

HEARING

ADMISSIONS AND LICENSING COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Tahir Javed Iqbal

Heard on: Thursday, 07 March 2019

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

Committee: Mr Michael Cann (Chairman)
Mrs Susan Gallone (Accountant)
Mr Gerard McClay (Lay)

Legal Adviser: Mr David Marshall (Legal Adviser)

Persons present

and capacity: Mr Benjamin Jowett (ACCA Case Presenter)
Mr Christopher Badoo (Hearings Officer)

Observers:

Summary

Members and firms practicing certificate with audit qualification withdrawn with immediate effect and Mr Iqbal to be reissued with a practising certificate
Any future re-application for audit registration by Mr Iqbal, or by a firm in which he is a principal, must be referred to the Admissions and Licensing Committee.

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

1. The Committee considered the eligibility of Mr Iqbal and his firm to continue to hold audit qualifications, following an allegedly unsatisfactory monitoring visit. Mr Jowett appeared for ACCA. Mr Iqbal was present and represented himself.

APPLICATION/BRIEF BACKGROUND

2. Mr Iqbal has been a member of ACCA since 1998. He practises as TJI Associates. He holds a practising certificate with audit qualification and his firm holds an audit certificate. There was a monitoring visit on 29 April 2014. At that time, Mr Iqbal had not done any audit work, but the Compliance Officer found serious deficiencies in his work on regulated solicitor clients. There was a second visit on 22 March 2016. The Compliance Officer found that the firm had not established effective audit procedures, and it did not appear to have obtained any audit evidence for an audit that it had carried out. In addition, there were again serious deficiencies in its work on regulated solicitor clients. The matter was referred to the Regulatory Assessor, who made a direction on 16 December 2016, which included 'hot reviews' of, and an accelerated monitoring visit, before 31 December 2018.
3. A third visit took place on 16 November 2018. The Compliance Officer found that the firm had made some improvements to its audit procedures, but there remained serious deficiencies on two of the three files inspected. The file that was satisfactory had been subject to 'hot review' by a training company. ACCA set out its detailed findings in the referral to this Committee.
4. ACCA recommended that the Committee consider withdrawing the firm's auditing certificate, and the principal's audit qualification, with immediate effect.

DECISION ON APPLICATION AND REASONS

5. Mr Iqbal made detailed submissions to the Committee. He was frank in accepting the findings from the latest monitoring visit, subject to two points which he said were inaccurate. One point related to the file which was found to be satisfactory anyway. The other point related to Land Registry

searches. Mr Iqbal said that the Compliance Officer had made a mistake in saying that he did not have a particular Land Registry search, at the date of the audit certificate. He said that he did have one, and had brought it with him. For the purposes of this hearing, Mr Jowett did not challenge that. However, the Committee considered that it did not affect the overall conclusion from the visit.

6. Mr Iqbal accepted that his performance had not been satisfactory. He said that he had been out of auditing for about nine years, so when he returned to it, in 2013, he had a lot to relearn. He felt that his performance was improving but that he had more to do. He had identified a number of courses that he intended to go on, but he had not, yet, applied for any courses. He had not submitted any kind of action plan to ACCA and, indeed, had not made any formal response to the Compliance Officer's findings until today, despite being granted an extension to 5 February 2019.
7. Mr Iqbal's position was that, if he had to lose his right to carry out statutory audits, he would like to retain the ability to carry out Solicitors' Regulation Authority ('SRA') work. Mr Jowett explained that this work involved reporting to the SRA, on the certificate that a solicitor is required to give to SRA that it had complied with the solicitor's accounts rules. These reports were not statutory audits, but he submitted that they were akin to statutory audits, in that they involved reviewing figures and accounts. The reason why an accountant was required to have an audit certificate to perform them, was that this was a requirement of the SRA.
8. Mr Jowett accepted that what Mr Iqbal was asking for could be achieved by allowing him to retain his audit qualification, but subject to a condition that he did not carry out statutory audits. However, Mr Jowett opposed any such order. He said that if Mr Iqbal were allowed to keep his certificate, subject to conditions, it would not be clear to members of the public that he was not, in fact, permitted to act as a statutory auditor. He also said that there had been concerns in the past about the quality of Mr Iqbal's SRA work, and there was no up to date evidence that he was competent.
9. The most recent monitoring visit did not review any SRA work. Mr Iqbal said

that he had about twelve SRA reports that could have been checked, but (he said) the Compliance Officer told him it was no longer ACCA policy to inspect this work.

10. The Committee considered that it was quite clear from the report of findings following the most recent monitoring visit, that Mr Iqbal had committed serious and wide ranging breaches of the Global Practising Regulations. This was despite the fact that following the previous unsatisfactory visit, he was specifically warned by the Regulatory Assessor that 'failure to make the necessary improvements in the level of compliance with auditing standards and with the requirements of any regulators by that time will jeopardise his and his firm's continuing audit registration.' Mr Iqbal had made no attempt to improve the quality of his audit practice following the last visit. The Committee found that he had little insight into the deficiencies in his audit practice, and it had no confidence that he would be capable of performing at a satisfactory standard. It was satisfied that he should not be permitted to carry out statutory audits at this time.
11. The Committee considered whether Mr Iqbal could be permitted to retain his audit qualification, but subject to a condition that he did not carry out statutory audits. It concluded that this would not be appropriate. The requirement by SRA that accountants performing this function have an audit qualification was presumably based on the SRA's view that the person concerned required the skills of a statutory auditor. The Committee had already decided that Mr Iqbal did not have those skills. It is a matter for the SRA to decide what qualifications they require, of those performing work for them.
12. In view of the serious and persistent failure to meet the required standard, the Committee decided that the audit qualifications of Mr Iqbal and his firm should be withdrawn with immediate effect.

ORDER

13. The Committee made an order pursuant to Authorisation Regulation 5(2)(f) that:
- (a) Mr Iqbal's practising certificate with audit qualification and the firm's auditing certificate be withdrawn with immediate effect and that Mr Iqbal be issued with a practising certificate; and
 - (b) any future re-application for audit registration by Mr Iqbal, 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 provided an action plan, which ACCA regards as satisfactory, setting out how Mr Iqbal intends to prevent a recurrence of the previous deficiencies and attended a practical audit course, approved by ACCA and, following the date of this order, passed paper P7 (or the equivalent advanced level audit paper) of ACCA's professional qualification.

Mr Michael Cann
Chairman
07 March 2019