

The decision and reasons of the Regulatory Assessor for the case of Mr Vinod Valand FCCA of Avin Accountants Limited and Audit Force Limited referred to him by ACCA on 19 March 2020

Introduction

1. Avin Accountants Ltd is the incorporated sole practice of ACCA member, Mr Vinod Valand FCCA. Mr Valand is also a shareholder and the sole director of Audit Force Limited. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Valand'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 related correspondence and the action plan prepared and submitted by the firm since the monitoring visit.
3. In reaching my decision, I have made the following findings of fact:
 - a Mr Valand has been subjected to two monitoring visits
 - b The first monitoring visit to Avin Accountants Limited took place before Audit Force Limited was incorporated. The compliance officer found that generally the audit work was of a reasonable standard but there were issues in connection with the ethical standards regarding the firm's independence and the compliance officer also found some deficiencies in the performance and recording of the audit work.
 - c The second monitoring visit took place during June 2019 and August 2019 and reviewed the work of both firms. The compliance officer found that the standard of the firm's audit work had deteriorated. On the audit files inspected significant deficiencies were found in the significant risk and material audit areas such that the audit opinions issued were not adequately supported by the work performed and recorded.

- d In addition, at the second visit the compliance officer found that although the firm had a quality control manual in place, the firm had shortfalls in following the recommended procedures and consequently, failed to comply with ISQC 1.
- e On 18 October 2019, Mr Valand submitted to ACCA an action plan to remedy the deficiencies identified during the second visit.

The decision

- 4. On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that Mr Valand FCCA should be required to:
 - i. Employ an external training firm, as set out in the action plan, to provide hot/cold file reviews on selected files. Mr Valand should provide evidence that this has taken place to the compliance officer by 18 October 2020; and
 - ii. be subject to an accelerated monitoring visit before August 2021 at a cost to the firm of £1,200 and £500 (plus VAT at the prevailing rate) for each additional audit qualified principal; and
 - iii. note 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.

Publicity

5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Valand and his firms 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 Valand 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 the omission of the names of Mr Valand and his firms 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 Valand and his firms by name.

Regulatory Assessor
08 July 2020