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Four Rogue KPMG Auditors Fined £365,000

They were disciplined after an industry tribunal found they forged documents and lied during a probe into their work.

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By Lucy White, Daily Mail, London (via TNS).

Rogue accountants at KPMG have been fined a combined £365,000 for misleading inspectors over the audits of Carillion and Regenersis.

Four staff were fined after an industry tribunal found that they forged documents and lied during a probe into their work.

KPMG was fined a record £20 million, reduced to £14.4 million for its cooperation, in the same case. A fifth more junior auditor was let off with a severe reprimand, dodging the £50,000 fine the regulator recommended, after the tribunal's chairman said a penalty should not be so large that he would be forced to sell his matrimonial home.

The fines were imposed by the tribunal that heard the five-week hearing in January and February.

It found that the regulator, the Financial Reporting Council (FRC), was misled by KPMG's auditors when it tried to inspect their work on outsourcer Carillion's 2016 accounts and IT company Regenersis's 2014 accounts. Carillion went bust in 2018 in one of the largest corporate collapses in British history. Just months earlier, KPMG had signed off its accounts.

When the audit was selected for routine checks by the FRC, KPMG staff created documents that made it look like they had been written before the accounts had been signed off.

Peter Meehan, KPMG's Carillion audit partner, was fined £250,000 and was banned for 10 years from the profession—less than the £400,000 fine and the 15-year exclusion which the FRC had pushed for.

Senior managers Alistair Wright and Adam Bennett were each banned for eight years and fined £45,000 and £40,000 respectively, again around half of what the FRC recommended. Richard Kitchen was fined £30,000 and banned for seven years, avoiding most of the £100,000 penalty the FRC had wanted.

Pratik Paw, their junior colleague who got off without a fine, had told the tribunal that he had just been following his superiors' instructions and did not know he was doing anything wrong. He was 25 at the time and not yet fully qualified.

His barrister, Scott Allen, said the debacle had 'caused him to be depressed and not to leave the house for long periods of time'. Jon Holt, UK chief executive of KPMG, said: 'We have worked hard and with complete transparency to our regulator, to assure ourselves that the behaviour of the individuals concerned does not reflect the wider culture of the firm.'

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