

REPORT OF THE REGULATORY ASSESSOR

UNSATISFACTORY OUTCOME TO A REGULATORY ASSESSOR ORDERED AUDIT MONITORING REVIEW (THIRD VISIT)

Audit qualified principal

Mr R Chechani FCCA

Firm

Sinclair McKinsley Limited

The report to the Regulatory Assessor from the Compliance Officer, including related correspondence, concerns the above firm's conduct of audit work and continuing audit registration.

Taking account of the content of the Compliance Officer's report and the Regulatory Board Policy Statement and Regulatory Guidance the Assessor has made an appropriate decision in this case.

Details of member**Full name:**

Rajesh Chechani, FCCA

Registered address:Sinckot House
211 Station Road
Harrow
Middlesex
United Kingdom
HA1 2TP**Membership Number**

0990554

Firm Number

2136996

1. INTRODUCTION

- 1.1 Sinclair McKinsley is the incorporated sole practice of ACCA member, Mr R Chechani FCCA. The firm was monitored remotely on 27 October 2020. The purpose of this third monitoring review was to follow up the firm's previous monitoring review, which took place on 03 and 13 July 2018, the outcome of which in relation to the conduct of audit work was unsatisfactory. The visit also included considering the firm's eligibility for registered auditor status and monitoring compliance with The Chartered Certified

Accountants' Global Practising Regulations 2003 (GPRs).

2. **BASIS AND REASONS FOR DECISION**

I have considered the Compliance Officer's report, including ACCA's recommendation, together with related correspondence and evidence, concerning Mr Chechani's conduct of audit work.

In reaching my decision, I have made the following findings of fact.

- a) The firm and its principal have had three monitoring reviews.
- b) The firm had two previous monitoring reviews one on 23 April 2014 and the second on 03 and 13 July 2018.
- c) During the 2014 review, the Compliance Officer found serious deficiencies in audit work which resulted in audit opinions not being adequately supported by the work performed and recorded. The report on the visit, dated 03 June 2014, and receipt of the report was acknowledged by Mr Chechani on 30 June 2014
- d) At the 2018 review, the Compliance Officer found that the firm had made little effective improvement in its procedures. The Compliance Officer informed the firm of serious deficiencies in audit work which resulted in audit opinions not being adequately supported by the work performed and recorded. The Compliance Officer reported the findings to the Regulatory Assessor on 04 February 2019 after Mr Chechani had provided an action plan.
- e) The Regulatory Assessor determined, pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b), that Mr Chechani should be required to:-
 - (i) Be subject to an accelerated monitoring visit before 30 June 2020 at a cost to the firm of £1200 and £600 (plus VAT at the prevailing rate) for each additional qualified principal; and
 - (ii) Note that failure to make the necessary improvements in the level of compliance with auditing standards by that time will jeopardise his and his firm's continuing audit registration.

- f) Mr Chechani was advised of the Regulatory Assessor's decision in a letter dated 15 March 2019
- g) At the time of the third review, on 27 October 2020, the firm had four limited company audit clients, and three of the audit files were inspected.
- h) At the third review the Compliance Officer again found that the firm had made little effective improvement in its procedures. The firm had failed to implement the action plan it had committed to in response to the findings of the previous monitoring visit and its procedures were not adequate to ensure that it conducts all its audits in accordance with the International Standards on Auditing (UK). On all the files examined the audit opinions were not adequately supported by the work performed and recorded.
- i) The International Standard on Quality Control (ISQC1) requires firms to document their quality control policies and procedures. The Compliance Officer found that the policies and procedures had not been kept up to date, had not been subject to the required periodic external reviews, and that the quality control procedures in place were not effective.
- j) In the light of the foregoing, I find as a fact that Mr Chechani and the firm have breached PR 13(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 all the cases examined the audit opinion was not adequately supported by the work performed and recorded.
- k) In the light of the foregoing, I find as a fact that Mr Chechani and the firm have in material respects failed to comply with ISQC1.
- l) The firm did not renew its auditing certificate for 2021 and Mr Chechani did not renew his practising certificate with audit qualification. Mr Chechani has been issued with a general practising certificate.

3. THE DECISION

I note that Mr Chechani has 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 Chechani or 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 submitted an action plan, which ACCA regards as satisfactory, setting out how Mr Chechani intends to prevent a recurrence of the previous deficiencies.

4. **PUBLICITY**

Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Chechani and his firm made under Regulation 7(2) may be published as soon as practicable, subject to any directions given by me.

I am not aware of any submissions made by Mr Chechani 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 and/or the omission of the names of Mr Chechani and his firm from that publicity.

I therefore direct pursuant to Authorisation Regulation 7(6)(a), that a news release be issued to ACCA's website referring to Mr Chechani and his firm by name.

Peter Brown FCCA, DCha

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Regulatory Assessor
26 January 2022