

**The decision and reasons of the Regulatory Assessor for the case of Mr Marios Georghiades FCCA and M Georghiades & Associates and CAS McGee Limited referred to him by ACCA on 13 June 2023.**

### **Introduction**

1. M Georghiades & Associates is the unincorporated sole practice of ACCA member, Mr M Georghiades. Mr Georghiades is also the audit qualified principal in CAS McGee Limited, an incorporated practice of M Georghiades and Mr C Savvides who is not qualified to carry out audit work.
2. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Georghiades's conduct of audit work.

### **Basis and reasons for the decision**

3. 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.
4. In reaching my decision, I have made the following findings of fact:
  - a Mr M Georghiades is responsible for the audits of both firms. M Georghiades & Associates has sixteen limited company clients and CAS McGee Limited has one which require an audit. All references to 'the firm' are therefore references to both entities unless otherwise stated;
  - b The firm has had three audit quality monitoring reviews;
  - c At the first review held in June 2013, the Compliance Officer found that the audit work was not of a consistent standard. Although the overall outcome of the visit was satisfactory, on one of the three files inspected, the opinion was not

adequately supported by the work performed and recorded. The report on the review set out deficiencies found and was sent to the firm in July 2013;

- d At the second review held in July 2017, the Compliance Officer found that the firm had improved its audit procedures. As a result, all the audit files inspected were satisfactory. There were some deficiencies however, and these were included in the report on the visit sent to the firm in July 2017. The firm acknowledged receipt of the report and provided an action plan in August 2017 outlining the action it was taking;
- e At the third review, which was carried out in May 2023, the Compliance Officer found that the firm had not maintained the improvements to its audit procedures, and, in fact, the standard of audit work appeared to have significantly deteriorated. There were serious deficiencies in the audit work on the three audit files inspected which had resulted in audit opinions not being adequately supported by the work performed and recorded;
- f Following the third review, the firm produced and submitted to ACCA an 'action plan' to explain how it intends to improve the standard of its audit work.

### **The decision**

- 5 On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that Mr Georghiades should be:
  - i. The subject of an accelerated monitoring visit before June 2024 at a cost to the firm of £1,200 and £500 (plus VAT at the prevailing rate) for each additional audit qualified principal or firm reviewed; 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 his and the firm's continuing audit registration.

### **Publicity**

- 6 Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Georghiades and the firms made under Regulation 7(2) may be published as soon as practicable, subject to any directions given by me;
- 7 I have considered the submissions, if any, made by Mr Georghiades 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 Georghiades and the firms from that publicity.
- 8 I therefore direct pursuant to Authorisation Regulation 7(6)(a), that a news release be issued to ACCA's website referring to Mr Georghiades and the firms by name.

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David Sloggett FCCA  
Regulatory Assessor  
19 September 2023