

Edited for publication

IN THE MATTER OF

THE EXECUTIVE COUNSEL TO THE FINANCIAL REPORTING COUNCIL

- and -

KEVIN COOK

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 Kevin Cook ("**Mr Cook**") (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 Cook 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 Cook's conduct whilst a partner at BDO between 2015 and 2019. During this period, in a pervasive manner, Mr Cook failed to supervise numerous audits for which he was the RI and wrongfully abrogated his responsibilities to a senior manager at BDO, Ms Amanda Nightingale née Cleaver ("**Ms Nightingale**"). Mr Cook'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 to the accountancy profession. As to this:
 - a. In relation to 13 audits in respect of which Mr Cook was the RI, and as a result of Mr Cook'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 all of these audits, Ms Nightingale inserted an electronic copy of what purported to be Cook's signature on the Auditor's Reports without his authorisation. Mr Cook 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 respect of 12 of the 13 audits, Ms Nightingale issued the unauthorised Auditor's Reports where appropriate audit work had not been performed and sufficient audit evidence had not been obtained (and indeed where no audit file had even been created for 11 of these audits).
8. Mr Cook admits the Formal Complaint and the Allegation contained within it.

Sanction

9. The Parties have agreed the following terms of settlement:
 - a. a financial sanction of £100,000 reduced by 10% in accordance with paragraph 73 of the 2021 Sanctions Guidance for settlement at Stage 3 to £90,000;
 - b. a Severe Reprimand; and
 - c. a Condition that Mr Cook 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 3 years from the date of this Agreement.

10. In determining the appropriate sanctions against Mr Cook, 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 serious and involved the abrogation by Mr Cook of his responsibilities as audit engagement partner in relation to numerous audits spanning several years. The extent of Mr Cook's failure to discharge his statutory responsibilities is such that the Misconduct has brought, or is likely to bring, discredit to Mr Cook, 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 Cook 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 unprecedented nature of the Misconduct and circumstances in which

it has arisen, a financial sanction of £100,000 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 Cook should be prevented from undertaking audit engagements for a period of three 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 no adjustment is required.

Aggravating Factors

17. No aggravating factors which have not already been taken into account in the assessment of seriousness have been identified.

Mitigating Factors

18. The following mitigating factors were identified:
 - a. Mr Cook has apologised for the Misconduct.
 - b. Mr Cook has a good compliance history and disciplinary record.

Discount for Settlement

19. Having taken into account the admissions made by Mr Cook 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 as a settlement factor is appropriate.

Costs

20. Costs to be paid by BDO.

[Signature redacted]

8 August 2025

Jamie Symington

Date

Deputy Executive Counsel

Kevin Cook [Signature redacted]

Date 08/08/2025