof by reference to Linda Calder's statement which describes ACCA's Practical Experience Requirements; Miss Zhang's completed PER training record which was completed on or about 12 September 2021 which then permitted Miss Zhang to apply for membership which she did on 13 September 2021. Miss Zhang was subsequently admitted to membership on 16 September 2021; Miss Zhang's Supervisor details which record [PRIVATE] was her 'IFAC qualified line manager', and therefore her practical experience supervisor; Miss Zhang's PER training record which records [PRIVATE] approved Miss Zhang's time/experience of 24 months at [PRIVATE]; Miss Zhang's PER training record which records [PRIVATE] approved all Miss Zhang's POs; Miss Zhang's PER

training record which records [PRIVATE] approved Miss Zhang's time/ experience of 12 months at [PRIVATE]; That four of Miss Zhang's PO statements are the same as those of one other trainee but whose PO statements predate those of Miss Zhang's, suggesting at the very least, that Miss Zhang had not achieved the objectives in the way claimed or possibly at all.

26. As to Allegation 2 (a), ACCA submitted there is extensive advice online in English and in Mandarin on how an ACCA trainee must complete their PER training record. This makes it clear the statements supporting their POs have to be written by trainees in their own words and as such must be unique. Therefore, given the extensive advice available online, it is not credible that Miss Zhang was unaware her POs had to be in her own words and describe the experience she had actually gained to meet the relevant Performance Objective.
27. ACCA submitted that in applying for ACCA membership, Miss Zhang claimed to have achieved the POs with the use of supporting statements which she must have known had not been written by her. Miss Zhang therefore knew she had not achieved the POs as described in these statements or at all.
28. ACCA submitted Miss Zhang's conduct would be regarded as dishonest by the standards of ordinary decent people.
29. In relation to Allegation 2 (b), ACCA submitted that if the conduct of Miss Zhang is not found to be dishonest, she failed to demonstrate Integrity.
30. In relation to Allegation 3, ACCA submitted that in the further alternative, Miss Zhang's conduct was reckless in that she paid no or insufficient regard to the fact that her PO statements should truthfully and accurately set out, how the relevant objective had been met.

Submissions by/on behalf of Miss Zhang

31. No representations were received from Miss Zhang.

DECISION ON FACTS/ALLEGATIONS AND REASONS

32. The Committee took into account ACCA's written representations which were supplemented by Mr Jowett orally. The Committee considered legal advice from the Legal Adviser, which it accepted.
33. The Committee considered the evidence relating to Allegation 1.
34. The Committee noted Miss Zhang's application for membership was received on 13 September 2021 and that she was admitted on 16 September 2021.
35. The Committee noted that all practical experience supervisors have to be registered with ACCA. During the period the practical experience supervisors, most of whom claimed to be IFAC line managers, approved the POs for the 91 trainees. Most of the IFAC qualified line managers within this cohort of 91 trainees claimed to be members of the [PRIVATE], an IFAC body, and, as required, went on to provide their membership number.
36. The Committee noted most of these supervisors also went on to upload what they claimed was their [PRIVATE] membership registration card. However, despite these supervisors providing different membership numbers when registering, the vast majority uploaded the same registration card with membership number [PRIVATE]. This membership number did not match with any of the [PRIVATE] membership numbers provided by the supervisors. Furthermore, the name recorded in this [PRIVATE] membership registration card was pixelated and therefore unidentifiable.
37. The Committee noted information had been obtained from one of ACCA's offices in China about the support given to ACCA trainees in China.
38. The Committee noted the Practical Experience Requirement (PER) training record for Miss Zhang which records she was employed by two firms, consecutively, namely [PRIVATE] and [PRIVATE].
39. The Committee noted Miss Zhang was employed by [PRIVATE] from 16 July 2018 to 16 July 2020 in the role of Financial Advisor.
40. The Committee noted the PER training record recorded 24 months of relevant practical experience at the above establishment. The PER training record

referred to two supervisors namely [PRIVATE] and [PRIVATE]. [PRIVATE] was recorded as authorised to approve Miss Zhang's experience / time claim and POs. [PRIVATE] was recorded as authorised to approve Miss Zhang's experience / time only. The Supervisor details for Miss Zhang recorded that [PRIVATE] registered on 11 September 2021 as her 'IFAC qualified line manager'.

41. The Committee noted that the Supervisor details also recorded that [PRIVATE] registered with one of the three common email addresses shared amongst this cohort of 91 cases, being [PRIVATE].
42. The Committee noted that as Miss Zhang's IFAC qualified line manager, [PRIVATE] was authorised to approve both Miss Zhang's time/ experience in this role. Miss Zhang requested that [PRIVATE] approve her time/experience of 24 months on 11 September 2021 and [PRIVATE] did so on 12 September 2021. Also on 11 September 2021, Miss Zhang requested that [PRIVATE] approve all her nine POs and [PRIVATE] did so on 12 September 2021.
43. In relation to the other supervisor in connection with this role, [PRIVATE], the Committee noted that the Supervisor Details recorded that [PRIVATE] was Miss Zhang's 'Non IFAC qualified manager' and hence why the PER only refers to [PRIVATE] being authorised to approve Miss Zhang's time/experience. However, [PRIVATE] never registered as supervisor for Miss Zhang which is evidenced by the clock icon next to [PRIVATE] name in the PER and by the fact [PRIVATE] did not approve any element of Miss Zhang's PER training record.
44. As far as the [PRIVATE] is concerned, the Committee noted that Miss Zhang was employed by them from 31 July 2020 to 27 August 2021 in the role of Product manager. The PER training record records twelve months of relevant practical experience and refers to two supervisors, namely [PRIVATE] and [PRIVATE].
45. The Committee noted that [PRIVATE] registered on 12 September 2021 as her 'Non IFAC qualified line manager'. [PRIVATE] registered with one of the three common email addresses shared amongst this cohort of 91 cases, being [PRIVATE].

46. As Miss Zhang's Non IFAC qualified line manager, [PRIVATE] was only authorised to approve Miss Zhang's time/ experience. [PRIVATE] approved Miss Zhang's time/experience of twelve months on 12 September 2021. [PRIVATE] also approved the same day.
47. In relation to the other supervisor, [PRIVATE], the Supervisor Details recorded that [PRIVATE] was also Miss Zhang's 'Non IFAC qualified manager'. However, [PRIVATE] never registered as supervisor for Miss Zhang and therefore did not approve any element of Miss Zhang's PER training record.
48. The Committee noted that all PO statements should be unique and must not be copied from other trainees or from templates as this undermines the PER training record element of the ACCA qualification. The Committee therefore determined that by inference, where PO statements are the same or significantly similar to the PO statements of any other trainees, this would suggest at the very least, the trainee has not met the objective in the way claimed or possibly at all. Furthermore, the Committee determined that the practical experience claimed, could not have been supervised by a practical experience supervisor, who would or should have knowledge of the trainee's work.
49. The Committee determined that in Miss Zhang's case, three of her PO statements were first in time but copied by other trainees from the cohort of 91; and four of her PO statements were identical or significantly similar to the PO statements contained in the PER of one other ACCA trainee from this cohort and which predates Miss Zhang's PO statements.
50. Accordingly, the Committee found allegation 1 proved on the balance of probabilities.
51. The Committee considered Allegation 2 (a). The Committee determined that Miss Zhang must have known she had not achieved her POs referred to in Allegation 1 when she applied for ACCA membership and that she was being dishonest at the time. The Committee also determined that ordinary decent people would find Miss Zhang conduct to be dishonest. Accordingly, the Committee determined Allegation 2(a) was proved on the balance of probabilities.

52. Given the Committee's findings in relation to Allegation 2(a), it did not need to consider the alternatives in Allegations 2(b) and/or 3.
53. The Committee considered Allegation 4 (a), (b) and (c). The Committee determined there was a duty on Miss Zhang to co-operate with ACCA. The Committee was satisfied that Miss Zhang was aware of the investigation as she opened an email dated 8 March 2024 sent to her by ACCA. The Committee concluded the evidence clearly demonstrates she failed to co-operate with her regulator as alleged. The Committee determined this allegation is proved on the balance of probabilities in its entirety.
54. Having found Allegations 1, 2(a) and 4(a)-(c) proved, the Committee considered Allegation 5. The Committee was mindful of the guidance in the ACCA bye-laws and the case law. The Committee noted that misconduct was a matter of judgement for the Committee. The Committee determined individually and collectively, the proved allegations amounted to serious professional misconduct.

SANCTION AND REASONS

55. The Committee considered the available sanctions starting with the least serious. In reaching a decision on sanction, the Committee took into account the public interest and Miss Zhang's own interests. It noted that the purpose of sanction was not punitive but to protect members of the public, maintain public confidence in the profession and in the ACCA, and to declare and uphold proper standards of conduct and performance.
56. The Committee determined that dishonesty and failing to cooperate with an investigation is very serious misconduct. Furthermore, The Committee were mindful of ACCA's guidance on sanctions and in particular noted its guidance in relation misconduct involving dishonesty.
57. The Committee considered the following aggravating factors exists in this case:
 - a. Given that Miss Zhang did not obtain her qualifications through the proper qualification process, she presented a potential and serious risk to members of the public and employers;
 - b. Miss Zhang abused the trust placed in her by ACCA;
 - c. The misconduct took place over a period of time;

- d. Miss Zhang has provided no evidence of insight into her misconduct, remediation or remorse;
 - e. Miss Zhang acted dishonestly for personal gain; and
 - f. There is a risk of repetition.
58. By way of mitigating features, the Committee acknowledged that there were no previous disciplinary findings against Miss Zhang. There was no evidence of any other mitigating factors in this case. The Committee had not heard from Miss Zhang, nor had it received any references or testimonials.
59. The Committee determined Miss Zhang's misconduct was very serious therefore taking no further action, admonishment, reprimand or a severe reprimand would be wholly insufficient and inappropriate. The Committee was particularly mindful this case involved dishonesty, and it considered the guidance on sanction.
60. Given the serious nature of the misconduct, the Committee determined Miss Zhang's behaviour was a serious departure from relevant professional standards and fundamentally incompatible with being a member. The Committee determined the only appropriate and proportionate sanction available is to order the exclusion of Miss Zhang from membership.
61. The Committee noted that the default period of exclusion is 12 months. The Committee decided not to extend this period, given the mechanisms in place at ACCA for readmission.

EFFECTIVE DATE OF ORDER

62. Given the findings made by this Committee, it decided to impose an immediate order in the public interest.

COSTS AND REASON(S)

63. The Committee was provided with a detailed costs schedule and noted ACCA's guidance on costs orders.
64. The Committee concluded that ACCA was entitled to be awarded costs against Miss Zhang. The amount of costs for which ACCA applied was £6,416.00. The Committee carefully scrutinised the schedule and determined the costs

incurred were reasonable however, adjusted the amounts to take into account the time actually spent during the hearing. Accordingly, the Committee decided it would be reasonable and proportionate to award ACCA costs in the sum of £5,600.00

Ms Ilana Tessler
Chair
11 December 2024