

Financial Reporting Council

The Executive Counsel to the Financial Reporting Council

and

Diane Jarvis

Settlement Agreement

1. This Settlement Agreement ("**Agreement**") is made on the 7th day of July 2015 between Gareth Rees QC as the Executive Counsel of the Financial Reporting Council ("**the FRC**"), of 8th Floor, 125 London Wall, London EC2Y 5AS ("**the Executive Counsel**") of the first part, and Diane Jarvis ("**Ms Jarvis**") of [REDACTED] of the second part. The Executive Counsel and Ms Jarvis together are described as "**the Parties**".
2. The Agreement is evidenced by the signatures of the Executive Counsel on his own behalf and by Ms Jarvis on her own behalf.
3. The Particulars of Fact and Acts of Misconduct ("**the Particulars**") against Ms Jarvis as a member of the Institute of Chartered Accountants for England and Wales ("**ICAEW**") were prepared by the Executive Counsel in accordance with the FRC's Accountancy Scheme ("**the Scheme**") and are annexed. The Particulars relate to the conduct of Ms Jarvis during 2010 and early 2011 in her role as Chief Financial Officer of Healthcare Locums plc ("**HCL**") in connection with the dishonest manipulation of HCL's management accounts to increase apparent profitability through (i) over-accrual of revenue (ii) allocation of staff costs to reorganisation costs and (iii) over-capitalisation of costs.
4. Ms Jarvis admits 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 in accordance with paragraph 8(4)(i) of the Scheme. The Parties have agreed the following terms of settlement:
 - (A) Exclusion of Ms Jarvis from the ICAEW for a recommended period of ten years; and

(B) A sum of £25,000 to be paid by Ms Jarvis as a contribution to the Executive Counsel's costs of, and incidental to, his investigation into the matters which form the subject matter of the Particulars. This sum shall be paid in full not later than 28 days after the date that this Settlement Agreement takes effect.

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

Nature and Seriousness of the Misconduct

- i. The Misconduct caused or risked the loss of significant sums of money;
- ii. The Misconduct involved a failure to comply with professional standards;
- iii. The standards breached were important, and the breaches were prolonged and serious;
- iv. The Misconduct involved a failure to act with integrity;
- v. The Misconduct was dishonest and deliberate;
- vi. The Misconduct potentially adversely affected a significant number of people in the United Kingdom;
- vii. The Misconduct could undermine confidence in the standards of conduct in general of Members and financial reporting and corporate governance in the United Kingdom;
- viii. The Member held a senior position and supervisory responsibilities; and
- ix. The Member was not solely responsible for the Misconduct.

Identification of Sanction

7. Having assessed the seriousness of the Misconduct, the Executive Counsel determined that exclusion from the ICAEW for a recommended period of ten years to be an appropriate sanction. The Executive Counsel has then taken into account the 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 these factors as set out below, the Executive Counsel has determined that a sanction of exclusion for a recommended period of ten years remains the appropriate sanction.

Aggravating Factors

- i. Ms Jarvis failed to bring the Misconduct to the attention of the FRC;
- ii. The Misconduct was repeated and occurred over an extended period of time;
- iii. The Misconduct was committed with a view to profit; and

- iv. Ms Jarvis held a senior position and had supervisory responsibilities.

Mitigating Factors

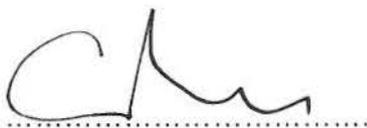
- i. Ms Jarvis cooperated during the investigation of the Misconduct by the FRC;
- ii. Ms Jarvis has a good compliance history and disciplinary record; and
- iii. Ms Jarvis has demonstrated contrition and apologised for the Misconduct.

Deterrence

- 8. No adjustment for deterrence is required in this case.

Other Considerations

- 9. The Executive Counsel has taken into account Ms Jarvis's financial resources and the fact that Ms Jarvis has confirmed that no part of the costs will be paid or indemnified by insurers, or by her employer.
- 10. If the decision of the person appointed under paragraph 8(4)(i) of the Scheme is to approve the Agreement, including the sanction 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 given to Ms Jarvis in accordance with paragraph 8(4)(iii) of the Scheme.
- 11. The Agreement and annex will remain confidential until publication in accordance with paragraph 8(6) of the Scheme.



Gareth Rees QC
Executive Counsel

7 7 2015

Date



Diane Jarvis

25/6/15

Date