

The decision and reasons of the Regulatory Assessor for the case of Mr G Sole FCCA and Sole Associates Accountants Ltd referred to him by ACCA on 25 January 2019

Introduction

1. Sole Associates Accountants Ltd is the incorporated sole practice of ACCA member, Mr G Sole FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Sole's conduct of audit work.

Basis and reasons for the decision

2. I have considered all of the evidence in the booklet sent to me, including correspondence submitted by the firm since the monitoring visit.
3. In reaching my decision, I have made the following findings of fact:
 - a the principal has had four previous monitoring visits. The first visit in July 2005 to Mr Sole's unincorporated practice was unsatisfactory as was the second visit to Mr Sole's incorporated practice in October 2009. As a result ACCA reported its findings to the Admissions and Licensing Committee which resulted in a follow up visit to Mr Sole's new unincorporated practice in October 2011 where the outcome was satisfactory. The fourth visit was in September 2015 to the then incorporated practice, Sole Associates Accountants Ltd, where the compliance officer found that the audit work was not of a consistent standard and, on one of the three files inspected, the audit opinion was not adequately supported by the work performed and recorded;
 - b at the fifth and most recent visit in August 2018 the compliance officer found that the firm had not maintained the improvements to its audit procedures found at the two previous visits and, on all three files inspected, the audit work was not of a satisfactory standard resulting in the audit opinions not being adequately supported by the work performed and recorded;
 - c the firm did not renew its audit certificate and Mr Sole's practising certificate with audit qualification after 31 December 2017;

- d I have had regard to the Guidance Notes for Regulatory Orders in Regulatory Proceedings after 4th March 2013 in reaching my decision.

The decision

4.

I note that Mr Sole has not renewed his practising certificate with audit qualification and his firm's auditing certificate and that Mr Sole has consequently been issued with a practising certificate without audit qualification. On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that any future re-application for a practising certificate with audit qualification by Mr Sole, or an application for audit registration 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 provided an action plan, which ACCA regards as satisfactory, setting out how he intends to prevent a recurrence of the previous deficiencies and has attended a practical audit course, approved by ACCA and, following the date of this decision, passed paper P7, Advanced Audit and Assurance, of ACCA's professional examinations.

Publicity

5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Sole and his firm made under Regulation 7(2) may be published as soon as practicable, subject to any directions given by me.
6. I have considered the submissions, if any, made by Mr Sole regarding publicity of any decision I may make pursuant to Authorisation Regulation 7(2). I do not find that there are exceptional circumstances in this case that would justify non-publication of my decision to impose conditions and/or the omission of the names of Mr Sole and his firm from that publicity.

7. I therefore direct pursuant to Authorisation Regulation 7(6)(a), that a news release be issued to ACCA's website referring to Mr Sole and his firm by name.

Regulatory Assessor
4 February 2019