

The decision and reasons of the Regulatory Assessor for the case of Mr Mudassar Ali FCCA and SMK & Co Accounting Limited referred to him by ACCA on 05 December 2023

Introduction

1. SMK & Co Accounting Limited is the Irish incorporated sole practice of ACCA member, Mr Mudassar Ali FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Ali'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 two audit quality monitoring visits;
 - b At the first review held in March 2019, the compliance officer informed the firm of serious deficiencies in audit work which had resulted in the audit opinion not being adequately supported by the work performed and recorded on one of the three audit files inspected. The overall outcome of the review was satisfactory. The report on the review set out these deficiencies and was sent to the firm in March 2019. The firm acknowledged receipt of the report and provided a detailed plan describing the action that it was taking. This included engaging a training company to provide training and assistance in future;
 - c At the second review which was carried out remotely during November 2023 the compliance officer found that the firm's audit procedures had deteriorated. The firm had used an out-of-date audit programme on one file and on all files, it had not tailored the audit programme to ensure that it met the needs of the audit of each client. There was almost no record of audit work other than initials and ticks on the audit programme. The working papers comprised accounting schedules largely, with no indication of any audit work. As a result, on all the files examined

the audit opinion was not adequately supported by the work performed and recorded;

- d The firm had made little or no attempt to comply with auditing standards and the audit work was generally very poor;
- e Mr Ali had provided an action plan following his previous review, but this has not proven effective in him reaching a consistent satisfactory standard of audit work;
- f The firm has failed to achieve a satisfactory outcome in spite of the advice and warnings given at the previous review;
- g The firm has subsequently relinquished its firm's auditing certificate and Mr Ali has relinquished his practising certificate with audit qualification and been issued with a general practising certificate.

The decision

4. I note that Mr Ali has relinquished his practising certificate with audit qualification and his firm's auditing certificate. On the basis of the above I have decided pursuant to Authorisation Regulations 7(3)(b) and 7(4) that :
- a Any future re-application for audit registration by Mr Ali, or by a firm in which he is a principal, partner or director must be referred to the Admissions and Licensing Committee, which will not consider the application until he has provided an action plan, which ACCA regards as satisfactory, setting out how Mr Ali intends 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, resat and 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 Ali and his 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 Ali 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 Ali and his 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 Ali and his firm by name.

David Sloggett FCCA
Regulatory Assessor
07 March 2024