

CONSENT ORDERS HEARING

CONSENT ORDER CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Donal Joseph Ring

Heard on: Tuesday, 22nd April 2025

Location: Remotely via Microsoft Teams

Chair: Mr Tom Hayhoe

Legal adviser: Mr Alastair McFarlane

Hearings Officer: Miss Mary Okunowo

Outcome: Consent Order approved.

DOCUMENTS BEFORE THE COMMITTEE

1. The Chair received a bundle of papers, numbered pages 1-725, a supplementary bundle numbered pages 1-208 pages, a signed consent order numbered pages 1-8, and a costs spreadsheet of one page and a detailed costs schedule of two pages.

CONSENT ORDER

The Association of Chartered Certified Accountants (ACCA) and Mr Donal Joseph Ring, agree as follows:

It is alleged that Mr Ring, a fellow member of ACCA and, at the time of the facts

set out in the allegations a partner of Firm A:

1.
 - (a) Caused and/or permitted an unqualified audit report to be issued on 15 February 2017, in his name for and on behalf of Firm A, in respect of accounts of Company B for the year ended 31 December 2016;
 - (b) Despite the fact that his partner at Firm A, Mr C, was a director of Company B; and/or
 - (c) Despite the fact that his partner at Firm A, Mr C, held a financial interest in Company B; and/or
 - (d) Despite the fact that no audit work had been done.
2.
 - (a) Caused and/or permitted an annual return in respect of Company B made up to 30 September 2017 to be presented to Companies Registration Office on or around 23 November 2017, in which Firm A was named as Company B's auditor;
 - (b) Despite the fact that his partner at Firm A, Mr C, was a director of Company B; and/or
 - (c) Despite the fact that his partner at Firm A, Mr C, held a financial interest in Company B.
3. By virtue of any or all of the facts in allegations 1(a) and/or 1(b) and/or 1(c) and or 2(a) and/or 2(b) and/or 2 (c) breached:
 - (a) Section 280.2 of ACCA's Code of Ethics and Conduct (2017); and/or
 - (b) The Fundamental Principle of Objectivity (2017).
4. In the alternative to the above, by virtue of all or any of the facts in allegation 1 (a) and 2(a), breached the fundamental principle of professional competence and due care (2017).
5. Issued the unqualified audit reports in Schedule A in respect of accounts

of company D:

- (a) Without preparing adequate audit documentation as required by International Standards on Auditing 230; and/or
- (b) Which contain errors.

6. Is, by virtue of all or any of the facts in allegations:

1 to 5, guilty of misconduct pursuant to bye-law 8(a)(i)

That Mr Ring should be reprimanded and shall pay costs to ACCA in the sum of £3000.

BACKGROUND

- 2. At the time of preparing the investigation report Mr Ring was a sole practitioner with a general practising certificate (Ireland). At the time of the conduct referred to in the Schedule of Allegations, Mr Ring was in partnership with Mr C at Firm A. Mr Ring and Mr C commenced that partnership in 1992 and practised together until late 2018.
- 3. At the dates of the audit reports referred to in the allegations, Mr Ring held a practising certificate with audit qualification with ACCA, and Firm A was licensed for audit by CPA Ireland (not by ACCA).

Allegation 1(a)

- 4. The accounts of Company B on file at Companies Registration Office (CRO) for the year ended 31 December 2016 contain an audit report issued by Mr Ring, for and on behalf of Firm A

Allegation 2(a)

- 5. Also, on file at CRO is an annual return of Company B made up to 30 September 2017, filed on or around 23 November 2017. This identifies Firm A as Auditor and Presenter.

Allegations 1(b) and 2(b)

6. Section 290.144 of ACCA's Rulebook (2017) states as follows:

290.144 If a partner or employee of the firm serves as a director or officer of an audit client, the self-review and self-interest threats created would be so significant that no safeguards could reduce the threats to an acceptable level. Accordingly, no partner or employee shall serve as a director or officer of an audit client.

7. Mr Ring's partner at Firm A at the relevant time, Mr C, is – and was also during the year ended 31 December 2016 - a director of Company B.
8. Mr Ring has advised ACCA *'I understand the implications of S290.144 of ACCA's Rulebook (2017) and accept it was an error of judgment. [Firm A] would normally prepare the accounts for onward transmission for independent audit and...they were incorrectly submitted as audited by [Firm A].'*

Allegations 1(c) and 2(c)

9. On further investigation, Mr C also held a financial interest in Company B at the relevant time. As disclosed in the company's accounts for year ended 31 December 2016, Company B was a 100 percent subsidiary of another company in which Mr C held a controlling interest by virtue of shares he held personally and through another company. Mr Ring has informed ACCA that he and Mr C worked at the same office.
10. Section 290.108 of ACCA's Rulebook (2017) stated as follows:

290.108 If other partners in the office in which the engagement partner practises in connection with the audit engagement, or their immediate family members, hold a direct financial interest or a material indirect financial interest in that audit client, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Therefore, neither such partners nor their immediate family members shall hold any such financial interests in such an audit client.

Allegation 1(d)

11. As part of the investigation, Mr Ring has provided ACCA with Firm A's working paper file in respect of the accounts of Company B or the year ended 31 December 2016.

Allegation 3

12. Mr Ring accepted that the matters in allegations 1 and 2 (a) breached section 280.2 of ACCA's Code of Ethics and Conduct (2017; and/or (b) the Fundamental Principle of Objectivity (2017).

Allegation 4

13. Further, Mr Ring accepted that as an alternative the facts in allegation 1 (a) and 2(a), breached the fundamental principle of professional competence and due care (2017).

Allegation 5

14. Mr Ring accepted that he issued audit reports for Company D that were not in compliance with the International Standard of Auditing, for example in relation to preparing audit documentation sufficient to enable an experienced auditor, having no previous experience with the audit, to understand matters such as the nature, timing and extent of the audit procedures performed, and the results of the audit procedures performed and the audit evidence obtained and significant matters arising during the audit.

Allegation 6

15. Mr Ring accepted that the allegations he admitted reached the threshold for misconduct.

CHAIR'S DECISION

16. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, I must determine whether, based on the evidence before it, the draft consent order

should be approved or rejected. I had regard to the Consent Orders Guidance.

17. I noted that under Regulation 8(12) I shall only reject the signed consent order if I am of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
18. I agree that an investigation of an appropriate level was conducted by ACCA.
19. I note that Mr Ring has admitted all allegations including misconduct.
20. I agree that there is a case to answer and that there is a real prospect that a reasonable tribunal would find the allegations proved.
21. I have considered the seriousness of the breaches as set out 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. I have balanced this against Mr Ring's interests, and his mitigation and personal circumstances (which were also accepted by ACCA).
22. I note and accept the list of aggravating and mitigating factors advanced at paragraphs 26 and 27 of the draft Consent Order bundle. Whilst the failures were serious, I note and accept ACCA's position that Mr Ring's misconduct was not deliberate or dishonest, that there is no evidence of harm and no evidence of any money laundering having been enabled. I also note that Mr Ring has fully cooperated with the investigation, taken remedial action and made admissions. I considered that the behaviour is unlikely to be repeated and that there is little continuing risk to the public.
23. I have had regard to ACCA's Guidance for Disciplinary Sanctions. I am satisfied that there was early and genuine acceptance of the conduct and that the risk to the public and profession from Mr Ring continuing as a member is low.
24. For the reasons set out above, I am satisfied that the admitted breaches would be unlikely to result in exclusion from membership, and therefore there is no basis for me to reject the consent order under Regulation 8 (12). I note the proposed consent order and, considering all the information before me, am

satisfied that a reprimand is an appropriate and proportionate disposal of this case.

25. I am further satisfied to award ACCA's costs in the sum of £3,000 which I find to be a reasonable and proportionate amount for the work undertaken.

ORDER

26. The Chair, pursuant to his powers under Regulation 8, made an Order in terms of the draft Consent Order, namely that Mr Ring be reprimanded. In addition, Mr Ring is to pay ACCA's costs of £3,000.

Mr Tom Hayhoe
Chair
22 April 2025