

# **ADMISSIONS AND LICENSING COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS**

## **REASONS FOR DECISION**

**In the matter of:** Mr Rene Victor Akumiah

**Heard on:** Monday, 22 January 2018

**Location:** The Adelphi, 1-11 John Adam Street, London WC2N  
6AU

**Committee:** Mr John Wilson (Chairman), Mr Alastair Papps (Lay),  
Dr Hazel Bentall (Lay)

**Legal Adviser:** Mr David Marshall

### **Persons present**

**and capacity:** Ms Samantha Hatt (Case Presenter for ACCA)

**Summary:** Audit qualifications withdrawn with immediate effect

1. The Committee considered the eligibility of Mr Akumiah and his firm to continue to hold audit qualifications following an allegedly unsatisfactory monitoring visit. Ms Hatt appeared for ACCA. Mr Akumiah was not present and not represented.

### **PROCEEDING IN ABSENCE**

2. The Committee considered The Chartered Certified Accountants' Authorisation Regulations 2014 (Amended 2018) and the evidence of service. The Committee was satisfied that Mr Akumiah had been served with the documents referred to in regulation 6(1) in accordance with regulation 11.
3. In deciding whether to exercise its discretion to proceed in Mr Akumiah's absence, the Committee noted that the notice had been delivered and signed for in the name of 'Akumiah' and that a copy had been sent by email and not returned. It was satisfied that he was aware that this hearing was taking place.

4. Mr Akumiah has had little contact with ACCA but he did send an email dated 23 December 2017, in which he indicated that he would not be able to attend the meeting because he was 'undergoing treatment' at a named hospital. He gave no further details. Thereafter ACCA made a number of attempts to contact Mr Akumiah, both in writing and by telephone, to establish if he wished to seek an adjournment. Further telephone calls were made at the start of the hearing to both the numbers known to ACCA. There had been no reply to any of these communications.
5. The Committee concluded that Mr Akumiah was aware of the hearing but had decided not to exercise his right to attend. He had not sought an adjournment, despite this being suggested to him, so it was unlikely that he would attend on a future occasion if the hearing were adjourned. There was an important public interest in considering, as soon as possible, whether he should continue to hold audit qualifications. The Committee determined to proceed in Mr Akumiah's absence.

#### **BRIEF BACKGROUND**

6. Mr Akumiah is a sole practitioner under the name R V Akumiah & Co (UK). He has been a member of ACCA since 1989. He has held a practising certificate with audit qualification, and his firm has held an auditing certificate, for many years although at the time of monitoring visits in 2008 and 2010 there were no audit clients. There were solicitor clients for whom he prepared reports to the Solicitors Regulatory Authority.
7. At the time of the next monitoring visit in October 2014, there were at least two audit clients. The Compliance Officer examined two files and considered that the audit opinion in each case was not adequately supported. No deficiencies were identified in the regulated client work.
8. Mr Akumiah was referred to the Admissions and Licensing Committee which made an order on 10 December 2015. The order required Mr Akumiah to take various steps to improve the standard of his audit work including having the 2015 audit files of his existing two clients reviewed by a training company. The Committee directed that an accelerated monitoring visit take place after the 2016 audits of those clients had been completed. Mr Akumiah was ordered not to take on any further audit clients before that monitoring visit.
9. The monitoring visit ordered by the previous Committee took place on 25 September 2017. The Compliance Officer considered that Mr Akumiah had made little effective improvement. Accordingly the matter had been referred to this Committee.

## **DECISION AND REASONS**

10. The Committee had regard to ALC's Guidance and the particular factors referred to in The Statutory Auditors and Third Country Auditors Regulations 2016.
11. It considered the detailed findings set out in the report. A draft of the report had been sent to Mr Akumiah on 6 November 2017 for comment. Mr Akumiah responded in substance on 1 December 2017. He stated that he did not agree with the conclusion of unsatisfactory outcome for the following reasons:
  - i. "I provided you with all documents and records you requested for.
  - ii. I employed the audit systems, programmes and checklists of reputable training establishments such as PCP and CCH, suitably tailored to confirm [sic] to the circumstances at hand.
  - iii. You were satisfied with at least two of the files. ..."
12. The Committee did not regard this as a credible defence to the detailed criticisms set out in the report. Indeed it indicated a serious lack of understanding of what was required of him. The Committee had no reason to doubt the conclusions of the Compliance Officer and it accepted them.

## **ORDER AND REASONS**

13. In deciding what action, if any to take, in this case, the Committee was particularly concerned about the following criticisms contained in the report:
  - a) On all the files, the audit documentation did not comply with the requirements of ISO230. The documentation was not sufficient to enable a third party to understand what was done;
  - b) One of the audit clients was a charity for whom reliable audit was likely to be particularly important;
  - c) Mr Akumiah failed to comply with the rules and guidance regarding independence in that his fees from a particular client exceeded 15% of his total turnover. In fact they were expected to amount to 27% of turnover. This

raised a serious question about his independence.

14. The Committee regarded it as important that there had already been an order of the ALC but despite the opportunities given to him, Mr Akumiah had not improved the standard of his audit work. He appeared to be incapable of benefiting from the opportunities provided to him. ACCA's Guidance says that in such circumstances 'the Committee will normally order that the firm's audit registration be withdrawn'.
15. The Committee considered that withdrawal was the appropriate and proportionate order in this case. Auditors perform an important public function. Audit reports must be accurate and reliable and the public must have confidence that those who prepare them are competent. Mr Akumiah had been shown to be unwilling or unable to meet the required standard. His response to the latest criticisms was wholly inadequate and demonstrated a lack of understanding of the purpose and requirements of auditing and the rules which govern that aspect of practice.
16. The Committee made an order pursuant to Authorisation Regulation 5(2)(f) that:
  - a) Mr Akumiah's practising certificate with audit qualification and the firm's auditing certificate be withdrawn and he be issued with a practising certificate; and
  - b) any future re-application for audit registration by Mr Akumiah, or by a firm in which he is a principal, must be referred to the Admissions and Licensing Committee, which will not consider the application until he has attended a practical audit course, approved by ACCA and, following the date of this order, passed paper P7, Advanced Audit and Assurance, of ACCA's professional examinations.

#### **EFFECTIVE DATE OF ORDER**

17. Hatt invited the Committee to consider directing that its order take effect immediately. The Committee was particularly concerned about Mr Akumiah's lack of insight. It determined that there would be a risk to the public if Mr Akumiah were permitted to retain his audit qualification during the appeal period. The Committee directed that its order should have immediate effect.

## **PUBLICITY**

18. The Committee did not consider that there were any circumstances justifying a departure from the normal rule that this decision be published, including details of Mr Akumiah's identity.

**John Wilson**  
**Chairman**  
**22 January 2018**