

**The decision and reasons of the Regulatory Assessor for the case of Mr A J Davies FCCA and A D Accounts Limited referred to him by ACCA on 23 March 2021.**

**Introduction**

1. A D Accounts Limited is the incorporated sole practice of ACCA member, Mr A J Davies. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Davies'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 Davies has had two auditing standards monitoring visits ;
  - b The first visit occurred in February 2019 at Mr Davies's previous practice where he was the principal. The files that were inspected had mixed review outcomes ;
  - c The second visit on Mr Davies's current firm, occurred remotely during September and October 2020. The compliance officer found that on the files examined, there was a deterioration in the standard of the audit work performed and that audit opinions were not adequately supported. Consequently, all files reviewed were deemed unsatisfactory ;
  - d Mr Davies has failed to achieve a satisfactory outcome at a second review in spite of the advice and warnings given at the previous 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 Davies should be required to:
  - i. be subject to an accelerated monitoring visit before (usually 1 year to 18 months after the previous visit) at a cost to the firm of £1,200 and £500 (plus VAT at the prevailing rate) for each additional audit qualified principal; and
  - ii. 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 Davies 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 Davies 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 Davies 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 Davies and his firm by name.

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Regulatory Assessor  
09 October 2021