

REPORT OF THE REGULATORY ASSESSOR

FOLLOWING AN UNSATISFACTORY OUTCOME TO AN AUDIT MONITORING REVIEW (FOURTH REVIEW)

The decisions and reasons of the Regulatory Assessor for the case of Mr P A Morrissy FCCA and Guild Appleton Ltd referred to me by ACCA on 31 October 2022

Audit qualified principal

Mr P A Morrissy FCCA

Firm

Guild Appleton Ltd

The report to the Regulatory Assessor by the compliance officer of ACCA 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:**

Mr P A Morrissy FCCA

Registered address:

6th Floor
19 Old Hall Street
Liverpool
Merseyside
United Kingdom
HL3 9JQ

Membership Number

2562975

Firm Number

0810244

1. INTRODUCTION

1.1 Guild Appleton Ltd is the incorporated sole practice of ACCA member, Mr P A Morrissy FCCA. The firm was reviewed between 1st April 2022 and 20th April 2022. The purpose of this fourth review was to monitor the conduct of the firm's audit work. The review 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 Morrissy'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 four monitoring reviews.
- b) Two of the four reviews had unsatisfactory outcomes.
- c) After the first review, the findings were referred to the Regulatory Assessor and 'hot reviews' were imposed.
- d) There was a significant improvement in the standard of audit work at the second and third reviews.
- e) Mr Morrissy provided action plans following the previous reviews. These action plans have not proved to be effective in sustaining a satisfactory standard of audit work.
- f) The firm failed to achieve a satisfactory outcome at the fourth review in spite of the advice and warning given at the previous reviews and by the Regulatory Assessor.
- g) In the light of the documentation supplied in relation to the fourth review, I find as a fact that Mr Morrissy 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 serious deficiencies in the work performed and recorded and the firm did not obtain sufficient or appropriate audit evidence.
- h) Although the firm had produced a manual that purported to comply with the International Standard on Quality Control (ISQC1) documenting quality control policies and procedures, this was not adequate, particularly in ensuring the firm carries out its audit work effectively.
- i) Mr Morrissy and his firm have breached PR(13(1) in that they have failed to comply with the International Standards on Auditing (UK), in the conduct of their audit work. There were deficiencies in the planning, control and recording of audit work and in two audit cases examined, the audit opinions were not adequately supported by the work performed and recorded.
- j) Mr Morrissy has relinquished his practising certificate with audit qualification and his firm's audit certificate.

3. THE DECISION

I note, as stated above, that Mr Morrissy has relinquished his practising certificate with audit qualification and his firm's auditing certificate.

On the basis of the above I have decided, under my powers in Authorisation Regulations 7(2)(f), and pursuant to Authorisation Regulations 7(3)(b) and 7(4) that any future re-application for audit registration by Mr Morrissy 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 Morrissy intends to prevent a recurrence of the previous deficiencies,

and, after the date of this decision, has attended a practical audit course, approved by ACCA.

4. PUBLICITY

Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Morrissy 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 Morrissy 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 Morrissy or 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 Morrissy and his firm by name.

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Peter Brown FCCA,DChA
Regulatory Assessor
2 November 2022