

## CONSENT ORDERS HEARING

# CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

## REASONS FOR DECISION

**In the matter of:** Mr. Seeven Armoogum

**Considered on:** Thursday, 25 July 2024

**Chair:** Ms Wendy Yeadon

**Legal Adviser:** Mr James Keeley

**Outcome:** Consent Order approved.

**Summary:** Reprimand.

**Costs:** £1,539.50

## INTRODUCTION

1. This matter was referred to a Chair of the Disciplinary Committee of the Association of Chartered Certified Accountants (ACCA) pursuant to Regulation 8(8) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (the Regulations) to determine, on the basis of the evidence before them, whether it is appropriate to deal with the complaint by way of a consent order and whether to approve or reject a proposed draft Consent Order.
2. Under Regulation 8(8) of the Regulations, consideration of the draft Consent order is made by a Chair in the absence of the parties and without a hearing.

## DOCUMENTATION

3. The Chair had been provided with and read the following documentation:

- a. A bundle of documents (pages 1 to 57), including a draft Consent Order, signed by Mr. Seeven Armoogum (Mr Armoogum) on 08 July 2024, and signed on behalf of ACCA on 15 July 2024;
  - b. A correspondence bundle (pages 1 to 11);
  - c. Simple and detailed costs schedules;
  - d. A Consent Order Committee referral form;
  - e. ACCA document 'Consent orders guidance' (January 2021); and
  - f. ACCA document 'Consent orders – Frequently asked questions' (January 2021).
4. The Chair also had reference to:
- a. ACCA document 'Guidance for disciplinary sanctions' (February 2024); and
  - b. ACCA document 'Guidance on costs orders' (September 2023).

#### **DRAFT CONSENT ORDER**

5. The Chair noted the content of the draft Consent Order, which was set out in the following terms:

"The Association of Chartered Certified Accountants (ACCA) and Mr Seeven Armoogum (together, "the Parties"), agree as follows:

1. Mr Seeven Armoogum, an ACCA member, admits the following:

#### **Allegation 1**

Between 17 April 2023 and 03 May 2024, Mr Seeven Armoogum failed to cooperate with ACCA in its monitoring and enforcement of compliance with ACCA's regulations and failed to supply ACCA with information necessary to enable it to complete its monitoring process

efficiently, contrary to Global Practising Regulations 14(2) and 14(3) (as applicable in 2023-2024).

### **Allegation 2**

By reason of the conduct set out at Allegation 1 above, Mr Seeven Armoogum is guilty of misconduct pursuant to bye-law 8(a)(i).

### **Sanction**

2. That Mr Seeven Armoogum, shall be reprimanded and shall pay costs to ACCA in the amount of £1,539.50 within 28 days of the Consent Order Chair approving this consent order.”
6. 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**

7. 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.

### **Relevant Facts, Failings and/or Breaches**

8. The investigating officer has conducted their investigation into the allegations against Mr Armoogum in accordance with Regulation 8(1)(a) of the Complaints and Disciplinary Regulations (CDR) (2019) and is satisfied that:
  - (a) They have conducted the appropriate level of investigation as evidenced by the enclosed evidence bundle (**see pages 1 - 57**), and determined that there is a case to answer against Mr. Armoogum and there is a real prospect of a reasonable tribunal finding the allegations proved; and

- (b) The proposed allegations would be unlikely to result in exclusion from membership.
9. The relevant facts, failings and/or breaches have been agreed between the parties and are set out in the detailed allegations above together with the proposed sanction and costs.
10. Mr. Armoogum has accepted being in breach of the forestated allegations.
11. A summary of key facts is set out below:
- (i) On 26 May 2005, Mr. Armoogum became a Member of ACCA.
  - (ii) On 31 July 2012, Mr. Armoogum became a Fellow of ACCA.
  - (iii) On 01 October 2009, Mr. Armoogum was issued with a practising certificate which he continues to hold.
  - (iv) On 17 March 2023, ACCA carried out a desktop compliance review of Mr. Armoogum's firm, SARM Accountants.
  - (v) On 17 March 2023, ACCA's Compliance Officer sent Mr. Armoogum an email seeking his response to the report of findings following the above compliance review.
  - (vi) On 03 April 2023, ACCA's Compliance Officer emailed Mr. Armoogum notifying him of amendments to her report and requested that he read the updated report and provide a response by 17 April 2023.
  - (vii) On 17 April 2023, Mr. Armoogum emailed ACCA. He acknowledged the report and provided a response. The majority of matters were cleared except for providing ACCA with a copy of the continuity agreement, which Mr. Armoogum said was "in progress".
  - (viii) On 04 May 2023, ACCA's Compliance Officer acknowledged Mr. Armoogum's email of 17 April 2023 and requested a copy of the continuity agreement by 11 May 2023. No response was received.
  - (ix) On 16 May 2023, ACCA's Compliance Officer emailed Mr. Armoogum again requesting

a copy of his continuity agreement by no later than 23 May 2023. No response was received.

- (x) On 20 June 2023, ACCA's Compliance Officer emailed Mr. Armoogum a third time requesting a copy of his continuity agreement by no later than 27 June 2023. No response was received.
- (xi) On 12 September 2023, ACCA's Compliance Officer sent a letter sent by post to Mr. Armoogum's home address advising him she had been trying to contact him since May 2023. The Compliance Officer stated she had sent Mr. Armoogum numerous emails and left voicemails but had not received any responses. The Compliance Officer stated she still required the signed continuity agreement and, if it was not provided by 19 September 2023, the matter would be referred to Investigations. No response was received, and the case was referred to Investigations within the Professional Conduct Department.
- (xii) On 27 February 2024, the Professional Conduct Department put the complaint to Mr. Armoogum and sought his response to various questions.
- (xiii) As no response was forthcoming from Mr. Armoogum, further letters and emails were sent to Mr. Armoogum on 13 March, 28 March, and 30 April.
- (xiv) On 30 April 2024, Mr. Armoogum responded to ACCA and agreed to provide a copy of the signed continuity agreement.
- (xv) On 03 May 2024, Mr. Armoogum finally provided ACCA with a copy of the signed continuity agreement, thereby regularising his position from the monitoring visit more than one year earlier.
- (xvi) By failing to respond to the Compliance Officer's correspondence between 17 April 2023 and 19 September 2023 – and subsequently failing to respond to the Professional Conduct Department between 19 September 2023 and 03 May 2024 – Mr. Armoogum failed to cooperate with ACCA in its monitoring and enforcement of compliance with ACCA's regulations and failed to supply ACCA with information necessary to enable it to complete its monitoring process efficiently. Such conduct is contrary to Global Practising Regulations 14(2) and/or 14(3) (as applicable in 2023-2024) and amounts to misconduct.

(xvii) On 20 May 2024, ACCA wrote to Mr. Armoogum and proposed that the matter be disposed of via Consent Order.

(xviii) On 04 June 2024, Mr. Armoogum provided a response confirming that he agreed for the matter to be disposed of via consent, and he provided details of mitigating circumstances.

(xix) On 08 July 2024, Mr. Armoogum signed a copy of the draft consent order.

(xx) On 15 July 2024, ACCA signed a copy of the draft consent order.

## **SANCTION**

12. The appropriate sanction is reprimand and for Mr Armoogum to pay ACCA's costs in the sum of £1,539.50.
13. In considering this to be the most appropriate sanction, ACCA's Guidance for Disciplinary Sanctions ("the GDS") has been considered and particularly the key principles. In addition, consideration has also been given to Mr Armoogum's means in determining the appropriate level of the fine. One of the key principles is that of the public interest, which includes the following:
  - a. Protection of members of the public;
  - b. Maintenance of public confidence in the profession and in ACCA; and
  - c. Declaring and upholding proper standards of conduct and performance.
14. Another key principle is that of proportionality, that is, balancing the member's own interests against the public interest. Further the aggravating and mitigating features of the case have been considered.
15. The **aggravating factors** are considered to be as follows:

- (a) Mr Armoogum's conduct fell below the standards expected of a qualified ACCA member and brought discredit upon himself, ACCA, and the accountancy profession.
  - (b) The length of the breach.
  - (c) The failure to respond to repeated requests from ACCA officers.
16. In deciding that a **reprimand** is the most suitable sanction paragraphs C3.1 to C3.5 of ACCA's Guidance have been considered and the following **mitigating factors** have been noted:
- (a) Mr Armoogum has been an ACCA member in continuous good standing since 2005;
  - (b) Mr Armoogum has no previous complaint or disciplinary history;
  - (c) Mr Armoogum is no longer in breach of the regulations and there is no continuing risk to the public;
  - (d) Mr Armoogum has shown insight by making admissions and apologising for his failure to provide the continuity agreement promptly;
  - (e) Mr Armoogum's personal circumstances, including a close family bereavement, led to him feeling unable to deal with matters in a reasonable timeframe;
  - (f) Mr Armoogum ultimately cooperated with the investigation and eventually regularised his position;
  - (g) There is no evidence of harm to the public;
  - (h) There is no evidence of any continuing risk to the public;
  - (i) There is no evidence to suggest that Mr Armoogum's conduct was dishonest;
  - (j) There is no evidence to suggest Mr Armoogum's conduct was in deliberate disregard of his professional obligations.

17. ACCA has considered the other available sanctions and is of the view that they are not appropriate.
18. ACCA considers that a **reprimand** proportionately reflects Mr Armoogum's conduct and the public policy considerations which ACCA must consider in deciding on the appropriate sanction.
19. This is a public interest sanction due to the misconduct bringing discredit to ACCA and the profession; and it conveys a message of the importance of fundamental standards of professional conduct."

### **LEGAL ADVICE**

20. The Chair accepted the following advice of the Legal Adviser:
  - a. The powers available to the Chair are to:
    - i. Approve the draft Consent Order, in which case the findings on the allegations and the orders contained within it become formal findings and orders (Regulation 8(11) and 8(14) of the Regulations);
    - ii. Reject the draft Consent Order, which they may only do if they are of the view that the admitted breaches would more likely than not result in exclusion from membership or removal from the student register or affiliate register, as appropriate (Regulation 8(12) of the Regulations);
    - iii. Recommend amendments to the draft Consent Order, if satisfied that it is appropriate to deal with the complaint by way of consent order but wish the terms of the draft Consent Order to be amended (Regulation 8(13) of the Regulations).
  - b. The power of the Chair to approve a draft consent order is subject to the limitation that they may not approve a sanction of exclusion from membership or removal from the student register or affiliate register, as appropriate (Regulation 8(11) of the Regulations).
  - c. In making their decision, the Chair must have regard to all of the evidence before them and the relevant ACCA guidance documents.



- d. The ACCA document 'Consent orders guidance' indicates that the essential requirements of a disposal by consent are:
  - i. The relevant person is willing to admit the allegation(s), facts and any failings and/or breaches in full;
  - ii. The investigating officer has conducted an appropriate level of investigation and/or enquiries;
  - iii. There is a case to answer against the relevant person;
  - iv. There is a real prospect of a reasonable tribunal finding the allegation(s) proved; and
  - v. The proposed allegation(s), if found proved, would be unlikely to result in exclusion from membership or removal from the student or affiliate register, as appropriate.
  
- e. The Chair must only dispose of the case by consent where it is in the public interest to do so, in order to:
  - i. Ensure an appropriate level of public protection;
  - ii. Maintain public confidence in the accountancy profession and its regulatory body; and
  - iii. Declare and uphold proper standards of conduct and behaviour for relevant persons.

## **DECISION**

- 21. In making their decision, the Chair had regard to all of the evidence before them, the legal advice and the relevant ACCA guidance documents.

22. Pursuant to Regulation 8(8)(a) of the Regulations, the Chair decided that it was appropriate to deal with this complaint by way of consent order for the following reasons:
- a. The Chair was satisfied that there was a signed draft Consent Order setting out all of the required matters (the relevant facts, the relevant failings and breaches, the proposed sanction and costs), that Mr Armoogum had admitted the matters alleged in full and that Mr Armoogum understood that the proposed order would be considered by the Chair;
  - b. The Chair was satisfied that the Investigating Officer had carried out an appropriate and thorough investigation;
  - c. The Chair found the summary of facts set out in the draft Consent Order to be consistent with the evidence before them;
  - d. The Chair agreed that there was a case to answer and that there was a real prospect that a reasonable tribunal would find the allegations proved;
  - e. The Chair was satisfied that the admitted breach would not be likely to result in exclusion from membership.
  - f. The Chair was satisfied that the admitted breach would not be likely to result in exclusion from membership. Taking into account the seriousness of the allegation, the aggravating and mitigating factors, and the risk to the public and the public interest, the Chair considered that the admissions made by Mr. Armoogum and his acceptance of a sanction of reprimand would more likely than not lead a Disciplinary Committee to conclude that removal from membership was not required in this case; and
  - g. The Chair was satisfied that disposal of the case by consent was in the public interest.
23. Pursuant to Regulation 8(8)(b) of the Regulations, the Chair decided to approve the draft Consent Order for the following reasons:
- a. The Chair is satisfied that Mr Armoogum has admitted the matters alleged in full;

- b. The Chair agreed that, as a result of the admissions, Mr Armoogum is liable to disciplinary action;
- c. The Chair agreed that Mr. Armoogum's conduct had brought discredit upon himself, ACCA and the accountancy profession. However, the Chair did not consider that it amounted to conduct that is fundamentally incompatible with continued membership of ACCA;
- d. The Chair agreed that the sanction of reprimand was appropriate in this case. The Chair found aggravating and mitigating factors in this case. The Chair assessed the risk of repetition to be low. Noting the seriousness of the matters admitted, the aggravating and the mitigating factors, the low risk of repetition, and the relevant ACCA guidance, the Chair considered that the sanction of a reprimand was sufficient to meet the public interest to ensure an appropriate level of public protection, maintain public confidence in the accountancy profession and its regulation, and to declare and uphold proper standards of conduct and behaviour. The Chair was likewise satisfied that the sanction of a reprimand was proportionate, balancing the interests of Mr. Armoogum with the interests of members of the profession, the ACCA and the wider public; and
- e. The Chair considered ACCA to be entitled to its costs in principle, and found the amount claimed and agreed (£1,539.50) to be fair and reasonable.

## **ORDER**

- 24. Accordingly, the Chair approved the draft Consent Order.

## **EFFECTIVE DATE OF ORDER**

- 25. Regulation 8(17) of the Regulations provides that there is no right of appeal against a consent order. Therefore, this Order comes into effect immediately.

**Ms Wendy Yeadon**  
**Chair**  
**25 July 2024**