

HEARING

**DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF
CHARTERED CERTIFIED ACCOUNTANTS****REASONS FOR DECISION**

In the matter of:	Miss Qing Xu
Heard on:	25 October 2024
Location:	Remotely, via Microsoft Teams
Committee:	Ms Ilana Tessler (Chair) Ms Sue Gallone (Accountant), Mr Nigel Pilkington (Lay Member)
Legal Adviser:	Mr Richard Ferry-Swainson
Persons present and capacity:	Mr James Halliday (Case Presenter) Miss Sofia Tumburi (Hearings Officer) Miss Qing Xu (Member) Mr Yali Quan (Interpreter)
Summary:	Allegations 1(a), 1(b), 2(a), 2(b) and 4 found proved. Member excluded from membership of ACCA and costs ordered.

INTRODUCTION/SERVICE OF PAPERS

1. The Disciplinary Committee (“the Committee”) convened to consider a number of Allegations against Miss Xu, who attended the hearing and was assisted by an interpreter.

2. The papers before the Committee were in a Main Bundle numbered 1 to 318, an Additional Bundle of 28 pages, a Separate Bundle of 69 pages and a Tabled Additional bundle of 34 pages. The Committee was also provided with a Service Bundle and a Costs Schedule.

ALLEGATIONS

Miss Qing Xu ('Miss Xu'), at all material times an ACCA trainee:

- 1a) Caused or permitted a third party to approve her ACCA Practical Experience training record in the name of her practical experience supervisor specifically, that Miss Xu had achieved seven performance objectives in the manner claimed and or had 40 months qualifying experience.
- 1b) Whether by herself or through a third party applied for membership to ACCA on or about 3 October 2022 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 1: Ethics and professionalism
 - Performance Objective 2: Stakeholder relationship management
 - Performance Objective 5: Leadership and management
 - Performance Objective 6: Record and process transactions and events
 - Performance Objective 7: Prepare external financial reports
 - Performance Objective 8: Analyse and interpret financial reports
 - Performance Objective 9: Evaluate investment and financing decisions
 - Performance Objective 13: Plan and control performance
2. Miss Xu's conduct in respect of the matters described in Allegation 1 above was:
 - a) In relation to Allegation 1a), dishonest in that Miss Xu knew her practical experience supervisor had not approved her Practical Experience training record in respect of the matters referred to in Allegation 1a) above.

- b) In relation to Allegation 1b) dishonest in that Miss Xu knew she had not achieved all or any of the performance objectives referred to in Allegation 1b) above as described in the corresponding performance objective statements or at all.
 - c) In the alternative, any or all of the conduct referred to in Allegation 1a) and 1b) 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:
 - a) Miss Xu paid no or insufficient regard to ACCA's requirements to ensure that her supervisor approved her Practical Experience training record.
 - b) Miss Xu 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. By reason of her conduct, Miss Xu is guilty of misconduct pursuant to ACCA bye-law 8(a)(i) in respect of any or all the matters set out at 1 to 3 above.

BRIEF BACKGROUND

- 3. Miss Xu became a student of ACCA on 29 August 2008 and was admitted as an Affiliate on 16 January 2017. She was then admitted as a Member on 06 October 2022.
- 4. Upon an ACCA student completing all their ACCA exams, they become an ACCA affiliate. However, in order to apply for membership, they are required to obtain at least 36 months' practical experience in a relevant role ('practical experience'). It is permissible for some or all of that practical experience to be obtained before completion of ACCA's written exams.
- 5. A person undertaking practical experience is often referred to as an ACCA trainee. 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.

6. As part of their practical experience, each trainee is required to complete nine performance objectives (POs) under the supervision of a qualified accountant. 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 (International Federations of Accountants) body. 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 should be unique to them. Through the online tool, the trainee then requests that their practical experience supervisor approves that PO.
7. In addition to approval of their POs, the trainee must ensure their employment where they have gained relevant practical experience 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.
8. 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.
9. 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 signed off, the trainee is eligible to apply for membership - assuming they have also passed all their ACCA exams and successfully completed ACCA's Ethics module.
10. 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.

11. The three email addresses were as follows:

- [PRIVATE]
- [PRIVATE]
- [PRIVATE]

12. Further analysis of this cohort of 91 trainees confirmed 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. This suggested these ACCA trainees had therefore copied their PO statements from others.
- 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.

13. Consequently, all 91 trainees were referred to ACCA's Investigations Team. Miss Xu is one such trainee.

14. Karen Watson, Senior Administrator in ACCA's Member Support Team, provided a statement explaining ACCA's membership application process. She stated that once an application is received, this is recorded in ACCA's PROD database by an automated process. Ms Watson exhibited to her statement a sample record. The corresponding record for Miss Xu was provided to the Committee and records her application being received on 03 October 2022.

15. Linda Calder, Professional Development Manager at ACCA, confirmed in her statement the following:

- POs and ACCA's exams are closely linked so that the knowledge and techniques, the trainee develops through their studies, are relevant in their workplace. The tasks and activities a trainee will be asked to demonstrate in the POs are also closely related to the type of work they will undertake on a regular basis in an accounting or finance role.

- Each PO comprises 3 parts; (i) a summary of what the PO relates to, (ii) 5 elements outlining the tasks and behaviours a trainee must demonstrate to be able to achieve the PO and (iii) a 200 to 500 word concise personal statement in which a trainee must summarise how they achieved the PO.
- In total a trainee is required to complete nine POs. The POs numbered 1 to 5 are compulsory. There are then a number of 'Technical' POs, from which the trainee needs to choose 4. ACCA recommends to trainees that they choose the technical POs that best align to their role so that it is easier to achieve the PO. In that regard, the ACCA's requirements as published in the 2019 guide, and subsequently, explain the following:

'The performance objectives you choose should be agreed with your practical experience supervisor. You should consider the following points when selecting which performance objectives to target

...

Match any business objectives you have been set at work with the performance objectives. This will allow you to work towards your business objectives and your PER at the same time.'

- In their personal statement for each PO, a trainee needs to provide a summary of the practical experience they gained. They must explain what they did, giving an example of a task. They must describe the skills they gained which helped them achieve the PO and they must reflect on what they have learned including what went well or what they would have done differently.
- A trainee's personal statement for each PO must be their own personal statement that is unique to them and their own experience. This has been consistently referred to in ACCA's published guides (which Ms Calder exhibited to her statement). Trainees must not, therefore, use a precedent or template or another trainee's personal statement, which would undermine the PER element of the ACCA qualification. The 2019 published guide concludes:

'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.'

- ACCA's PER guides are available online in China. Although the Guides are printed in English, all Chinese trainees will have taken their exams in English and therefore it would follow that they have a reasonable command of the English language.
- A practical experience supervisor means a qualified accountant who has worked closely with the trainee and who knows the trainee's work. "Qualified accountant" means a member of an IFAC member body and/or a body recognised by law in the trainee's country.
- A practical experience supervisor is usually the trainee's line manager. However, where the trainee's manager is not IFAC qualified, the trainee can appoint an external supervisor who is. ACCA's PER guide (as exhibited to Linda Calder's statement) states:

'If your organisation does not employ a professionally qualified accountant who can sign-off your performance objectives then you could ask an external accountant or auditor who knows your work, to be your practical experience supervisor and work with your line manager to sign off your objectives.'

- Trainees must enter their practical experience supervisor's details using the MyExperience online recording tool which generates an invitation to their nominated supervisor to act as their supervisor. If the supervisor accepts that invitation, the supervisor is required to record their details using the same recording tool.
- All practical experience supervisors have to be registered with ACCA. During the period the practical experience supervisors (most of whom claimed to be IFAC qualified line managers) approved the PO's for these 91 trainees, (being between August 2021 and March 2023), the requirement was for IFAC qualified supervisors to record the name of

their IFAC member body and their membership number issued by that body. Most of the IFAC qualified line managers within this cohort of 91 trainees claimed to be members of the Chinese Institute of Certified Public Accountants (CICPA), an IFAC body, and, as required, went on to provide their membership number.

- Although not compulsory at the time, most of these supervisors also went on to upload what they claimed was their CICPA 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]. However, this membership number did not match with any of the CICPA membership numbers provided by the supervisors. Furthermore, the name recorded in this CICPA membership registration card is pixelated and therefore unidentifiable as is the photo. Exhibited to Ms Calder's statement was a copy of this registration card.
16. Information has been obtained from one of ACCA's China offices about the support given to ACCA trainees in China, as follows:
- ACCA's Customer Services Team in China email all ACCA affiliates in China inviting them to regular webinars provided by ACCA staff who can advise on the PER process.
 - The Committee was provided with a list of webinars (translated using Google translate) relating to ACCA's membership application process dated from 14 December 2016 to 27 August 2022. There are a number dated in 2019 including one dated 30 May 2019, further details of which were provided to the Committee. The details include reference to:

'...Record 36 months of accounting-related work experience in myACCA , and complete 9 Performance Objectives, which will be confirmed online by your Supervisor...'
 - These are live webinars and therefore trainees can ask ACCA China staff questions.

- The webinar details refer to encouraging affiliates to join the ACCA WeChat group of their regional service group and provides details of how to join. All the webinars listed include the same details about these WeChat groups. ('WeChat' is a social media app available globally but used extensively in China). In these WeChat groups, ACCA trainees can ask ACCA China staff questions including about the PER process.
- In addition to the WeChat groups, ACCA China uploads to its WeChat platform articles relevant to the ACCA membership process. Provided with the papers for the Committee was a list of those articles (translated using Google translate). This included an article 'How to become an ACCA Member Series 1/ Practical Experience Requirement (PER) Quick Guide', dated 15 January 2020. A copy of the article was also provided. The article refers to a mentor, which is the same as a supervisor. Under the heading 'Find a mentor' the article states in particular:

'Your experience must be under the supervision of a mentor to count towards PER. You must find a mentor with real work experience to monitor and confirm your work hours and performance goals...'

- Under the heading 'Determine performance goals' the article states in particular:

You have to choose which performance goals to accomplish, here are some points to keep in mind:

- *You need to complete 9 performance goals, including all 5 core goals and any 4 technical goals;*
- *Work with your practical experience mentor to develop a plan to achieve performance goals;*
- *Choose technical goals that are relevant to your day-to-day work, as they are easier to achieve;....*

17. Miss Xu's PER training record indicated that she obtained her experience whilst employed by five firms. In particular it records the following:

- The first four firms at which she was employed are listed below with respective dates and her role at each firm:
- Company A - 16 July 2008 to 22 March 2010 (20 months) – Audit Assistant
- Company B – 27 April 2020 to 18 July 2014 (50 months) – Audit and Assurance ii
- Company C – 06 March 2015 to 31 March 2017 (24 months) – Accountant
- Company D – 10 April 2017 to 24 May 2019 (25 months) – Vice President
- For the above four roles, all the time was imported from ACCA's previous online system. There is therefore no record as to who supervised Miss Xu's experience while she was employed at these firms. Adding the periods above together totals 119 months.
- The PER training record records the fifth and final firm where Miss Xu was employed was Company E. Miss Xu commenced her employment on 27 May 2019 as Manager of Finance and Planning Dept. No end date has been recorded which suggests Miss Xu remained employed at least up to the date her time/ experience was approved on 03 October 2022.
- At page 35 of the PER training record, in red text, 40 months of relevant practical experience has been claimed, which relates to the period of employment referred to in the paragraph immediately above. This period on its own was in excess of the minimum requirement of 36 months. This 40 months plus the 119 months from the previous four firms totals 159 months claimed experience.
- The period of 52 months referred to in black text on page 35 corresponds with the period Miss Xu's training commenced at Company E on 27 May 2019 to the date this copy of the PER training record was downloaded by ACCA staff. This period of 52 months should therefore be disregarded for the purposes of the period of relevant practical experience which is 40

months as referred above. For the same reason the total number of months calculated on page 33 of 174 months should also be disregarded.

- The Supervisor Details for Miss Xu record that Person A registered on 03 October 2022 as her 'IFAC qualified line manager'.
- As Miss Xu's IFAC qualified line manager, Person A, was authorised to approve both Miss Xu's time/experience (while employed at Company E) and all her POs and did so, as recorded in Miss Xu's PER. In that regard, Miss Xu requested that Person A approve her time/experience of 40 months on 03 October 2022 and Person A did so the same day. On 03 October 2022 Miss Xu requested that Person A approve all her nine PO's and Person A did so on the same day.
- The Supervisor Details also record that Person A registered with one of the three common email addresses shared amongst this cohort of 91 cases, being [PRIVATE].
- In that regard the Committee was provided with a bundle of documents with sample extracts of supervisor details for other ACCA Trainees whose supervisor's names are different but whose email addresses are the same as those of Miss Xu's supervisor.
- The Committee was provided with the registration details provided by Miss Xu's Supervisor, Person A, which includes the common email address and also the supervisor CICPA membership number [PRIVATE]. These registration details refer to 'Attachments' beneath which is reference to 'CPA' being 'Certified Public Accountant'. The attachment, which purported to be the supervisor's CICPA membership card, was provided to the Committee. However, although the name has been pixelated, the membership number is visible being [PRIVATE], which is not the same as the membership number provided by Miss Xu's supervisor. As referred to in Ms Calder's statement, this CICPA membership card has been uploaded by many supervisors who share one of the three common email addresses.

18. As referred to by Linda Calder, all PO statements should be unique and must not be copied from other trainees or from templates as this undermines the PER element of the ACCA qualification.
19. Where PO statements were the same or significantly similar to the POs of any other trainees, this would suggest at the very least, the trainee had not met the objective in the way claimed or possibly at all. That further, the practical experience claimed, had not been supervised by a practical experience supervisor, who would or should have knowledge of the trainee's work.
20. In carrying out this analysis, ACCA has been careful to record the PO statement for any one PO which was first in time, on the basis this statement may be original and therefore written by the trainee based on their actual experience, unless there is evidence suggesting otherwise.
21. The 'first in time date' is the date the trainee requested that their IFAC qualified line manager approve the PO in question within their PER. This is on the basis that as soon as the PO narrative had been uploaded to the PER, the trainee would have then requested approval. In most of the cases within this cohort, the supervisor approved the POs on the same day, or if not very soon thereafter.
22. In relation to Miss Xu the analysis revealed:
 - Two of her PO statements were first in time, being PO3 and PO4; and
 - Seven of her PO statements were identical or significantly similar to the PO statements contained in the PER's of other ACCA trainees from this cohort.
23. Following referral of this matter to ACCA's Investigations Team, a member of that team sent an email on 15 April 2024 to Miss Xu's email address, as recorded on ACCA's system. Attached to the email was a letter, and other documents, all of which have been referred to above. The letter set out the complaint and requested that Miss Xu respond to a number of questions by 29 April 2024.

24. Shortly after this encrypted email was sent, an Outlook email was sent to Miss Xu on the same day asking her to check if she had received the encrypted email and if not to let ACCA know.
25. No response was received by the deadline of 29 April 2024, and therefore a further encrypted email was sent to Miss Xu on 30 April 2024, with a copy of the letter and other documents attached to the previous email. In the covering email Miss Xu was reminded of her obligation to cooperate by responding to the questions in the letter and to do so by 14 May 2024.
26. On 30 April 2024, Miss Xu sent a response to ACCA's investigation team. She noted *"I did reply to your email on 28 April [by which she meant ACCA's email of 15 April with a response deadline of 28 April]. I don't know why you didn't get my reply. I've attached both the email and PDF as proof."* ACCA therefore accepted that Miss Xu replied on 28 April 2024.
27. Later the same day, Miss Xu sent a further copy of her email of 28 April 2024, but with all the attachments. These attachments include evidence supporting Miss Xu's employment at the firms referred to in her PER training record. ACCA takes no issue with her employment at such firms.
28. In relation to her response of 28 April 2024, Miss Xu said:

'Person A has been my direct supervisor since I joined Company E in May 2019. So they have been my line manager for the entire period from 27 May (not March) 2019 till now

My supervisor Person A is not qualified to sign off on my ACCA PER, they are not registered with any professional accounting organisations (HKCPA, ACCA, China certified accountants), and I couldn't find anyone else to sign off on my PER either. I finished my exams in Jan 2017 and still couldn't get my membership till 2022, because my supervisor was not qualified to sign off on my PER. [PRIVATE] I paid someone in China to do the PER certification in Oct 2022, that's why the registration and approval went through in Oct 2022 all at once.

I accept such claim, that even though I was in fact supervised by Person A but they are not registered with any professional organisations that are approved by ACCA. Therefore such supervision is not in accordance with the ACCA guide. I deeply regret what I did, I was dishonest about my PER statements and I shouldn't have. I made a terrible mistake thinking that PER was not as important as the exams and I'm wrong. I'm truly sorry. I have been reading ACCA member code of conduct, and last year I took a CPD on professional ethics and why it is important. I took a short cut and it wasn't fair to other ACCA students/affiliates. I apologize for my wrongdoing and I'm willing to accept any punishments from ACCA regarding the PER statements and will cooperate as much as I can. But all of my working experiences were all true and I worked really hard on my exams, I took 13 out of 14 exams and finished them with classes, workshops and a lot of study time. Please do not revoke my ACCA exam results or my working experiences...'

29. Following ACCA providing confirmation to Miss Xu that her emails had been received, ACCA sent an email to Miss Xu on 25 June 2024 with further questions. Miss Xu provided her response to these further questions in an email dated 26 June 2024. Below are ACCA's questions followed by Miss Xu's responses:

'... ACCA is aware that many ACCA trainees whose supervisors share the same email address, have provided to a third party (i) the name of their supervisor and (ii) their ACCA login and password. That third party has registered in the name of the trainee's supervisor and having done so, then uploaded template PO statements to the trainee's PER training record. The third party, in the name of the trainee's supervisor, has then approved both time and PO's in the trainee's PER training record.

Question:

i) Please therefore tell me whether you provided the name of your supervisor and your ACCA login and password to a third party.

Response:

i) Yes I did provide name of my supervisor, my ACCA login and password to a third party

Question:

ii) Please tell me whether you believe a third party completed your PER training record as I have described above.

Response:

ii) I believe the third party completed my PER as you described in your email

Question:

iii) If so, please provide me with the name of that third party together with any text messages, emails or any other communications you have had with this person.

Response:

iii) I completed the purchase and communications via Taobao (a Chinese online shopping platform). I have attached three pictures in this email, i.e. my payment record, my complete chat history with the taobao shop [pages 146, with clearer, and the home page of this online shop. Unfortunately they are all in Chinese. I can translate to English if needed.

Question:

iv) Please tell me the fee you paid to this third party a fee and provide any payment receipt you obtained.

Response:

iv) The fee was RMB1300, about GBP140. Payment record is attached in this email.

Question:

v) If you did not provide your ACCA login and password to a third party, it would appear that instead you uploaded template statements to your PER training record but still engaged a third party who approved your PER training record in the name of your supervisor. Is that correct? If not please explain.

Response:

v) Please refer to my answer to i) and ii) above.

Question:

vi) As stated in ACCA's letter, seven of the statements supporting your nine performance objectives are the same as other trainees which predate your statements and therefore have not been written by you as they are required to be. However for the statements supporting your performance objectives 3 and 4, ACCA has no evidence these have been copied from others. However, it would appear from your response that the statements supporting these two objectives have been provided by a third party and therefore have also not been written by you. Is that correct? If not please explain.

Response:

vi) Before I approached the third party for a paid service, I did try writing some of the PER myself, so that could be the record from a few years ago. But at this moment I cannot tell you with confidence which sentences were from me and which were not. I made a terrible mistake of not doing all of the PER myself, even though I did write part of the statement, I still failed to find a qualified supervisor to review those statements.

30. Given Miss Xu does not appear to recall whether the statements supporting her POs 3 and 4 were written by her, and therefore it is possible they were, plus the fact there is no evidence these two PO statements are the same as those of other trainees which predate her statements, ACCA accepted these statements were written by Miss Xu and therefore are a description of her experience. For these reasons, POs 3 and 4 are not included in Allegation 1(b).

31. Allegation 1(a) refers to either Miss Xu applying for membership or a third party applying for membership on Miss Xu's behalf. It is not clear from Miss Xu's responses to ACCA whether she applied for membership or the third party she refers to did so. However, given many trainees within this cohort have indicated they engaged a third party to apply for membership on their behalf, it is accepted by ACCA that it is possible the third party engaged by Miss Xu applied for membership on her behalf.
32. Miss Xu completed an ACCA Disciplinary Committee Case Management Form on 19 September 2024. In that Form Miss Xu indicated that she admitted Allegation 1(a) and 1(b). She also admitted Allegations 2(a), 2(b) and 2(c). Since Allegation 2(c) was in the alternative to 2(a) and 2(b), the Committee disregarded it.
33. At the hearing Miss Xu confirmed her admissions as recorded in her Case Management Form.
34. The Committee was satisfied that Miss Xu's pleas were consistent with her written responses to ACCA and, in accordance with Complaints and Disciplinary Regulation 12(3)(c), the Chair announced that Allegations 1(a), 1(b), 2(a) and 2(b) were found proved.

DECISION ON FACTS/ALLEGATION AND REASONS

35. The Committee considered with care all the evidence presented and the submissions made by Mr Halliday and those made by Miss Xu, together with her admissions. The Committee accepted the advice of the Legal Adviser and bore in mind that it was for ACCA to prove its case and to do so on the balance of probabilities.

ALLEGATION 1(A) - PROVED

36. The Committee found Allegation 1(a) proved on the basis of Miss Xu's admissions as supported by the evidence relied on by ACCA.

ALLEGATION 1(B) - PROVED

37. The Committee found Allegation 1(b) proved on the basis of Miss Xu's admissions as supported by the evidence relied on by ACCA. In particular, the Committee noted the following:
- a) Miss Xu's PO1 statement was identical or significantly similar to two other trainees whose PO1 statements were within this cohort of 91 trainees;
 - b) Miss Xu's PO2 statement was identical or significantly similar to four other trainees whose PO2 statements were within this cohort of 91 trainees;
 - c) Miss Xu's PO5 statement was identical or significantly similar to five other trainees whose PO5 statements were within this cohort of 91 trainees;
 - d) Miss Xu's PO6 statement was identical or significantly similar to five other trainees whose PO6 statements were within this cohort of 91 trainees;
 - e) Miss Xu's PO7 statement was identical or significantly similar to five other trainees whose PO7 statements were within this cohort of 91 trainees;
 - f) Miss Xu's PO9 statement was identical or significantly similar to five other trainees whose PO9 statements were within this cohort of 91 trainees;
 - g) Miss Xu's PO13 statement was identical or significantly similar to five other trainees whose PO13 statements were within this cohort of 91 trainees.

ALLEGATION 2(A) & 2(B) - PROVED

38. The Committee found Allegations 2(a) and 2(b) proved on the basis of Miss Xu's admissions as supported by the evidence relied on by ACCA.
39. The Committee noted that the seven POs ACCA had identified were identical or significantly similar to other trainees' POs within the cohort of 91 trainees. The Committee was satisfied on the evidence, and her own admission, that Miss Xu had paid a third party, she had contacted via the internet, to access her ACCA account and complete her training record on her behalf using stock responses, which had been used for many other students, and which Miss Xu

effectively pretended were her own. In the Committee's view the only reason for pursuing the course she did was to deceive ACCA into believing she had the relevant experience shown in those POs to thereby allow her to become a member of ACCA, which is what in fact happened.

40. The Committee was in no doubt that an ordinary decent member of the public, in full possession of the facts of the case, would find the entirety of this conduct to be dishonest and Miss Xu admitted as much.
41. Having found Allegations 2(a) and 2(b) proved it was not necessary for the Committee to consider Allegations 2(c) or 3(a),(b) and (c), which were alleged in the alternative.

ALLEGATION 4 - PROVED

42. Having found the facts proved in Allegations 1(a), 1(b), 2(a) and 2(b), the Committee then considered whether they amounted to misconduct. Mr Halliday invited the Committee to find the facts found proved did amount to misconduct.
43. Miss Xu addressed the Committee. She said:

"I do realise what I did, I was reckless and dishonest.

There is no excuse for what I did.

I did not think of the rules when I took the shortcut, but after taking eight years to take all the exams I should have known better.

Reputation takes time to build but can be destroyed by a moment of error.

There is nothing I can do to change the past.

I do believe that was a moment of error and I do realise that it was seriously wrong behaviour and I do understand there is this impact on my career going forward, on my co-workers including my boss and how they perceive me for what I did.

All of these serious consequences will not just disappear but will forever impact me and decisions I will make in future.

I hope the Committee will consider that I have never done this before and I do realise I was wrong.

During time I was an ACCA member for the past two years, I know it was not a legitimate membership, but during that time I did feel the value of membership and I was motivated and made myself useful to the company and was given important work, giving me insight into what a member can do.

I did not do anything to discredit ACCA there is nothing I did in public to discredit ACCA membership.

I hope the Committee will consider it was dishonesty and I did not have integrity but that would not lead to misconduct.”

44. Miss Xu admitted that she paid a third party to provide false POs in order to allow her to, illegitimately, qualify as a member of ACCA. This pre-meditated and calculated dishonest behaviour demonstrated a complete disregard for ACCA's membership process and allowed Miss Xu to become a member of ACCA when not qualified to be so. Such behaviour seriously undermines the integrity of the membership process and the standing of ACCA. It brings discredit upon Miss Xu, the profession and ACCA. The Committee considered this behaviour to be very serious; it fell far short of the standard expected and would be considered deplorable by other members of the profession and the public and the Committee was in no doubt it amounted to misconduct.
45. The Committee therefore found Allegation 4 proved in relation to the matters set out in 1(a), 1(b), 2(a) and 2(b) inclusive.

SANCTION AND REASONS

46. In reaching its decision on sanction, the Committee took into account the submissions made by Mr Halliday and those made by Miss Xu. The Committee referred to the Guidance for Disciplinary Sanctions issued by ACCA and had in mind the fact that the purpose of sanctions was not to punish Miss Xu, but to

protect the public, maintain public confidence in the profession and maintain proper standards of conduct, and that any sanction must be proportionate. The Committee accepted the advice of the Legal Adviser.

47. Miss Xu told the Committee that her direct supervisor at Company E was Person A, who does not have a certified accountancy qualification. She said she joined Company E in 2019, expected to stay with them for a long time and was still working there now, under Person A. She said she did not see any way to find a certifier to help move her forward from affiliate membership to being a full member of ACCA. Miss Xu said she had been under a lot of family pressure from her parents, who did not understand why she could not become a member of ACCA having taken all her exams. She said she did not do a lot of research but used an online platform that provided the service, and she did not think about it too much. She said that was not an excuse, it was just what happened.
48. Miss Xu said she lied about her practical experience, but that all of her working was *“absolutely real.”* She added that as a student she finished all her exams and did not cheat in any of them, but she did lie about her practical experience. She recognised that what she did was not the right thing to do and was not fair to other ACCA members *“who worked hard and made the effort to get the correct certification for their personal experience.”* She said she did not know what impact the case would have, but thought *“It would have a fairly negative impact on my career.”*
49. When deciding on the appropriate sanction, the Committee carefully considered the aggravating and mitigating features in this case.
50. The Committee considered the misconduct involved the following aggravating features:
 - An element of premeditation, planning and collusion with a third party;
 - Undermining the integrity, and thereby undermining public confidence, in ACCA’s membership process;

- The period during which Miss Xu continued to hold herself out as a Member of ACCA when aware that she had relied on false POs prepared by a third party in order to do so;
- Potential harm to clients as it is not known if Miss Xu has the necessary knowledge and experience to be a member and yet she had been practising as such.

51. The Committee considered there to be the following mitigating factors:

- An absence of any previous disciplinary history with ACCA;
- Early admissions to the dishonest conduct;
- Evidence of pressure from parents to qualify;
- Good evidence of insight, including attending a relevant course;
- Accepting full responsibility for her behaviour and making no excuses for it;
- Acknowledging the impact of her behaviour upon herself, her employer and the wider public;
- Accepting her responsibility for the costs of the hearing;
- Evidence of regret and remorse.

52. The Committee did not think it appropriate, or in the public interest, to take no further action or order an admonishment in a case where a member had disregarded the membership requirements and acted dishonestly when submitting information in connection with her PER.

53. The Committee then considered whether to reprimand Miss Xu. The guidance indicates that a reprimand would be appropriate in cases where the misconduct is of a minor nature, there appears to be no continuing risk to the public and there has been sufficient evidence of an individual's understanding, together

with genuine insight into the conduct found proved. The Committee did not consider Miss Xu's misconduct to be of a minor nature. Dishonest behaviour is very serious. Accordingly, the Committee concluded that a reprimand would not adequately reflect the seriousness of the misconduct in this case.

54. The Committee then considered whether a severe reprimand would adequately reflect the seriousness of the case. The guidance indicates that such a sanction would usually be applied in situations where the conduct is of a serious nature but where 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. The Committee could not be sure that there was no continuing risk to the public since Miss Xu had qualified under false pretences. It was fair to say that Miss Xu had shown significant understanding and appreciation of the conduct found proved and also that she had been working as an accountant for some time without issue.
55. However, the fact remained that, as she herself acknowledged, she had become a member of ACCA by illegitimate means and had not demonstrated that she had completed the requisite PERs in order to become a member. To allow someone to remain as a Member of ACCA who has gained membership under false pretences and thus when not necessarily qualified to be so, would be contrary to the whole process of qualifying as a Member of ACCA.
56. The Committee noted that the Association provides specific guidance on the approach to be taken in cases of dishonesty, which is said to be regarded as a particularly serious matter, even when it does not result in direct harm and/or loss, or is related to matters outside the professional sphere, because it undermines trust and confidence in the profession. The guidance states that the courts have consistently supported the approach to exclude members from their professions where there has been a lack of probity and honesty and that only in exceptional circumstances should a finding of dishonesty result in a sanction other than striking off. The guidance also states that the public is entitled to expect a high degree of probity from a professional who has undertaken to abide by a code of ethics. The reputation of ACCA and the accountancy profession is built upon the public being able to rely on a member

to do the right thing in difficult circumstances. *“It is a cornerstone of the public value which an accountant brings.”*

57. The Committee bore in mind these factors when considering whether there was anything remarkable or exceptional in Miss Xu’s case that warranted anything other than exclusion from membership. The Committee was of the view that, despite the extensive mitigation, there were no exceptional circumstances that would allow it to consider a lesser sanction and concluded that the only appropriate and proportionate sanction was exclusion. The Committee was cognisant of the severity of this conclusion and had been impressed by Miss Xu’s candour and insight. However, providing false information about one’s practical experience in order to satisfy one’s PER represents behaviour fundamentally incompatible with being a member of ACCA and undermines the integrity of ACCA’s membership process. The PER procedure is an important part of ACCA’s process to becoming a full member and the requirements must be strictly adhered to by those aspiring to become members.
58. In the Committee’s view, Miss Xu’s dishonest conduct, notwithstanding her significant insight and cooperation with this process, was such a serious breach of bye-law 8 that no other sanction would adequately reflect the gravity of her dishonest behaviour. In addition, it was not known if Miss Xu had the relevant practical experience to have become a member.
59. The Committee also considered that a failure to exclude a member from the Register who had behaved in this way would seriously undermine public confidence in the profession and in ACCA as its Regulator. The public needs to know it can rely on the integrity, ability and professionalism of those who are members of ACCA. In order to maintain public confidence and uphold proper standards in the profession it was necessary to send out a clear message that this sort of behaviour is unacceptable.
60. The Committee therefore ordered that Miss Xu be excluded from membership.

COSTS AND REASONS

61. ACCA applied for costs in the sum of £6,266 to cover the costs of bringing this case. The Committee was provided with a schedule of costs. The Committee

was satisfied that the costs claimed were appropriate and reasonable, but accepted Mr Halliday's submission that the hearing had taken less than a full day, in large part due to the admissions made by Miss Xu, and therefore the Committee may wish to reduce the costs of the hearing to reflect this.

62. Miss Xu had completed a 'Statement of Financial Position', but, on hearing the submissions made by Mr Halliday, she asked to withdraw it. She said that she now understood the costs and was willing to bear them as they related to her. She said, *"It's is a lot of money, but I am willing to pay for it."*
63. The Committee had in mind the principle that members against whom an allegation has been found proved should pay the reasonable and proportionate cost of ACCA in bringing the case. This was because the majority of members should not be required to subsidise the minority who, through their own failings, have found themselves subject to disciplinary proceedings.
64. In deciding the appropriate and proportionate Order for costs the Committee took into account the above factors and decided to make an Order for costs in the sum of £5,500.

EFFECTIVE DATE OF ORDER

65. This Order will take effect on the expiry of the appeal period.

Ms Ilana Tessler
Chair
25 October 2024