



CONSENT ORDERS HEARING

CONSENT ORDER CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Miss Rehana Kauser Mohammed

Heard on: Monday, 01 July 2024

Location: The hearing was conducted remotely via Microsoft Teams

Chair: Mr Andrew Popat CBE

Legal Adviser: Miss Juliet Gibbon

**Persons present
and Capacity:** Miss Mary Okunowo (Hearings Officer)

Outcome: The Chair made Orders in the terms of the Consent Order:
Draft Agreement that Miss Rehana Kauser Mohammed shall be reprimanded and pay a fine in the sum of £1,330.00 and pay costs to ACCA in the sum of £1,545.50.

PRELIMINARY

1. This matter has been referred to a Chair of the Disciplinary Committee of ACCA (“the Chair”) pursuant to Regulation 8(8) of The Chartered Certified Accountants’ Complaints and Disciplinary Regulations 2014, as amended (“the Regulations”) for the Chair to determine,

on the evidence before him, whether to approve or reject the Consent Order: Draft Agreement that has been agreed between ACCA and Miss Rehana Kauser Mohammed.

2. The Chair had before him a bundle of papers, numbered pages 1-89, that included a Referral to Consent Orders Chair Consent Order: Draft Agreement, signed by Miss Mohammed and by a signatory on behalf of ACCA. He also had sight of the following:
 - a. A detailed and a simple costs schedule;
 - b. ACCA's document 'Consent Orders guidance' (January 2021);
 - c. ACCA's document 'Consent Orders – Frequently asked questions' (January 2021)
 - d. ACCA's document 'Guidance for disciplinary sanctions' (February 2024); and
 - e. ACCA's document 'Guidance on costs orders' (September 2023)
3. The Chair considered the proposed Consent Order in the absence of the parties and without a hearing in accordance with Regulation 8(8) of the Regulations.
4. The Chair was satisfied that Miss Mohammed was aware of the terms of the proposed Consent Order and noted that she had signed the proposed Consent Order on 31 May 2024.
5. The Chair noted the terms of the signed Consent Order: Draft Agreement, as follows:

“The Association of Chartered Certified Accountants (“ACCA”) and Miss Rehana Kauser Mohammed (the “Parties”), agree as follows:

1. Miss Mohammed admits the following:

Allegation 1

From 01 January 2023 - Present, Miss Rehana Mohammed was a majority shareholder of Company A which in effect put her in the position of principal of Company A, a firm where public practice is carried out, contrary to Regulation 3(2)(a) of the Global Practising Regulations (as applicable from 2023).

Allegation 2

From 01 January 2023 - Present, Miss Rehana Mohammed was a Director of Company A, a firm where public practice is carried out, contrary to Regulation 3(2)(b) of the Global Practising Regulations (as applicable from 2023).

Allegation 3

From 25 March 2019 — 01 November 2023, Miss Rehana Mohammed, a Member of ACCA, provided accountancy services within the terms of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 via Company B without having registered with a supervisory body for Anti-Money Laundering supervision purposes, contrary to Regulation 3(2) of Annex 1 of the Global Practising Regulations 2003 (amended 01 January 2019).

Allegation 4

Between 21 March 2019 — 24 November 2023, Miss Rehana Mohammed failed to notify ACCA that she had incorporated Company bookkeeping firm, contrary to Regulation 12 of the Global Practising Regulations 2003 (amended 01 January 2019).

Allegation 5

Miss Rehana Mohammed's conduct in relation to complaints 1 - 4 was reckless in that:

- a. She failed to have sufficient regard to the requirement that she needed a valid ACCA practising certificate in order to become a director and shareholder of a firm where public practice is carried on, a requirement that she ought to have known, when her practising certificate expired on 31 December 2022;*
- b. She failed to have sufficient regard to the requirement that she needed to register with a supervisory body for Anti-Money Laundering supervision purposes, a requirement that she ought to have known, when Company B started trading; and*

- c. *She failed to have sufficient regard to the requirement that she needed to notify ACCA that she had incorporated Company B, a requirement that she ought to have known, when incorporating and becoming the controller of said firm.*
2. *That Miss Mohammed shall be reprimanded and pay a fine in the sum of £1,330. Miss Mohammed shall also pay costs to ACCA in the sum of £1,545.50.*

[Signatures of the parties, each dated 08 May 2024]

If the Consent Orders Chair is satisfied it is appropriate to deal with the complaint by way of a Consent Order and the signed draft Consent Order is approved, it constitutes a formal finding and order. The Consent Orders Chair has the power to recommend amendments to the signed draft Consent Order and to subsequently approve any amended order agreed by the Parties.

Publicity

All findings and orders of the Consent Orders Chair shall be published naming the relevant person, as soon as practicable, and in such manner as ACCA thinks fit”.

BRIEF BACKGROUND

6. Miss Mohammed has been a member of ACCA since 10 July 2009 and became a fellow of ACCA on 10 July 2019.
7. In January 2023 a complaint referral was made to ACCA on the basis that it appeared that Miss Mohammed was carrying on and/or holding herself out to be in public practice by virtue of being a director and shareholder of Company A.
8. Companies House records showed that Company A was incorporated on 19 January 2006 and undertook ‘accounting and auditing activities’. On 12 December 2022 Miss Mohammed was appointed as a director and was listed as a person with significant control of the firm.

9. Companies House records also showed that Miss Mohammed was appointed as the director and majority shareholder of Company B from the date of incorporation, 21 March 2019. The nature of the business was 'accounting and auditing activities'.
10. On 20 November 2023 ACCA contacted Miss Mohammed in relation to the complaint to inform her that there was evidence that she appeared to be carrying out and/or holding out public practice without holding a valid ACCA practising certificate.
11. Miss Mohammed responded to ACCA on 11 December 2023, confirming that she was the majority shareholder of Company A with 97% of the shares held. She also confirmed that she was responsible for signing off accounts and that the ACCA logo was being used and 'ACCA' was entered after her name upon signing. Miss Mohammed stated that she believed that the firm was supervised by ACCA for anti-money laundering ("AML") supervision purposes.
12. Miss Mohammed confirmed that Company B commenced trading on 25 March 2019 and provided bookkeeping and payroll services only. She stated that she held 100% of the shares and that the firm was registered with HMRC for AML supervision purposes. The ACCA logo was not used on any stationery and 'ACCA' was not entered after Miss Mohammed's names when she signed off work.
13. Miss Mohammed informed ACCA that she wished to regularise her position by obtaining a practising certificate and that any oversight on her part was an error and not a deliberate attempt to be untoward. Miss Mohammed had previously held a practising certificate with ACCA between July 2014 to 2022.
14. Further investigation was carried out into Company A and Company B. It was established that Company A has not been supervised by ACCA for AML supervision purposes since 8 December 2023, following the change of ownership. Additionally, it was established that ACCA did not hold any records of the incorporation of Company B.
15. On 20 February 2024, Miss Mohammed responded to ACCA stating that she had been unaware of the need to re-register Company A with ACCA for AML supervision purposes following the change of ownership and that she was also unaware that she had to notify

ACCA of the incorporation of Company B, as it was only providing bookkeeping services. Miss Mohammed reiterated that both companies held professional indemnity insurance during the relevant time.

16. Miss Mohammed informed ACCA that she had paid her subscription for her ACCA practising certificate on 23 December 2022 but had not received the reminder emails sent by ACCA's Membership Department to submit her renewal application for a practising certificate. She also confirmed that she had carried out a full AML review and check on all clients for both companies whereby there had been 'normal risk' associated with both firms. She confirmed that she wished to put all matters right following the guidance she had received from ACCA.
17. On 18 March 2024, ACCA made a proposal to Miss Mohammed that the matter be disposed of by way of a Consent Order. Miss Mohammed agreed to this in an email dated 02 April 2024. She explained that she had had a difficult year in 2022 and stated:

"... I agree to disposal by way of consent ... I have tried my best to maintain all matters ... I wish to always maintain good conduct with ACCA and have never on purpose tried to defraud or be dishonest. I am now in the process of putting all matters correct with Acca. I have sent all documents to the relevant departments and will be sure to make all efforts to stay within all regulatory guidelines. I am sorry that Acca had to spend time on this matter, I am willing to pay any costs associated with this enquiry. I hope this matter can be cleared as soon as possible and that I can continue to do my works holding Acca's best values"
(sic).
18. In signing the proposed Consent Order, Miss Mohammed has admitted the allegations and accepted that she should be reprimanded, pay a fine in the sum of £1,330.00 and pay ACCA's costs of £1,545.50.
19. Miss Mohammed applied for an ACCA practising certificate on 21 November 2023 and an Authorisations Officer with ACCA has confirmed that the application is satisfactory. A practising certificate will, therefore, be issued to Miss Mohammed upon the approval of the proposed Consent Order

DECISION AND REASONS

20. Under Regulation 8(8) of the Regulations the Chair must determine, on the evidence before him, whether it is appropriate to approve or reject the draft Consent Order or to recommend any amendments.
21. The Chair was satisfied that there was a case to answer and that the Investigating Officer had followed the correct procedure. The Chair considered the bundle of documents together with Miss Mohammed's admissions and found Allegations 1, 2, 3 and 4 proved. The Chair was also satisfied that Miss Mohammed's conduct had been reckless and he, therefore, found Allegations 5a, 5b and 5c proved.
22. The Chair noted that under Regulation 8(12) of the Regulations, he should only reject the signed Consent Order if he is of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
23. The Chair considered the seriousness of the allegations and the public interest, which includes the protection of the public, the maintenance of public confidence in the profession, and the declaring and upholding of proper standards of conduct and performance. He balanced the public interest against Miss Mohammed's own interests.
24. In considering this matter the Chair accepted the advice of the Legal Adviser and paid due regard to the ACCA guidance documents 'Guidance for Disciplinary Sanctions', 'Consent Orders Guidance' and 'Consent Orders – Frequently Asked Questions'.
25. The Chair found the following to be aggravating factors:
 - a. The length of time that Miss Mohammed and/or her firm, Company A, had been carrying on public practice by virtue of her signing accounts and being a director and majority shareholder of the firm.
 - b. The length of time that Miss Mohammed had been holding out to be in practice by virtue of her being a director and majority shareholder of Company B.

- c. The length of time that Miss Mohammed had been providing accountancy services via Company B without AML supervision.
 - d. The potential risks arising from a failure to register Company B for AML supervision.
26. The Chair found the following to be mitigating factors:
- a. Miss Mohammed has been a member of ACCA since 10 July 2009 and has a previous good record with no previous complaints or disciplinary history.
 - b. Miss Mohammed has fully co-operated with the investigation and the regulatory process.
 - c. Miss Mohammed has admitted her reckless conduct.
 - d. The breaches of the GPRs were not intentional and, therefore, Miss Mohammed's conduct was not in deliberate disregard of her professional obligations.
 - e. There will be no continuing risk to the public as Miss Mohammed has applied for a practising certificate with ACCA and the firms will, therefore, be supervised by ACCA for AML supervision purposes.
27. The Chair was satisfied that the allegations admitted by Miss Mohammed would be unlikely to result in her exclusion from membership of ACCA and that, under Regulation 8(12), there was no basis for him to reject the terms of the proposed Consent Order.
28. The Chair paid due regard to ACCA's Guidance for Disciplinary Sanctions (updated 14 February 2024). He found the following factors were relevant in this case:
- a. Corrective steps had been taken by Miss Mohammed to ensure there was no repeat of her reckless conduct.
 - b. There is no evidence of any adverse consequence – the reckless conduct had not caused material distress, inconvenience or loss.

- c. There had been early and genuine acceptance of her reckless conduct and Miss Mohammed had made early admissions to the allegations.
29. The Chair, having considered all the documentary evidence before him, was satisfied that the sanction of a reprimand and a fine in the sum of £1,330.00 was the appropriate and proportionate sanction in this case.
30. The Chair considered that ACCA was entitled to its costs in principle. ACCA has provided two schedules of costs, and he was satisfied that ACCA's application for costs in the sum of £1,545.50, which has been agreed by Miss Mohammed, appeared to be appropriate and proportionate.
31. The Chair, pursuant to his powers under Regulation 8 of the Regulations, made an Order in the terms of the draft Consent Order.

ORDER

- i. Miss Rehana Kauser Mohammed shall be reprimanded and shall pay a fine to ACCA in the sum of £1,330.00.
- ii. Miss Rehana Kauser Mohammed shall pay costs to ACCA in the sum of £1,545.50.

EFFECTIVE DATE OF ORDER

32. This Order will come into effect immediately.

Mr Andrew Popat CBE
Chair
01 July 2024