

The decision and reasons of the Regulatory Assessor for the case of Mr Adam Dominey FCCA and ADS Accountancy Limited referred to him by ACCA on 29 April 2022

Introduction

1. ADS Accountancy Limited is the incorporated practice of ACCA members, Mr Adam Dominey FCCA and Mr Stephen Sharp FCCA. Mr Sharp is not in the remit of this decision. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Dominey'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 The firm has been subjected to four audit quality monitoring visits;
 - b At the first visit held in December 2009, the Compliance Officer informed the firm of serious deficiencies in audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded on two of the three audit files reviewed. The report on the review set out these deficiencies and this report was sent to the firm in January 2010. The firm acknowledged receipt of the report in a letter dated February 2010;
 - c At the second visit held in March 2012, the Compliance Officer found that the firm had improved its procedures and the audit opinions were supported by the work performed and recorded. The report on this review which set out the remaining deficiencies, was sent to the firm in April 2012;
 - d At the third visit held in February 2016, the Compliance Officer found that the firm had maintained its audit procedures and, on the files inspected the audit opinions were supported by the work performed and recorded. The report on this review which set out the remaining deficiencies, was sent to the firm in March 2016. The

firm acknowledged receipt of the report in a letter dated April 2016 and provided a detailed plan describing the action that the firm was taking to rectify the remaining deficiencies;

- e At the fourth visit, which was carried out remotely and held in April 2022, the Compliance Officer found that the firm had not maintained its procedures and the recording of the audit work had deteriorated. As a result, on all the files examined the audit opinion was not adequately supported by the work performed and recorded. The firm has failed to achieve a consistently satisfactory outcome despite the advice and warning given at the previous reviews.

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 Dominey should be required to:
 - i. be subject to an accelerated monitoring visit before October 2023, 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 the firm's continuing audit registration.

Publicity

5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Dominey's and the 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 Dominey 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 Dominey and the 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 Dominey and the firm by name.

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David Sloggett FCCA
Regulatory Assessor
17 October 2022