

The decision and reasons of the Regulatory Assessor for the case of Mrs Kim M Knowles FCCA and Mr Christopher J Irvine FCCA and Walker Thompson Ltd referred to him by ACCA on 06 March 2023.

Introduction

1. Walker Thompson LLP is the incorporated practice of ACCA members Mrs K M Knowles FCCA and Mr C J Irvine FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mrs Knowles' and Mr Irvine'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 Mrs Knowles had her first audit quality monitoring visit in February 2001. Two of her audit files were inspected. Significant deficiencies were found on one of her audit files. The deficiencies were reported to the firm in April 2001;
 - b At the time of her second monitoring review in March 2005, Mr Irvine had become a partner in the firm;
 - c At the second visit, Mrs Knowles' and Mr Irvine's audit work was inspected. The Compliance Officer found that Mrs Knowles' audit work had improved since the previous visit and all of the audit files inspected were of a satisfactory standard. A report containing the findings of the review was sent to the firm in April 2005;
 - d The third monitoring review was carried out in March 2011. The Compliance Officer found that the audit principals had maintained the standard of audit work since the previous visit. Some deficiencies were found which were reported to the firm in April 2011. The firm acknowledged receipt of the report in a letter dated 15 April 2011 and outlined the improvements it was making to its procedures;

- e The fourth monitoring review was carried out in March 2017, the Compliance Officer found that the firm had maintained its audit procedures and the audit opinions issued were supported by the work performed and recorded. Some deficiencies were found which were set out in a report and sent to the firm in March 2017. The firm acknowledged receipt of the report and provided a detailed plan on 07 April 2017, describing the action that it was taking.
- f The fifth review was carried out remotely during February 2023. Mrs Knowles had signed the audit opinion on all audit clients. The Compliance Officer found that the firm's procedures had deteriorated. On the two files examined, the audit opinion was not adequately supported by the work performed and recorded;
- g The firm has failed to maintain a satisfactory outcome despite the advice given at the previous reviews.

The decision

- 4. On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that Mrs Knowles and Mr Irvine should :
 - i. be subject to an accelerated monitoring visit before August 2024 at a cost to the firm of £1,200 and £500 (plus VAT at the prevailing rate) for each additional audit qualified principal; and
 - ii. note that 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 their and their firm's continuing audit registration.

Publicity

- 5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mrs Knowles, Mr Irvine and their 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 Mrs Knowles and Mr Irvine 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 Mrs Knowles and Mr Irvine and their 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 Mrs Knowles, Mr Irvine and their firm by name.

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David Sloggett FCCA
Regulatory Assessor
13 June 2023