

The decision and reasons of the Regulatory Assessor for the case of Mr Avinash Mavani FCCA and Mavani Shah & Co referred to him by ACCA on 11 February 2022

Introduction

1. Mavani Shah & Co is the unincorporated sole practice of ACCA member, Mr Avinash Shah FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Shah'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.
3. In reaching my decision, I have made the following findings of fact:
 - a The firm has had eight audit quality monitoring visits ;
 - b The first visit in June 1996 had a satisfactory outcome ;
 - c The second visit in October 2001 had an unsatisfactory outcome ;
 - d The third visit in March 2004 had an unsatisfactory outcome ;
 - e The fourth visit in July 2008 had an unsatisfactory outcome and the firm was referred to the Regulatory Assessor ;
 - f In October 2008 the Regulatory Assessor imposed conditions on the firm relating to future audit assignments and ordered an accelerated monitoring visit ;
 - g The fifth visit in November 2010 had a satisfactory outcome and the firm was released from its regulatory order ;
 - h The sixth visit in February 2015 had a satisfactory outcome with some weaknesses in the performance and recording of audit work. The firm provided an action plan describing the remedial action it was taking to address the weaknesses ;
 - i The seventh visit in March 2017 had a satisfactory outcome with some weaknesses in the performance and recording of audit work. The firm provided an action plan describing the remedial action it was taking to address the weaknesses ;
 - j The eighth visit was held remotely over November and December 2021. On the files inspected, there were serious deficiencies in the performance and recording

of the audit work in key audit areas. As a result, on both files examined, the audit opinion was not adequately supported by the work performed and record and the visit had an unsatisfactory outcome ;

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

The decision

- 4. I note that Mr Shah has relinquished/not renewed 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 Shah 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 Shah 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 Shah 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 Shah 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 Shah 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 Shah and his firm by name.

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Regulatory Assessor
30 June 2022