

THE EXECUTIVE COUNSEL TO THE FINANCIAL REPORTING COUNCIL

-and-

ANDREW PAUL RAYNOR

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SETTLEMENT AGREEMENT

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1. This Settlement Agreement ("Agreement") is made on the 10<sup>th</sup> day of October 2016 between Gareth Rees QC as Executive Counsel of the Financial Reporting Council ("FRC"), of 8<sup>th</sup> Floor, 125 London Wall, London EC2Y 5AS ("Executive Counsel") of the first part, and Mr Andrew Raynor. Executive Counsel and Mr Raynor are together described as "the Parties".
2. The Agreement is evidenced by the signatures of Executive Counsel on his own behalf and by Mr Raynor.
3. The Particulars of Fact and Acts of Misconduct against Mr Raynor ("the Particulars") as a member of the Institute of Chartered Accountants in England and Wales ("ICAEW") were prepared by the Executive Counsel in accordance with the FRC Accountancy Scheme ("the Scheme") and are annexed. The Particulars relate to the conduct of Mr Raynor as a Member of the ICAEW in his role as Chief Executive Officer of RSM Tenon Group plc ("RSM Tenon") in connection with certain aspects of the preparation and approval of the financial statements for RSM Tenon for the year ended 30 June 2011.
4. As a member of the ICAEW, Mr Raynor admits the Misconduct pleaded in the Particulars.
5. The Parties recognise that the determination to be made in this case is a matter for the person appointed from the Tribunal Panel ("the Tribunal member") in accordance with

paragraph 8(4) of the Scheme. The Parties have agreed the following terms of settlement:

- (a) A Fine of £26,500 to be paid by Mr Raynor, adjusted for mitigating factors and discounted for settlement from £40,000. The Fine shall be paid not later than 28 days after the date when the Agreement takes effect;
- (b) Mr Raynor to receive a Reprimand;
- (c) A sum of £50,000 to be paid by Mr Raynor as a contribution to Executive Counsel's costs of, and incidental to, the investigation into Mr Raynor's conduct. The costs shall be paid not later than 28 days after the date when the Agreement takes effect.

6. In reaching this Agreement with Mr Raynor, the Executive Counsel considered the following stages and took account of the following factors in accordance with the FRC Sanctions Guidance:

#### **Nature and Seriousness of the Misconduct**

- (a) The Misconduct involved the financial statements of a listed company and there is a public interest in ensuring that financial statements show a true and fair view of the state of affairs of the company;
- (b) The Misconduct was not dishonest, deliberate, lacking in integrity or reckless;
- (c) The Misconduct could undermine confidence in the standards of conduct in general of Members, and financial reporting and corporate governance in the United Kingdom; and
- (d) Mr Raynor held a senior position and had supervisory responsibilities;
- (e) Mr Raynor was not solely responsible for the Misconduct.

#### **Identification of Sanction**

Having assessed the seriousness of the Misconduct, the Executive Counsel determined that a Fine of £40,000 and a Reprimand is an appropriate sanction. Executive Counsel has then taken into account any aggravating and mitigating factors that exist (to the extent that they have not already been taken into account in relation to the seriousness of the Misconduct). Having considered those additional factors set out below, Executive

Counsel has determined that an adjustment to sanction is appropriate by reducing the Fine to £38,000.

### **Aggravating Factors**

No aggravating factors

### **Mitigating Factors**

- (a) Mr Raynor has a good compliance history and disciplinary record;
- (b) Mr Raynor cooperated fully during the investigation of the Misconduct by the FRC;
- (c) The Misconduct took place five years ago and is unlikely to be repeated; and
- (d) The investigation has already had a significant impact on Mr Raynor's family life and career.

### **Deterrence**

No adjustment for deterrence is required in this case.

### **Discount for Settlement**

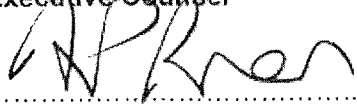
Having taken into account the admissions made by Mr Raynor and the stage at which those admission were made (in Stage 1 of the case in accordance with paragraph 59 of the Sanctions Guidance), the Executive Counsel determined that a reduction of approximately 30% as to the Fine as a settlement factor is appropriate.

7. If the decision of the Tribunal member is to approve the Agreement, including the sanctions and costs set out at paragraph 5 above, then the Agreement shall take effect from the next working day after the date on which notice of the decision is sent to Mr Raynor in accordance with paragraph 8(4)(iii) of the Scheme.
8. The Agreement and annex will remain confidential until publication in accordance with

paragraph 8(6) of the Scheme.



Executive Counsel



Andrew Raynor

10 October 2016

Date

10 October 2016

Date