

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

**REASONS FOR DECISION**

**In the matter of:** Mr Kojo Amoah-Arko

**Heard on:** Tuesday 19 January 2021

**Location:** ACCA Offices, The Adelphi, 1-11 John Adam Street, London WC2N  
6AU (Remotely via Microsoft Teams)

**Committee:** HH Graham White (Chair)  
Mr Arif Kamal (Accountant)  
Ms Samantha Lipkowska (Lay)

**Legal Adviser:** Mr Alastair McFarlane

**Persons present**

**and capacity:** Mr Phillip Law (ACCA Case Presenter)  
Mr Steve Innes (Counsel for Mr Amoah-Arko)  
Mr Naveed Hanif (Trainee Solicitor representing Mr Amoah-Arko)  
Ms Anita Phillips (Hearings Manager)  
Mr Antony Townsend (Appointment Board Observer)

1. The Committee had before it a bundle of papers numbered pages 1 – 20, a service bundle numbered pages 1 to 14, two tabled additional bundles numbered pages 1 to 5 and 1 to 16, and an adjournment bundle numbered pages 1 to 13.
2. ACCA was represented by Mr Law. Mr Amoah-Arko was present and was represented by Mr Innes.

### **SERVICE**

3. Having considered the service bundle on this case, the Committee was satisfied that the notice of the hearing dated 18 December 2020 was served on Mr Amoah-Arko in accordance with the Regulations.

### **ADJOURNMENT APPLICATION**

4. The Committee noted that on 14 January 2021, the Chair declined an application made by the solicitors acting for Mr Amoah-Arko to adjourn this hearing on the basis that they had only been very recently instructed and sought an adjournment for them to obtain full instructions, advise Mr Amoah-Arko and fully consider the papers. This was declined by the Chair with written reasons dated 14 January 2021, but under Authorisation Regulation 6 (8) (a) the Committee are meant to reconsider the application. However, Mr Innes indicated that the adjournment application is not pursued and Mr Amoah-Arko is ready to deal with the substantive application today.

### **BACKGROUND**

5. Kojo & Co Limited (“the Firm”) is the sole incorporated practice of ACCA member, Mr Kojo Amoah-Arko FCCA. The Firm was remotely reviewed on 23 September 2020. The purpose of this monitoring review was to review the conduct of the Firm’s audit work and to ensure that Mr Amoah-Arko had maintained a satisfactory standard of audit work since the previous review in February 2012. The Firm was reviewed in July 2016, but at that time it did not hold any audit appointments. The visit also included confirming the firm’s eligibility for registered auditor status and monitoring compliance with the Chartered Certified Accountants’ Global Practising Regulations 2003 (GPRs).
6. The Firm had only one audit client which is a charity and this file was inspected on 23 September 2020 when serious deficiencies in the audit work were identified.
7. Before the September 2020 review, Mr Amoah-Arko had undergone five previous reviews. The first was in February 1997 which identified serious deficiencies in audit work. The second and third reviews were in June 1999 and May 2005 respectively. The

conduct of the audit work on both occasions was found to be satisfactory, although some weaknesses were noted. The fourth review was in February and March 2012, where the Officer found serious deficiencies in the audit work. The Firm provided an action plan detailing the action it intended to take to rectify the deficiencies. At the fifth monitoring review in July 2016, the Firm did not hold any audit appointments.

### **SUMMARY OF FINDINGS OF CURRENT VISIT**

8. At the remote review on 23 September 2020, the Officer found the Firm had not maintained adequate audit procedures. On the file inspected, serious deficiencies were found in the performance and recording of audit work in key areas. These included the recognition, valuation, presentation and disclosure of investment property, completeness of income and validity of expenditure. The Firm had used a standard audit programme, but the programme appeared to have been completed after the date of the audit opinion and, therefore, the Firm appeared to have no means to control the audit work at the time it was being conducted. As a result, the audit opinion was not adequately supported by the work performed and recorded.
9. ACCA submitted that there were serious deficiencies in the audit work. These included alleged failings in the following areas:

#### **International Standard on Quality Control 1 (ISQC 1)**

10. This requires firms to document their quality control policies and procedures. The Firm had not updated its ISQC1 policies as they contained references to the Ethical Standards issued by the Auditing Practices Board which have been superseded by the Financial Reporting Council's Ethical Standard. Furthermore, ISQC1.48 requires the Firm to implement a system of reviews of its quality controls and procedures on a cyclical basis by a qualified external reviewer. While the Firm's policy stated that such reviews would be conducted by HAT group of accountants, no reviews had been performed. The quality control policies and procedures in place were not effective, particularly in the areas of engagement performance and monitoring, in ensuring the Firm performed its audit work in accordance with the ISAs.

#### **Detailed findings on audit work**

11. Details of the deficiencies found, are shown in the report of the monitoring visit. The description "*unsatisfactory*" is based on the evidence seen on the files at the visit and is an assessment of whether or not the audit opinion was supported on the file inspected.

## **APPARENT BREACHES OF THE GLOBAL PRACTISING REGULATIONS**

12. ACCA contended that Mr Amoah-Arko and the Firm have breached GPR13(1) in that they failed to comply with the International Standards on Auditing (UK) in the conduct of audit work. There were deficiencies in the planning, control and recording of audit work, and in the file examined the audit opinion was not adequately supported by the work performed and recorded.

## **ACCA SUBMISSIONS**

13. ACCA submitted that Mr Amoah-Arko and the Firm have had five monitoring reviews and that two of these reviews had unsatisfactory outcomes in relation to audit work. While there was some improvement to the standard of audit work at the second and third reviews, at the fourth review serious deficiencies were identified on one of the two files inspected and at the September 2020 review the standard of audit work had deteriorated. ACCA had serious concerns about Mr Amoah-Arko's ability and willingness to maintain a satisfactory standard of audit work despite the advice and warnings given at the previous reviews.
14. ACCA therefore submitted that permitting Mr Amoah-Arko to retain his audit certificates would not be in the public interest and would be contrary to the presumption of competence set out in Regulatory Board Policy Statement ("PS"3). ACCA therefore recommended that the Committee withdraw Mr Amoah-Arko's audit qualification and his firm's auditing certificate and require him to pass a test of competence and a suitable practical CPD course before making any future reapplication for an audit certificate.

## **MR AMOAH-ARKO'S SUBMISSIONS**

15. Mr Innes indicated that the findings in the report were accepted by Mr Amoah-Arko. He referred to the documentation that Mr Amoah-Arko has now supplied, including that from the Holborn Accountancy Tuition Limited (HAT) with whom Mr Amoah-Arko entered into a contract on 08 January 2021. Mr Innes submitted that Mr Amoah-Arko wished to retain his audit certificate and that it was his ambition to increase the audit side of his work. He submitted that Mr Amoah-Arko had insight into his deficiencies and that, in the circumstances, the appropriate and proportionate disposal was for the Committee to impose conditions that enabled him to continue his audit work but that would adequately protect the public.

## **DECISION ON APPLICATION AND REASONS**

16. The Committee had regard to the submissions made by Mr Law on behalf of ACCA and Mr Innes on behalf of Mr Amoah-Arko.
17. The Committee accepted the Legal Adviser's advice. The Committee had regard to the policy position of ACCA and the guidance contained in ACCA's "Regulatory Board Policy Statement and Regulatory Guidance". It noted the policy contained in Policy Statement ("PS") 11.4 that provided in the absence of sufficient, reliable and credible evidence to the contrary, the Committee should, on the balance of probabilities, rely on the findings set out in ACCA's report. It also had regard to PS9.6 and paragraph 7.2.2 and 7.2.6 of the Regulatory Guidance to the effect that in the absence of exceptional reasons for not doing so, it would normally follow PS9.5 and ACCA's recommendation. The Committee noted Mr Law's observation that Policy Statements were, in effect, statements of intent by ACCA and while the Committee had regard and took account of those statements, as well as the Guidance, it reminded itself that each case of fact specific and that it was for the Committee to determine the appropriate and proportionate disposal in each case.
18. The Committee carefully considered all the material before it.
19. The Committee was satisfied on the balance of probabilities that ACCA has proved each of breaches of regulations and rules listed by ACCA, including the International Standards and Global Practising Regulations, as accepted by Mr Amoah-Arko.
20. The Committee was satisfied that Mr Amoah-Arko's failings in relation to the audit on the file supplied at the monitoring visit were as contended by ACCA. The Committee was satisfied that the deficiencies identified were serious and that its central concerns were the lack of evidence to justify that Mr Amoah-Arko followed proper processes in conducting the audit. The Committee was satisfied that there were basic and extensive shortcomings on his part. It was the Committee's judgment that Mr Amoah-Arko lacked insight into the failings identified. It was not persuaded that the involvement of HAT would assist Mr Amoah-Arko in gathering his audit evidence and was concerned that the monitoring aspect from HAT would not take effect until after the event of any audit. It was not persuaded that any learning from the HAT processes would be sufficient to address its concerns bearing in mind Mr Amoah-Arko's limited insight and the past experience of failed action plans. The Committee's foremost concerns as to public protection and maintaining standards would not therefore be sufficiently addressed by the imposition of any conditions.
21. The Committee had no hesitation, given the widespread and basic failings in relation to Mr Amoah-Arko's audit work and the breaches it is satisfied have been established, that

Mr Amoah-Arko should no longer be permitted to undertake audit work and that the Firm should no longer be authorised to undertake such work.

22. In these circumstances, the Committee considered that only proportionate order sufficient to protect the public and maintain confidence in the profession was to withdraw the Firm's audit certificate and Mr Amoah-Arko's practising certificate with audit qualification and to issue him with a practising certificate.

#### **ORDER**

23. The Committee made an order pursuant to Authorisation Regulation 6(15) that:
- i. The auditing certificate for the Firm and Mr Amoah-Arko's practising certificate with audit qualification be withdrawn;
  - ii. Mr Amoah-Arko be re-issued with a practising certificate;
  - iii. Any future re-application for audit registration by Mr Amoah-Arko, 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 Amoah-Arko 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 the advanced audit and assurance paper of ACCA's professional qualification.

#### **EFFECTIVE DATE**

24. In accordance with PS13.1 the Committee was satisfied that it was necessary in order to protect the public to direct that its order have immediate effect.

#### **PUBLICITY**

25. The decision and its reasons shall be published in accordance with AR6(14)(c)(i).

**HH Graham White**  
**Chair**  
**19 January 2021**