DISCIPLINARY ACTION AGAINST ANDREW JOHN PICKLES

Andrew John Pickles, a member based in Ayr, has been severely reprimanded on three charges and reprimanded on two others following a hearing of the Discipline Tribunal of The Institute of Chartered Accountants of Scotland. In addition Mr Pickles was ordered to pay a penalty of £5,000 and agreed to pay costs of £75,000.

The Discipline Tribunal was advised at a hearing in September 2012 that ICAS' Investigation Committee and Mr Pickles had entered into a Joint Minute of Agreement. At the commencement of the hearing Counsel for Mr Pickles informed the Discipline Tribunal that all five of the charges were admitted. In relation to the first three charges which related to a parent company and its subsidiary, Mr Pickles admitted that (i) he had allowed his firm to take the audit appointment for the subsidiary company in circumstances where he was director of the parent company, (ii) he had signed off the audit report for the subsidiary company for 2005 whilst he had been a director in the year in question, and (iii) he had signed off the audit reports for the parent company in 2006 and 2007 when he had acted as a director of the parent company during part of 2005.

In relation to the two other charges Mr Pickles admitted that he had (i) accepted a payment from the parent company in circumstances which gave rise to an impairment to his or his firm's objectivity and independence as auditors of the subsidiary company, and (ii) countersigned his firm's Annual Return to ICAS in circumstances where he failed to make disclosure of the threats to his objectivity and independence by virtue of his directorship of the parent company or the acceptance of a payment from the parent company.

In so acting Mr Pickles lacked the required objectivity and independence in terms of the APB Ethical Standard 1 and was guilty of professional misconduct.

Peter Anderson, Discipline Tribunal Chairman said “In reaching its decision the Tribunal had taken into account that Mr Pickles had not acted dishonestly, had not acted in a manner which put clients’ interests at risk and there was no question of misappropriation of client funds nor any attempt to deceive clients. However, Mr Pickles admission of the Charges in the Complaint seemed to the Tribunal to show a startling and worrying lack of understanding of the basic principles of law and the duty imposed upon him as a chartered accountant and as a Responsible Individual as auditor and also in his role and capacity as a Company Director but even in the absence of such understanding his ethical instincts should have alerted him to the situation into which he was being led. The Tribunal’s conclusion was that having admitted all five charges Mr Pickles was guilty of professional misconduct”.