

The decision and reasons of the Regulatory Assessor for the case of Mr Owusu Karikari FCCA and Oaks referred to him by ACCA on 12 October 2022

Introduction

1. Oaks is the sole practice of ACCA member, Mr Owusu Karikari FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Karikari's conduct of audit work.

Basis and reasons for the decision

2. I have considered all the evidence in the booklet sent to me, including related correspondence 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 held in November 2011, the Compliance Officer found that the firm had not established adequate quality control policies and its procedures were not adequate to ensure that it conducted audits in accordance with the International Standards on Auditing (UK & Ireland) (ISAs). It did not appear that the firm had attempted to carry out its audit work in accordance with the requirements. ACCA therefore reported its findings to the Regulatory Assessor to consider taking regulatory action;
 - c In February 2012, the Regulatory Assessor made a decision pursuant to Authorisation Regulations 6(2)(f) and 6(3)(b) that imposed various conditions on Mr Karikari with a note that a 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;
 - d The firm's second monitoring review required by the Regulatory Assessor took place in February 2014. The Compliance Officer found that the firm had made improvements in the performance and recording of its audit work, although some deficiencies remained which were not significant. The outcome of that review was therefore satisfactory. The report on the review setting out the deficiencies found

was sent to the firm in March 2014. The firm provided a detailed plan describing the remedial action that it was taking in April 2014;

- e The third review was performed between March and May 2016. The Compliance Officer found that, while the outcome of the review on the conduct of audit work was satisfactory, there were some weaknesses in the performance and recording of the work. The report was sent to Mr Karikari in June 2016. The firm provided an action plan describing the remedial action that it was taking in August 2016;
- f The fourth review was performed in February 2019. The Compliance Officer found that, while the outcome of the review on the conduct of audit work was satisfactory, there were some weaknesses in the performance and recording of the work. The report was sent to Mr Karikari in February 2019. The firm provided an action plan describing the remedial action that it was taking in September 2019;
- g At the fifth review which was completed in February 2021 the Compliance Officer found that the firm had not maintained adequate audit procedures. The firm was using a standard audit programme, but it was not tailoring this to ensure that it met the needs of the audit clients. On both files there were serious deficiencies in the work recorded in key areas resulting in the audit opinion not being adequately supported. As a result, on the files examined, the audit opinion was not adequately supported by the work performed and recorded.
- h Mr Karikari provided action plans following the third and the fourth reviews: these action plans have not proven effective in ensuring that Mr Karikari maintains a satisfactory standard of audit work.
- i There were serious concerns about Mr Karikari's ability and willingness to maintain a satisfactory standard of audit work despite the advice and warnings given at the previous reviews and by the Regulatory Assessor.
- j The firm has subsequently relinquished its firm's auditing certificate and Mr Karikari has relinquished his practising certificate with audit qualification and been issued with a practicing certificate.

The decision

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

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David Sloggett FCCA
Regulatory Assessor 17
October 2022