

APPLICATION ON PAPERS

CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Zeeshan Munawar
Considered on:	Monday, 13 January 2025
Location:	Remotely via Microsoft Teams
Chair:	Ms Carolyn Tetlow
Legal Adviser:	Ms Melissa Coutino
Outcome:	Consent Order approved Fine of £500.00.
Costs:	£500.00

INTRODUCTION

1. This matter has been referred to a Consent Order Chair ('the Chair') pursuant to Regulation 8(8) of the Complaints and Disciplinary Regulations ('CDR') to determine, on the basis of the evidence before her, whether to approve the draft Consent Order.
2. Under CDR 8(8), a Consent Order is made by a Chair of the Consent Orders Committee in the absence of the parties and without a hearing.

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3. The Chair was satisfied that Mr Munawar was aware of the terms of the proposed Consent Order and noted that he had signed the proposed Consent Order on 09 December 2024.
4. The Chair noted the terms of the Consent Order Draft Agreement.

CONSENT ORDER DRAFT AGREEMENT

5. The Consent Order Draft Agreement had also been signed by a representative of ACCA on 10 December 2024.
6. It reads as follows:

Zeeshan Munawar admits the following:

Zeeshan Munawar, a current member of ACCA,

1. Contrary to the fundamental principle of professional competence and due care (2022- 2024, as applicable):
 - 1.1 Issued the unqualified Independent Examiner's reports in respect of the accounts of Charities X and Y in Schedule A, despite the fact that those accounts did not contain the disclosures required by the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), in relation to:
 - (a) Trustee remuneration.
 - (b) Trustees' expenses.
 - (c) Related party transactions.
 - 1.2 Named Company Z in an Independent Examiner's report he issued on 1 February 2024 in respect of the accounts of Charity Y for year ended 5 April 2023, when Company Z had no involvement in the independent examination.

2. Contrary to the fundamental principle of professional behaviour (2023), issued an Independent Examiner's report on 31 January 2023 in respect of the accounts of Charity X for year ended 1 April 2022, when he was not a member of ACCA (or any other applicable professional body) as required by Section 145(3) of Charities Act 2011.
3. Contrary to Global Practising Regulations 3(1)(a) and 3(2)(a) (2024), was a director of Company Z, which offered public practice services, between 1 November 2023 and 10 February 2024 and between 12 February 2024 and 10 September 2024, when he did not hold a practising certificate with ACCA.
4. Contrary to Global Practising Regulation 3(1)(a) (2024), issued the Independent Examiner's reports in respect of the accounts of Charities X and Y in Schedule B, when he did not hold a practising certificate with ACCA.
5. Contrary to Global Practising Regulation (Annex 1) 3(2) (2022-2024), was not registered with a supervisory body for anti-money laundering supervision purposes in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the payer) Regulations 2017 when he issued the Independent Examiner's reports in respect of the accounts of Charities X and Y in Schedule C.
6. Is, by virtue of the above facts, guilty of misconduct pursuant to bye-law 8(a)(i).

SCHEDULE A

Accounts year-end date; Date of Independent Examiner's Report

Charity X:

1 April 2019; 29 September 2022

1 April 2020; 30 September 2022

1 April 2021; 5 October 2022

1 April 2022; 31 January 2023

1 April 2023; 1 February 2024

Charity Y:

5 April 2023; 1 February 2024

SCHEDULE B

Accounts year-end; Date of Independent Examiner's Report

Charity X:

1 April 2023; 1 February 2024

Charity Y:

5 April 2021; 1 February 2024

5 April 2022; 1 February 2024

5 April 2023; 1 February 2024

SCHEDULE C

Accounts year-end; Date of Independent Examiner's Report

Charity X:

1 April 2019; 29 September 2022

1 April 2020; 30 September 2022

1 April 2021; 5 October 2022

1 April 2022; 31 January 2023

1 April 2023; 1 February 2024

Charity Y:

5 April 2021; 1 February 2024

5 April 2022; 1 February 2024

5 April 2023; 1 February 2024

Zeeshan Munawar shall be severely reprimanded and shall pay costs to ACCA in the sum of £500 and a fine of £500.

7. Mr Munawar and ACCA agreed that he did not hold an ACCA practising certificate at the relevant time.

ALLEGATION 1.1

8. The accounts that Mr Munawar prepared indicated that they were prepared in accordance with the SORP: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).
9. However, none of the accounts contain the following disclosures required by the SORP:

Trustee remuneration:

'9.6. This SORP requires that all charities must disclose in the notes to the accounts that either:

- none of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity; or
- one or more of the trustees has been paid remuneration or has received other benefits from an employment with their charity or a related entity.'

Trustees' expenses:

'9.11. This SORP requires that all charities must disclose either:

- that no trustee expenses have been incurred; or
- that one or more of the trustees has claimed expenses or had their expenses met by the charity'.

Related party transactions:

'9.17. This SORP requires all transactions between a charity and a related party must be disclosed subject to the exemptions set out in the following paragraphs.

...

9.19. If there have been no related party transactions in the reporting period that require disclosure, this SORP requires that this fact must be stated.

9.20. All charities that have one or more related party transactions must disclose:

- the description of a relationship between the parties (including the interest of the related party or parties in the transaction);
- a description of the transaction(s);
- the amounts involved;
- outstanding balances with related parties at the reporting date and any provisions for doubtful debts;
- any amounts written off from such balances during the reporting period;
- the terms and conditions, including any security and the nature of the consideration to be provided in settlement;
- details of any guarantees given or received; and
- any other elements of the transactions which are necessary for the understanding of the accounts; and
- this SORP requires the disclosure of the name(s) of the transacting related party or parties.'

10. Mr Munawar indicated that this had been an oversight rather than a deliberate attempt to withhold relevant information.

ALLEGATION 1.2

11. The Independent Examiner's report Zeeshan Munawar issued on 01 February 2024 in respect of the accounts of Charity Y for year ended 05 April 2023 said '[redacted] ACCOUNTANT' and '[Company Z]'. However, Zeeshan Munawar has informed ACCA in this regard: '... [Company Z] had no involvement in the preparation of these accounts. I acknowledge that I mistakenly used the name of [Company Z] without their consent, and I take full responsibility for this error.'
12. At that time Zeeshan Munawar was a director of Company Z.

ALLEGATION 2

13. The requirements under the Charities Act 2011:

'145 Examination of accounts an option for lower-income charities

- (1) If section 144(2) does not apply to a financial year of a charity but its gross income in that year exceeds £25,000, the accounts of the charity for that year must, at the election of the charity trustees, be:
 - (a) Examined by an independent examiner, that is, an independent person who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts, or
 - (b) Audited by a person within section 144(2)(a) or (b).
- (2) Subsection (1) is subject to
 - (a) subsection (3), and
 - (b) any order under section 146(1).

- (3) If subsection (1) applies to the accounts of a charity for a year and the charity's gross income in that year exceeds £250,000, a person qualifies as an independent examiner for the purposes of subsection (1)(a) if (and only if) the person is independent and:
- (a) A member of one of the bodies listed in subsection (4), or
 - (b) A Fellow of the Association of Charity Independent Examiners...

Section 145(4) of Charities Act 2011 sets out the bodies referred to in subsection (3), which include ACCA.

14. Zeeshan Munawar issued an Independent Examiner's report on 31 January 2023 in respect of the accounts of Charity X for year ended 01 April 2022, in which income was recorded as £283,984.
15. However, as at 31 January 2023, Zeeshan Munawar was not a member of ACCA or any other applicable professional body.

ALLEGATION 3

16. The Global Practising Regulations 3(1)(a) and 3(2)(a) 2024 have certain requirements as set out as follows:

'3. Restrictions on carrying on public practice

(1) Members

- (a) No member shall carry on public practice in a designated territory or in a country or jurisdiction that, according to local legislative and/or regulatory requirements, requires a practising certificate issued by the Association, unless the member holds a practising certificate which authorises the carrying on of the activity in question. ...

(2) Members and firms

- (a) No member shall be a sole proprietor, partner or director of a firm, or member of a limited liability partnership, where public practice is carried on in the name of the firm, or otherwise in the course of the firm's business, unless the member is in compliance with this regulation 3....'

17. Further, Global Practising Regulation 4(1) indicates the following:

'4. Meaning of public practice

(1) Activities

Subject to regulations 4(2), 4(3) and 4(5), public practice, which may be carried on by an individual or a firm (the "practitioner"), means:

- (a) accepting an appointment as an auditor; and/or
- (b) signing or producing any accounts or report or certificate or tax return concerning any person's financial affairs, whether an individual sole-trader, an unincorporated body or a firm, in circumstances where reliance is likely to be placed on such accounts or report or certificate or tax return by any other person (the "third party"), or doing any other thing which may lead the third party to believe that the accounts or report or certificate or tax return concerning the financial affairs of such a person have been prepared, approved or reviewed by the practitioner; and/or
- (c) holding oneself or itself out, or allowing oneself or itself to be held out, as being available to undertake the activities referred to in (a) and (b) above (and allowing oneself to be known as a, or a firm of "Chartered Certified Accountant(s)", "Certified Accountant(s)", "Chartered Accountant(s)", "Accountant(s)" or "Auditor(s)" or any similar description or designation standing for any such description in the context of the practitioner's business shall be regarded as an example of such a holding out); and/or
- (d) holding oneself out, or allowing oneself to be held out, as a sole proprietor, partner or director of a firm, or designated member or

member of a limited liability partnership, where public practice is carried on.'

18. However, Mr Munawar was a director of Company Z, which offered public practice services, between 01 November 2023 and 10 February 2024; and between 12 February 2024 and 10 September 2024, when he did not hold a practising certificate with ACCA.

ALLEGATION 4

19. The Global Practising Regulations contain requirements on carrying out public practice.

20. In particular Regulation 3(1)(a) (2024):

- 'No member shall carry on public practice in a designated territory or in a country or jurisdiction that, according to local legislative and/or regulatory requirements, requires a practising certificate issued by the Association, unless the member holds a practising certificate which authorises the carrying on of the activity in question.'

21. Global Practising Regulation 4(1):

- 'Meaning of public practice:

(1) 'Activities'

Subject to regulations 4(2), 4(3) and 4(5), public practice, which may be carried on by an individual or a firm (the "practitioner"), means: ... (b) signing or producing any accounts or report or certificate or tax return concerning any person's financial affairs, whether an individual sole-trader, an unincorporated body or a firm, in circumstances where reliance is likely to be placed on such accounts or report or certificate or tax return by any other person (the "third party"), or doing any other thing which may lead the third party to believe that the accounts or report or certificate or tax return concerning the financial affairs of such a person have been prepared, approved or reviewed by the practitioner;...

22. However, Mr Munawar issued the Independent Examiner's reports for the dates as set out in the schedules above, when he did not hold a practising certificate with ACCA.

ALLEGATION 5

23. The Global Practising Regulation (Annex 1) 3(2) sets out the requirements for members who provide accountancy services within scope of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 by way of business, including those that fall outside the meaning described by regulation 4 of the Global Practising Regulations (for example book-keeping). These members will be subject to supervision for compliance with the anti-money laundering provisions under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. In such cases, eligible members should consider obtaining a practising certificate from the Association in order to be supervised by the Association. Alternatively, members must register with HM Revenue and Customs or another body recognised for such purposes.
24. Mr Munawar's Independent Examiner's reports for Charity X and Charity Y as set out in the Schedules above, constituted the provision of accountancy services that fall within the scope of the money laundering regulations.
25. Mr Munawar informed ACCA:

'While I am a director of Company Z, I have not been involved in any accountancy work conducted by the company. Any accountancy work (including the above Independent Examiner's reports) has been done independently in my personal capacity as a self-employed accountant, not in connection with Company Z...'

In relation to the Independent Examiner's report he issued in respect of the accounts of Charity Y for year ended 05 April 2023 - which referred to 'XX [redacted] ACCOUNTANT' and '[Company Z]' '... [Company Z] had no involvement in the preparation of these accounts. I acknowledge that I mistakenly used the name of [Company Z] without their consent, and I take full responsibility for this error.'

26. However, Mr Munawar was not registered with an anti-money laundering supervisor.

DECISION ON ALLEGATIONS AND REASONS

27. In accordance with Regulation 8 of the CDR, the Chair has the power to approve or reject the draft Consent Order or to recommend amendments. The Chair can only reject a draft Consent Order if she is of the view that the admitted breaches would more likely than not result from exclusion from membership or removal from the student register.
28. The Chair was satisfied that there was a case to answer and that it was appropriate to deal with the complaint by way of a Consent Order. The Chair considered that the Investigating Officer had followed the correct procedure and conducted the appropriate level of investigation.
29. The Chair considered the evidence before her and ACCA's Consent Orders Guidance. Based on the documentary evidence provided by ACCA, together with the admission of the allegations by Mr Munawar, the Chair found the facts of the allegations proved. She considered that the admitted facts setting out Mr Munawar's actions amounted to misconduct in that they brought discredit to him, ACCA, and the accountancy profession. This justified disciplinary action under bye-law 8(a)(i).

SANCTION

30. In deciding whether to approve the proposed sanction of a Severe Reprimand and Fine, the Chair had considered the Guidance to Disciplinary Sanctions ("the Guidance"). This included in particular the key principles relating to public interest, namely the protection of members of the public, the maintenance of public confidence in the profession and in ACCA, along with the need to declare and uphold proper standards of conduct and performance. The Chair also considered the principle of proportionality; that is, balancing the member's own interests against the public interest and whether the proposed sanction was appropriate and sufficient.
31. In deciding that a Severe Reprimand and Fine were the most suitable sanctions, paragraphs C4.1-C4.5 of the Guidance was considered by the Chair:

AGGRAVATING FACTORS

- Zeeshan Munawar issued a number of unqualified Independent Examiner's reports in respect of the accounts of two charities, which did not contain the disclosures required in relation to Trustee remuneration, Trustees' expenses, and related party transactions. As such, this was not an isolated incident but, rather, a pattern.
- The relevant accounts of Charities X and Y are on record with the Charities Commission.
- The role of the Independent Examiner is to provide independent scrutiny and they play a part in maintaining public trust and confidence in charities. It is therefore important that Independent Examiners act in accordance with all applicable technical and professional standards, and legislation.
- Zeeshan Munawar's failure to register with a supervisory body for anti-money laundering purposes covered a period of over a year, during which time he issued a number of Independent Examiner's reports.

MITIGATING FACTORS

Zeeshan Munawar has:

- No previous complaints or disciplinary history recorded against him.
- Co-operated with ACCA's investigation.
- In light of this investigation, resigned as director of Company Z, and updated his LinkedIn profile, in order to rectify his position in relation to Global Practising Regulations 3(1)(a) and 3(2).
- Admitted his conduct, expressed regret, and said he is committed to ensuring that it will not happen again in the future.
- Provided a signed undertaking to ACCA that he will not:

- Carry on public practice - as defined in ACCA's Global Practising Regulation 4(1) - in a designated territory or in a country or jurisdiction that, according to local legislative and/or regulatory requirements, requires a practising certificate issued by ACCA, unless he has first obtained a practising certificate authorising the carrying on of the activity in question, in accordance with ACCA's Global Practising Regulation 3(1)(a).
 - Be a sole proprietor, partner, or director of a firm, or a member of a limited liability partnership, or hold rights in a firm, where public practice is carried on in the name of the firm or otherwise in the course of the firm's business, unless he complies with ACCA's Global Practising Regulation 3, in accordance with Global Practising Regulation 3(2).
 - Provide any accountancy services falling within the terms of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 by way of business, including those that fall outside the meaning described in Global Practising Regulation 4 (for example book-keeping), unless he has first registered with a supervisory body for anti-money laundering, thereby complying with Global Practising Regulation (Annex 1) 3(2).
32. The Chair considered that both the aggravating and mitigating factors identified by ACCA were supported by documentary evidence and were relevant.
33. In the Chair's view, the misconduct was serious, and the public interest would not be served by making no order, nor would an Admonishment or Reprimand adequately reflect the seriousness of Mr Munawar's conduct.
34. In all the circumstances, the Chair was satisfied that a Severe Reprimand proportionately reflects Zeeshan Munawar's conduct. This sanction was proportionate and sufficient given that an order excluding Mr Munawar from the Register of Members would be a disproportionate outcome which a Disciplinary Committee would be unlikely to make.
35. The Chair was also satisfied that a fine was appropriate to reflect the nature of the allegations, and that a fine of £500 is appropriate given Mr Munawar's financial position.

COSTS AND REASONS

36. Having considered the costs schedules and the financial mitigation that Mr Munawar put forward, the costs claimed by ACCA have been reduced to reflect his financial situation. In the Chair's view the costs have been appropriately reduced and Mr Munawar should be able to pay those reduced costs.
37. ACCA is entitled to request a contribution to the costs of bringing these proceedings. The claim for a contribution to costs of £500 has been agreed by Mr Munawar.

ORDER

38. The Chair approved the terms of the attached Consent Order.
39. In summary:
- a) Allegations 1-6 are proved by admission;
 - b) Mr Munawar shall be Severely Reprimanded and pay a fine of £500.
 - c) Mr Munawar shall pay a contribution to costs in the sum of £500.
40. There is no right of appeal against this order. Therefore, the order comes into effect immediately.

Carolyn Tetlow
Chair
13 January 2025.