

**IN THE MATTER OF**

**THE EXECUTIVE COUNSEL TO THE FINANCIAL REPORTING COUNCIL**

**and**

**NATASHA TOY**

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**SETTLEMENT AGREEMENT**

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1. This Settlement Agreement (“**Agreement**”) is made on the 30<sup>th</sup> day of March 2020 between Claudia Mortimore as the Deputy Executive Counsel of the Financial Reporting Council (“**FRC**”), of 8<sup>th</sup> Floor, 125 London Wall, London, EC2Y 5AS (“**the Executive Counsel**”) and Natasha Toy (“**Ms Toy**”). The Executive Counsel and Ms Toy together are described as “**the Parties**”. The Agreement is evidenced by the signatures of the Executive Counsel on her own behalf and by Ms Toy on her own behalf.
2. The Particulars of Fact and Acts of Misconduct concerning Ms Toy (“**the Particulars**”) were agreed by the Parties in accordance with the FRC Accountancy Scheme (“**the Scheme**”) and annexed hereto. The Particulars relate to the conduct of Ms Toy in relation to her secondment from Grant Thornton UK (“**the audit firm**”) to Conviviality Retail plc (“**the Company**”) to assist with the Company’s preparation of its financial statements for the financial year ending 30 April 2014 (“**FY2014**”). The audit firm was also the auditor for the Company for FY2014 (“**the 2014 Audit**”). Ms Toy transferred a 4.5 hour time entry off the 2014 Audit code, and then attempted to delete it, in an attempt to remove evidence of her involvement in the 2014 Audit given the independence issues such involvement would raise in the light of her secondment to the Company.
3. Ms Toy admits the Acts of Misconduct as set out in the Particulars.
4. The Parties recognise that the determination to be made in this case is a matter for the Tribunal member in accordance with paragraph 8(4)(ii) of the Scheme.
5. Terms used in this Agreement shall have the same meaning as set out in the Scheme and the Sanctions Guidance dated April 2018, effective from 1 June 2018 (“**the 2018 Sanctions Guidance**”).

**Ms Toy - Sanction**

6. The Parties have agreed the following terms of settlement:
  - (a) A Severe Reprimand.

7. In determining the appropriate sanctions, the Executive Counsel adopted the approach set out in the 2018 Sanctions Guidance, as follows:

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

8. The Executive Counsel considers that the factors relevant to assessing the nature and seriousness of the Misconduct are as follows:
- (a) Ms Toy did not personally benefit financially from the Misconduct.
  - (b) The Misconduct was serious as it represented a breach of the fundamental principle of integrity.
  - (c) The Misconduct was isolated and was confined to the transfer and attempted removal of a single 4.5 hour time entry.
  - (d) The Member was not solely responsible for the Misconduct and was in a relatively junior position within the firm. She was acting under the perceived instruction of the audit engagement partner when she committed the relevant acts.
  - (e) The Misconduct could potentially undermine confidence in the standards of conduct in general of Members.

***Identification of Sanction***

9. Having assessed the nature and seriousness of the Misconduct and considered the range of available sanctions, the Executive Counsel has determined that a Severe Reprimand is the appropriate sanction.
10. The Executive Counsel has then taken into account any aggravating and mitigating factors set out below, to the extent that they have not already been taken into account in considering the nature and seriousness of the Misconduct. Having considered those additional factors set out below, Executive Counsel has determined that no adjustment to sanction for deterrence is required in this case.

***Aggravating Factor***

11. No aggravating factors were identified.

***Mitigating Factors***

12. The following mitigating factors were identified:
- (a) Ms Toy has a hitherto unblemished disciplinary record.
  - (b) Ms Toy has provided an exceptional level of cooperation during the investigation.
  - (c) Ms Toy did not hold a senior position within the firm at the time of the 2014 Audit. She was acting under the direction of a very senior audit engagement partner when the Misconduct occurred.

(d) Ms Toy has demonstrated contrition and apologised for the Misconduct.

***Discount for Admissions and Settlement***

13. Ms Toy has admitted all of the facts as set out in the Particulars and the sanction proposed reflects the extent, significance and timing of those admissions.

**Costs**

14. Executive Counsel has determined that no payment towards costs should be made by Ms Toy.

15. If the decision is to approve the Agreement, including the sanction set out above, then the Agreement shall take effect from the next working day after the date on which the notice of the decision is sent to Ms Toy in accordance with paragraph 8(4)(iv) of the Scheme.

16. The Agreement and annex will remain confidential until publication in accordance with paragraph 8(6) of the Scheme.



30 March 2020

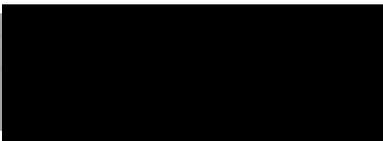
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**Claudia Mortimore**

**Date**

**Deputy Executive Counsel**



30 March 2020

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**Natasha Toy**

**Date**