

The decision and reasons of the Regulatory Assessor for the case of Miss Lucilla T M Byrne FCCA referred to him by ACCA on 07 February 2024.

Introduction

1. Lucilla Byrne is the unincorporated sole practice of ACCA member, Miss Lucilla T M Byrne FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Miss Byrne'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 six audit quality monitoring reviews;
 - b The firm's first monitoring review was held during November 2001 and the outcome of the review was unsatisfactory;
 - c At the second and the third review held during December 2003 and January 2009 the compliance officer found that the standard of the firm's audit work was of a satisfactory standard. There were some deficiencies however, and these were included in the report on the review sent to the firm in January 2004 and February 2009 respectively;
 - d At the fourth review held during February 2015, the compliance officer found that the standard of the firm's work had deteriorated. The compliance officer informed the firm of serious deficiencies on two of the three audit files inspected which had resulted in audit opinions not being adequately supported by the work performed and recorded. As a result, the outcome of the review was unsatisfactory. Normally, in a case where a firm fails to achieve a satisfactory standard of audit at a follow

up review, ACCA would refer the firm to the Regulatory Assessor. However, the compliance officer chose not to refer the firm as he felt that the principal was committed to rectifying the situation found at this review. The report on the review set out deficiencies found and was sent to the firm in April 2015. The compliance officer warned the firm that failure to improve its audit work may jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report and provided an action plan in December 2015;

- e At the fifth review held during August 2019 the compliance officer found that the audit work was not of a consistent standard. Although the overall outcome of the review 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 the deficiencies found and was sent to the firm in August 2019. The firm was warned that it was expected that it would improve the standard of audit work at the next monitoring review and that failure to do so would jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report and provided a detailed action plan in September 2019;
- f At the sixth review, which was held remotely during January 2024, the compliance officer found that the firm had not made any effective improvements to its procedures. On the two 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;
- g The firm provided an action plan following the fourth and the fifth reviews: these action plans have not proven effective in the firm attaining and sustaining a satisfactory standard of audit work;
- h The firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warning 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 M (name) and M (name) should be required to:

- i. be subject to an accelerated monitoring visit before 31 January 2025 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 implement the action plan and make the necessary improvements in the level of compliance with auditing standards and with the requirements of any regulators by that time will jeopardise her and her firm's continuing audit registration.

Publicity

- 5 Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Miss Byrne and her 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 Miss Byrne 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 the omission of the names of Miss Byrne 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 Miss Byrne and her firm by name.

David Sloggett FCCA
Regulatory Assessor
9 April 2024