

Edited for publication

IN THE MATTER OF

THE EXECUTIVE COUNSEL TO THE FINANCIAL REPORTING COUNCIL

- and -

JOHN EVERINGHAM

SETTLEMENT AGREEMENT

1. This Settlement Agreement ("**Agreement**") is made on 8 August 2025 between Jamie Symington as Deputy Executive Counsel of the Financial Reporting Council ("**FRC**"), of 13th Floor, Exchange Tower, 1 Harbour Exchange Square, London, E14 9GE ("**the Executive Counsel**"), and John Everingham ("**Mr Everingham**") (together "**the Parties**"). The Agreement is evidenced by the signatures of the Parties.
2. Terms used in this Agreement shall have the same meaning as set out in the FRC Accountancy Scheme ("**the Scheme**") and the FRC Sanctions Guidance dated March 2021 ("**the 2021 Sanctions Guidance**").
3. A Formal Complaint alleging Misconduct against Mr Everingham as a former member of the Institute of Chartered Accountants in England and Wales ("**the ICAEW**") was delivered to the Conduct Committee under paragraph 7(11) of the Scheme on 17 April 2025. The amended Formal Complaint as submitted to the Disciplinary Tribunal ("**the Tribunal**") is annexed to this Agreement.
4. The Parties recognise that the determination to be made in this case is a matter for the Tribunal in accordance with paragraph 8(5) of the Scheme.
5. If the decision of the Tribunal is to approve the Agreement, including the sanctions set out below, and the proposed amendments to the Formal Complaint further to Regulation 24 of the Accountancy Regulations, then the Agreement shall take

effect from the next working day after the date on which the notice of the decision is sent to the Parties in accordance with paragraph 8(5) of the Scheme.

6. The Agreement and annex will remain confidential until publication in accordance with paragraph 8(6) of the Scheme.
7. The Formal Complaint is in respect of Mr Everingham's conduct whilst a partner at BDO between 2014 and 2019. During this period, in a pervasive manner, Mr Everingham failed adequately to supervise numerous audits for which he was the RI and wrongfully abrogated his responsibilities as the RI to a senior manager at BDO, Ms Amanda Nightingale née Cleaver ("**Ms Nightingale**"). Mr Everingham's conduct fell significantly short of the standards reasonably to be expected of a Member and has brought, or is likely to bring, discredit to himself, BDO and the accountancy profession. As to this:
 - a. In respect of ten separate audits over successive years within one group of companies for which he was the RI, Mr Everingham issued Auditor's Reports and unqualified audit opinions in circumstances where (i) very limited, and insufficient, audit evidence had been obtained by the audit engagement team and (ii) it is to be inferred that he had performed no, or very limited and insufficient, review of such audit evidence (if any) that had been obtained.
 - b. In relation to 21 other audits in respect of which Mr Everingham was the RI, and as a result of Mr Everingham's failures to discharge his responsibilities for these audits in compliance with ISA 220.8, ISA 220.15 and ISA 220.17, Ms Nightingale issued an Auditor's Report without his authorisation. In respect of 20 of these audits, Ms Nightingale inserted an electronic copy of what purported to be Mr Everingham's signature on the Auditor's Reports without his authorisation. Mr Everingham failed to identify that the Auditor's Reports had been signed and issued, and in many cases subsequently filed at Companies House, without his authorisation. In some of these cases, there is no evidence that an audit file was even created for the relevant audit and it is to be inferred that no, or insufficient, audit evidence was obtained to support the Auditor's Report.
8. Mr Everingham admits the Formal Complaint and the Allegations contained within it.

Sanction

9. The Parties have agreed the following terms of settlement:

- a. a financial sanction of £200,000 increased by 5% to £210,000 to reflect the aggravating factor referred to at paragraph 17 below and then discounted by 10% in accordance with paragraph 73 of the 2021 Sanctions Guidance for settlement at Stage 3 to £189,000;
 - b. a Severe Reprimand; and
 - c. a Condition that Mr Everingham does not perform any audit work (including, but not limited to, the signing of any auditor's report expressing an opinion on a reporting entity's financial statements) for a period of 6 years from the date of this Agreement.
10. In determining the appropriate sanctions against Mr Everingham, the Executive Counsel adopted the approach set out in paragraph 18 of the 2021 Sanctions Guidance, as follows:

Nature and Seriousness of the Misconduct

11. The Executive Counsel considers that the following factors are relevant to assessing the nature and seriousness of the Misconduct:
- a. The Misconduct in this case was very serious and involved the abrogation by Mr Everingham of his responsibilities as audit engagement partner in relation to numerous audits spanning several years. The extent of Mr Everingham's failure to discharge his statutory responsibilities is such that the Misconduct has brought, or is likely to bring, discredit to Mr Everingham, BDO and to the accountancy profession.
 - b. The Misconduct involved a failure to comply with important professional standards. The standards breached, including the Fundamental Principles of Professional Behaviour and Professional Competence and Due Care, are critical to upholding trust and public confidence in the accountancy profession. The Misconduct also involved widespread failures to comply with important auditing standards, which are fundamental to the work of an auditor.
 - c. The Misconduct was repeated on numerous occasions, across numerous audits and occurred over a number of years.
 - d. The Misconduct is very likely to undermine confidence in the standards of conduct in general of Members and Member Firms and financial reporting and in the profession generally.
 - e. It is not alleged that the Misconduct was intentional, dishonest, deliberate or reckless.

- f. It does not appear that any financial gain was derived or was intended to be derived from the Misconduct save for the remuneration received by Mr Everingham during the period of the Misconduct.

Identification of Sanction

12. Having assessed the seriousness of the Misconduct and considered the range of available sanctions, the Executive Counsel considers that the sanctions identified at paragraph 9 above are appropriate.
13. The Executive Counsel considers that, having regard to the circumstances of this case and the nature of the Misconduct and circumstances in which it has arisen, a financial sanction of £200,000 is proportionate to the Misconduct and will act as an effective deterrent.
14. The Executive Counsel has determined it is also appropriate to impose a Severe Reprimand given the scale and gravity of the Misconduct identified.
15. Further, the Executive Counsel has determined that Mr Everingham should be prevented from undertaking audit engagements for a period of six years, in order to protect the public and safeguard the public interest given the damage to public and market confidence in the standards of conduct of Members and in the accountancy profession caused by the Misconduct.
16. The Executive Counsel has taken into account aggravating and mitigating factors set out below, to the extent that they have not already been taken into account in relation to the nature and seriousness of the Misconduct. The Executive Counsel has also considered whether any adjustment to sanction for deterrence that is required in this case. The conclusion reached is that the financial sanction should be increased by 5% from £200,000 to £210,000 to reflect the aggravating factor of a lack of cooperation as detailed at paragraph 17 below. For the avoidance of doubt this adjustment also takes into account the mitigating factors detailed at paragraph 19 below.

Aggravating Factors

17. Mr Everingham failed to cooperate with the investigation by providing inaccurate and incomplete information in response to a request for information by way of a Notice served pursuant to Rule 14(2) of the Scheme. Executive Counsel considers this to be an aggravating factor in accordance with paragraph 61(b) of the 2021 Sanctions Guidance.
18. No other aggravating factors which have not already been taken into account in the assessment of seriousness have been identified.

Mitigating Factors

19. The following mitigating factors were identified:

- a. Mr Everingham has apologised for the Misconduct.
- b. Mr Everingham has a good compliance history and disciplinary record.

Discount for Settlement

20. Having taken into account the admissions made by Mr Everingham and the stage at which those admissions were made (in Stage 3 of the case in accordance with paragraph 73 of the 2021 Sanctions Guidance), the Executive Counsel has determined that a reduction of 10% to the financial sanction is appropriate.

Costs

21. Costs to be paid by BDO.

[Signature redacted]

8 August 2025

Jamie Symington

Date

Deputy Executive Counsel

[Signature redacted]

8/8/2025

John Everingham

Date