

The decision and reasons of the Regulatory Assessor for the case of Mr Everard D. Mahadeo FCCA and Michael Leigh (CCA) Limited referred to him by ACCA on 25 March 2021

Introduction

1. Michael Leigh (CCA) Limited is the incorporated sole practice of ACCA member, Mr Everard D. Mahadeo FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Mahadeo'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 prepared and submitted by the firm since the monitoring visit.
3. In reaching my decision, I have made the following findings of fact:
 - a The firm has had five audit monitoring visits since being eligible to carry out audit work;
 - b At the first visit in February 2007, it was found that there were serious deficiencies in the standard of the audit work undertaken;
 - c At the second visit in February 2009, it was found that the firm had made significant improvements in its audit work;
 - d At the third visit in February 2015, it was found that there were serious deficiencies in the standard of the audit work undertaken;
 - e At the fourth visit in February 2017, it was found that the standard of audit work had not improved, and the firm was referred to the Regulatory Assessor;
 - f Following the fourth visit, the Regulatory Assessor imposed various conditions on the firm to be addressed before the next monitoring visit;
 - g At the fifth visit held in June 2019, it was found that there were serious deficiencies in the standard of the audit work. The conclusion was that the firm had continued to issue audit opinions which were not adequately supported by the work performed

and recorded. Importantly, the firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warnings given at the previous reviews and consequently, the firm was again referred to the Regulatory Assessor;

- h The firm has subsequently relinquished its firm's auditing certificate and Mr Mahadeo has relinquished his practising certificate with audit qualification and been issued with a general practicing certificate.

The decision

- 4. I note that Mr Mahadeo has relinquished his practising certificate with audit qualification and his firm's auditing certificate. On the basis of the above I have decided pursuant to Authorisation Regulations 7(3)(b) and 7(4) that any future re-application for audit registration by Mr Mahadeo, 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 Mahadeo intends to prevent a recurrence of the previous deficiencies and attended a practical audit course, approved by ACCA and, following the date of this decision, passed paper P7 (or the equivalent advanced level audit paper) of ACCA's professional qualification.

Publicity

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