

**The decision and reasons of the Regulatory Assessor for the case of Mr Brian E Sumner FCCA and Mr Ian J Moore FCCA and Sumner & Moore Ltd referred to him by ACCA on 22 August 2023**

**Introduction**

1. Sumner & Moore Ltd is the incorporated practice of ACCA members, Mr BE Sumner FCCA and Mr Ian J Moore FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Sumner's and Mr Moore'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.
3. In reaching my decision, I have made the following findings of fact:
  - a The firm has been the subject of four audit quality monitoring reviews;
  - b At its first monitoring review held during July 2007, the Compliance Officer informed the firm of serious deficiencies in audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded. As a result, the outcome of review was unsatisfactory. The report on the review set out these deficiencies and was sent to the firm in August 2007. The Compliance Officer warned the firm that failure to achieve and maintain a satisfactory standard of audit work in future may jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report in a letter during March 2008 outlining the action it was taking;
  - c At its second review held during May 2012, the Compliance Officer found that on the file inspected whilst the overall compliance with auditing standard was satisfactory, some deficiencies were found in the performance and recording of the audit work. The report setting out the deficiencies found was sent to the firm in May 2012;
  - d At the third review held during May 2018, 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 set out deficiencies found and was sent to the firm in May 2018. In the concluding paragraph, the Compliance Officer informed the firm that it was expected that the firm would have rectified the deficiencies before the next monitoring review and that failure to do so may jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report and provided an action plan dated 14 June 2018 detailing the action that the firm intended to take in order to rectify the deficiencies found;

- e At the fourth review which was carried out during April 2023, the Compliance Officer found that the firm had not maintained adequate audit procedures. On the three files inspected there were serious deficiencies in the work recorded in the key areas resulting in the audit opinions not being adequately supported. As a result, on the files examined, the audit opinion was not adequately supported by the work performed and recorded;
- f The firm has subsequently relinquished its firm's auditing certificate and the principals have relinquished their practising certificates with audit qualification and Mr Sumner has been issued with a general practising certificate.

### **The decision**

- 4. I note that Mr Sumner and Mr Moore have relinquished their practising certificate with audit qualification and the 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 Sumner and Mr Moore, or by a firm in which they are a principal or director, must be referred to the Admissions and Licensing Committee, which will not consider the application until they have:
  - a provided an action plan, which ACCA regards as satisfactory, setting out how they intend to prevent a recurrence of the previous deficiencies and,
  - b attended a practical audit course, approved by ACCA and,
  - c following the date of this decision, passed paper P7 (or the equivalent advanced level audit paper) of ACCA's professional qualification.

## **Publicity**

- 5 I have considered the submissions, if any, made by Mr Sumner or Mr Moore 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 Sumner or Mr Moore and their firm from that publicity.
  
- 6 I therefore direct pursuant to Authorisation Regulation 7(6)(a), that a news release be issued to ACCA's website referring to Mr Sumner and Mr Moore and their firm by name.

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David Sloggett FCCA  
Regulatory Assessor  
19 September 2023