

The decision and reasons of the Regulatory Assessor for the case of Mr Mark Lester Mulberry FCCA and Mulberry & Co referred to him by ACCA on 10 November 2022.

Introduction

1. Mulberry & Co is the unincorporated sole practice of ACCA member, Mr Mark Lester Mulberry FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Mulberry'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 had five audit quality monitoring reviews;
 - b At the first review which occurred in January 2009, the Compliance Officer found that the firm had serious deficiencies in its audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded. The firm submitted an action plan on how it intended to overcome the deficiencies. The Compliance Officer referred the firm to the Regulatory Assessor;
 - c In May 2009, the Regulatory Assessor made a decision imposing specific conditions on the firm relating to its conduct of audit work;
 - d At the second review which occurred in June 2011 the Compliance Officer found that the firm had introduced changes in procedures and had made some improvement in the recording of audit work and compliance with International Standards on Auditing but the changes were not maintained on both files reviewed. Consequently, the Compliance Officer referred the firm to the regulatory assessor who in November 2011, referred the matter to the Admissions and Licencing Committee to consider the withdrawal of the firm's and Mr Mulberry's audit certificates;

- e At their meeting in January 2012, the Admissions and Licencing Committee decided to impose 'hot' reviews but did not remove the firm's and Mr Mulberry's auditing certificates;
- f At the firm's third and fourth reviews held in April 2014 and February 2016 respectively, the Compliance Officer found that the firm had improved its auditing procedures and the reviews had satisfactory outcomes;
- g At the fifth review which was carried out remotely between February 2022 and March 2022, the Compliance Officer found that the firm had failed to maintain its standard of audit work and its procedures were not adequate to ensure that it conducts all audits in accordance with the International Standards on Auditing (UK) (ISAs);
- h The firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warning given at the previous reviews;
- i The firm has subsequently relinquished its firm's auditing certificate and Mr Mulberry has relinquished his practising certificate with audit qualification and been issued with a general practicing certificate.

The decision

4. I note that Mr Mulberry 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 Mulberry, 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 Mulberry 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 Mulberry 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 Mulberry 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 Mulberry 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 Mulberry and his firm by name.

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David R Sloggett FCCA
Regulatory Assessor
20 December 2022