

**The decision and reasons of the Regulatory Assessor for the case of Mr Harsh Kantilal Ondhia FCCA and Mr Harjeet Singh FCCA and Lall Ondhia Limited referred to him by ACCA on 05 September 2023.**

**Introduction**

1. Lall Ondhia Limited is the incorporated practice of ACCA members, Mr H K Ondhia FCCA and Mr H Singh FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Ondhia's and Mr Singh'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 been the subject of eight audit quality monitoring reviews;
  - b The first visit to the firm was carried out in 1996, when the firm was the sole practice of Mr Ondhia and trading as Lall Ondhia & Co. The outcome of this visit was satisfactory;
  - c At the second and third visits in 2002 and 2004 respectively, serious deficiencies were found in the firm's audit work and its work on the reports to the Law Society on its solicitor clients;
  - d At the fourth visit in June 2006, the firm had incorporated and was trading as Lall Ondhia Limited. The Compliance Officer found that the firm had improved its audit work, but its work on reports issued to the Law Society on its solicitor clients remained unsatisfactory. The firm was therefore referred to the Admissions and Licensing Committee for regulatory work and the Committee imposed 'hot' reviews on these engagements;
  - e The Committee ordered fifth visit was carried out in September 2008 and the Compliance Officer found that the firm had improved its regulatory work and its

audit work was also of a satisfactory standard. The firm was released from the Committee's order following this visit;

- f The sixth monitoring visit to the firm was carried out in March 2013. Although the overall outcome of the review was satisfactory, serious deficiencies were found on one of the three audit files inspected. The report on the review set out these deficiencies and was sent to the firm in April 2013. The firm acknowledged receipt of the report in a letter dated April 2013 and provided an action plan detailing the action that it intended to take in order to improve its work;
- g Mr Ondhia had signed all of the audit and regulatory reports at the first six visits;
- h At the seventh visit in April 2017, Mr Singh was also signing audit reports and his audit files were included in those selected for inspection. At this visit, the Compliance Officer found that the firm had improved its audit work, and all files were of a satisfactory standard. However, some deficiencies were found which were reported to the firm in April 2017. The firm acknowledged receipt of the report in a letter dated April 2017 and provided an action plan in May 2017 detailing the action that it intended to take to improve its audit work;
- i At the eighth monitoring visit in April 2023, the Compliance Officer found that the firm's audit work had deteriorated. All of the audit reports were signed by Mr Ondhia. 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 audits in accordance with the International Standards on Auditing (UK) (ISAs). In some sections, the working papers comprised accounting schedules and reports with little record of any audit work performed. As a result, on all the files examined the audit opinion was not adequately supported by the work performed and recorded
- j The firm has subsequently relinquished its auditing certificate and Mr Ondhia and Mr Singh have relinquished their practising certificates with audit qualification.

### **The decision**

- 4 I note that Mr Ondhia and Mr Singh have relinquished their practising certificates with audit qualification and their 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 Ondhia or Mr Singh, or by a firm in which they are a principal, must be referred to the Admissions and Licensing Committee, which will not consider the application until they have provided an action plan, which ACCA regards as satisfactory, setting out how they intend 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 Ondhia and Mr Singh 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 Mr Ondhia and Mr Singh 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 Ondhia and Mr Singh 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 Mr Ondhia and Mr Singh and their firm by name.

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David Sloggett FCCA  
Regulatory Assessor  
11 October 2023