

HEARING

ADMISSIONS AND LICENSING COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Rocky Bharj FCCA

Heard on: Wednesday 27 and Thursday 28 August 2025

Location: Virtually by Microsoft Teams

Committee: Ms Carolyn Tetlow (Chair)
Mr Ryan Moore (Accountant)
Ms Victoria Smith (Lay)

Legal Adviser: Mr Alastair McFarlane

**Persons present
and capacity:** Ms Michelle Terry (ACCA Case Presenter)
Ms Aimee Murphy (Hearings Officer)

1. The Committee had before it a bundle of papers numbered pages 1–38, and a service bundle numbered pages 1-15.
2. ACCA was represented by Ms Terry. Mr Bharj attended and was not represented.

SERVICE

3. Having considered the service bundle on this case, the Committee was satisfied that the notice of the hearing was served on Mr Bharj in accordance with the Regulations.

BACKGROUND

4. Taxaudit Accountants Limited (the Firm) is the incorporated practice of ACCA members, Mr Rocky Bharj FCCA and other partners. Mr Bharj had been subject to previous audit monitoring reviews while he was a partner in a different (unincorporated) Firm, which was a partnership of four individuals. A fourth audit monitoring review took place in October 2024. The review included confirming the Firm's eligibility for registered auditor status and monitoring compliance with the Chartered Certified Accountants' Global Practising Regulations 2003 (GPRs). References to a Practising Regulation (PR) are to the regulations in Annex 1 to the GPRs.
5. The Firm had one audit client at the time of the review (a charity), which was the only audit file that was inspected at the review on 09 October 2024.

History of monitoring reviews

6. At the first audit monitoring review on 25 September 2009, whilst there were some deficiencies in the Firm's audit work, the Compliance Officer concluded that sufficient appropriate evidence had been obtained to support the audit opinions. The Firm was sent details of the findings and put on a routine review cycle. At the second audit monitoring review on 20 August 2013, the Compliance Officer informed the Firm of serious deficiencies in their audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded on three of the four files reviewed. The report on the review set out these deficiencies and this report was sent to the Firm, the Firm was put onto a two year follow up cycle. This was the first review with an "unsatisfactory outcome". The Firm was put onto a two year follow up cycle, but for reasons which were not made clear to the Committee, the next review did not in fact take place until 2018.
7. At the third audit review on 29 November 2018, whilst the Compliance Officer again informed the Firm of deficiencies in their audit work, he concluded that sufficient appropriate evidence had been obtained to support the audit opinions. The report on the review set out these deficiencies and this report was sent to the Firm and an action plan was returned and accepted on 13 June 2019. The overall outcome was satisfactory. The Firm provided a detailed plan

describing the action that the Firm was taking. This included the implementation of a standard audit programme and updating other checklists.

8. During the fourth review, (the subject of this hearing) which was carried out remotely between 09-11 October 2024, the Compliance Officer found that the audit work had deteriorated. The Firm was using a standard audit programme on all audits, but it was not tailoring this to ensure that it met the needs of the audit of each client. There were deficiencies in the audit evidence obtained and the assessment of accounting treatment as well as deficiencies in the Firm's compliance with the International Standards on Auditing at the planning and completion stage. As a result, on the single file examined, their opinion was not adequately supported by the work performed and recorded.
9. The initial conclusion of the review was to refer the Firm to the Regulatory Assessor as this is the standard procedure when there is a second unsatisfactory review. The referral documents were drafted, and a peer review was conducted. During this review the outcome was reconsidered, and the Firm's review history was considered in more detail.
10. The unsatisfactory review (the previous unincorporated firm's second) took place whilst that firm had two active Responsible Individuals (RI's) who were signing audit opinions, and Mr Bharj was one of these two RI's. Four audit files were reviewed and three were found to be unsatisfactory. Of the two files reviewed that were signed by Mr Bharj, one was satisfactory and the other unsatisfactory.
11. After this unsatisfactory review, the three other partners left the firm, and it was later restructured to a limited company. At this stage the Firm updated ACCA with the changes and the Firm profile and records were updated, essentially it was treated as a name change and a change in partners/directors. The Firm could have treated the changes as a closure and closed the old Firm profile and started a new one. This would have broken the review history, and the unsatisfactory review would not have been linked to the new Firm (Taxaudit Accountants Limited).
12. Considering the structural changes within the Firm, the indicative outcome proposed was a two-year follow-up rather than a referral to the Regulatory

Assessor based on the Firm's monitoring history and changes. The Firm was also asked to provide an action plan, which was accepted, and the review was then selected for review by the Audit Monitoring Committee (AMC).

13. The AMC differed from the conclusions reached by the review team and asked that the review be referred to the Regulatory Assessor (RA) noting this was a second unsatisfactory review for Mr Bharj. However, there is no mechanism within the audit regulations that allow this, their referral can only be made to the Admissions and Licensing Committee (ALC) (Audit Regulation 17(2)). Therefore, this review is referred to the ALC with the recommendation that conditions be applied, similar to what would have been requested should the matter have been referred through to the RA, as this is the Firm's first referral.

International Standard on Quality Management (UK) 1 (ISQM (UK) 1)

14. International Standard on Quality Management (ISQM (UK) 1) requires firms to establish a system of quality management (SOQM) designed to provide them with reasonable assurance that engagements are performed in accordance with professional standards and regulatory and legal requirements, and that the firm or the engagement partner issue reports that are appropriate in the circumstances. ISQM (UK) 1 requires that the SOQM be documented and communicated to the firm's personnel. The Firm had not documented its procedures in accordance with ISQM (UK) 1 and this is reflected in the audit work observed during the file review.

Detailed findings on audit work

15. Details of the audit file examined, and the deficiencies found included: quality control; absence of a written practice continuity agreement; lack of CPD related to the specialist audit engagement; and a deficient letter of engagement. The description "unsatisfactory" is based on the evidence seen on the files at the review and is an assessment of whether or not the audit opinion was supported on each file inspected. The deficiencies were discussed in detail with Mr Bharj on Friday 11 October 2024.

BREACHES OF THE GLOBAL PRACTISING REGULATIONS

16. Mr Bharj and the Firm have breached PR 13(1) in that they failed to comply with the International Standards on Auditing (UK) in the conduct of audit work. There were deficiencies in the planning, control and recording of audit work, and in the one file examined the audit opinion was not adequately supported by the work performed and recorded.

REGULATORY POWERS

17. The Authorisation Regulations (ARs) detail the Committee's powers. AR 5(2) provides that the Committee may, if in its absolute discretion it thinks fit, withdraw, suspend or impose conditions upon a certificate on seven different grounds. ACCA submitted that AR 5(2)(f), appears to be relevant in this case. It provides that the Committee may withdraw, suspend or impose conditions if:

“it is notified or becomes aware that a holder of a certificate or any of its partners, members, directors or controllers has committed a material breach of any of these regulations or any other rules and regulations or codes of practice to which they are subject (or were subject prior to 01 January 2014) in the carrying on of the activities to which the certificate relates or authorises;”

18. AR 5(3) further provides that, in determining whether to exercise its powers under AR 5(2), the Committee shall have regard to such matters as it considers relevant.
19. ACCA has referred the standard of Mr Bharj's audit work for the Committee's consideration. This follows the approach set out in PS9.5 of the Regulatory Board Policy Statement ('PS') and paragraphs 6.3.3 and 6.3.4 of the Regulatory Guidance, based on the following relevant facts:
- i Mr Bharj has had four audit monitoring reviews
 - ii One of the previous three reviews had an unsatisfactory outcome
 - iii There was some improvement to the standard of audit work after the unsatisfactory review (the previous firm's second review), however, since the last review there has been a deterioration in the audit quality which

led to significant deficiencies in the audit work documented at the fourth review.

ACCA'S RECOMMENDED ACTION

20. In light of the above facts, ACCA recommended that the Committee impose conditions on Mr Bharj's practising certificate in line with the approach set out in PS10 of the Regulatory Board's Policy Statement and sections 7.2.4 to 7.2.5 of Regulatory Guidance for reviews with unsatisfactory outcomes where the audit principal has not previously been subject to a regulatory order or decision. The Guidance indicates that an early review at his Firm's cost should take place within one year to 18 months of the previous monitoring review to assess the improvement in Mr Bharj's work.
21. After the October 2024 review, ACCA had requested that the Firm produce an 'action plan' to explain how it intends to improve the standard of its audit work, which Mr Bharj had submitted and had been accepted by ACCA . ACCA invited the Committee to consider the adequacy of this plan. If it considered it inadequate (which was not ACCA's submission), the Committee had power to consider withdrawal of Mr Bharj's and his Firm's audit certificate.

Effective date

22. In accordance with PS13.1, ACCA further recommends that, in the event that the Committee determines it is necessary to make an order to withdraw, suspend or impose conditions on Mr Bharj's audit certificates in order to protect the public, the Committee should, on the same grounds, make that order with immediate effect.

Publicity

23. AR 6(14)(c)(i) indicates that all orders, suspensions and conditions relating to the certificate of the relevant person made by the Committee pursuant to AR 6(16)(a)(ii) to (iv) shall be published, together with the reasons for the Committee's decisions and the name of the relevant person, as soon as practicable.

MR BHARJ'S SUBMISSIONS

24. Mr Bharj accepted the history of the monitoring visits as set out by ACCA and the findings of the Compliance Officer. He explained the background to the deficiencies and the steps that he had taken and was taking to correct them. He referred in detail to the Action Plan he had created at the request of ACCA and answered all the Committee's questions upon it. Mr Bharj indicated that he had completed and signed both his two current audit files and they were ready for review. He accepted that it was appropriate to impose an order of conditions for an early review, for which he will be liable for the costs.
25. Mr Bharj invited the Committee not to publish its decision as this might have a disproportionately detrimental effect upon his business.

DECISION ON APPLICATION AND REASONS

26. The Committee had regard to the submissions made by Ms Terry on behalf of ACCA and those by Mr Bharj along with his Action Plan.
27. The Committee accepted the Legal Adviser's advice. The Committee had regard to the guidance contained in ACCA's "Guidance for admissions and licensing hearings" (January 2021) and the "Regulatory Board Policy Statement and Regulatory Guidance" (March 2025) and the Statutory Auditors and Third Country Auditors Regulations.
28. The Committee carefully considered all the material before it. It was satisfied that Mr Bharj and the Firm have breached PR 13(1) in that they failed to comply with the International Standards on Auditing (UK) in the conduct of audit work. The Committee reminded itself that it had to take a proportionate approach balancing safeguarding the public with Mr Bharj's own interests.
29. The Committee considered that the Action Plan provided by Mr Bharj and agreed by ACCA was an adequate plan that sought to address the deficiencies identified at the fourth monitoring visit. The Committee considered that it was appropriate and proportionate for it to be assessed at an early review. This was not a case of a fraudulent or deliberate non-compliance with auditing requirements. Mr

Bharj had prepared a reasonable action plan that would be assessed at an early review by ACCA. The Committee noted that Mr Bharj had already completed the audit of his two audit clients and had signed the reports for this year. The Committee did not consider that an outcome of conditions caused a real risk of harm to the public.

30. The Committee was satisfied that the recommended order of conditions urged upon it by ACCA and agreed to by Mr Bharj was the appropriate and proportionate order in all the circumstances of this case.

ORDER

31. The Committee made an order pursuant to Authorisation Regulations 6(16)(a)(iv) and 5(2)(f) that Mr Bharj and Taxaudit Accountants Limited be required to:

- (i) Be subject to an accelerated monitoring review before 12-18 months of 04 November 2024 with the costs of that review being paid by Mr Bharj and the Firm and
- (ii) Note that failure to make the necessary improvements in the level of compliance with auditing standards by that time will jeopardise his and his Firm's continuing audit registration.

EFFECTIVE DATE

32. Noting the guidance in PS 13, the Committee determined that it was in the public interest in order to protect the public to direct that the order has immediate effect.

PUBLICITY

33. The Committee noted that AR 6(14)(c)(i) indicates that all orders, suspensions and conditions relating to the certificate of the relevant person made by the Committee pursuant to AR 6(16)(a))(ii) to (iv) shall be published, together with the reasons for the Committee's decisions and the name of the relevant person, as soon as practicable. The Committee found that none of the grounds

in Regulation 6 (3) of the Statutory Auditors and Third Country Auditors
Regulations apply and directs publication.

Carolyn Tetlow
Chair
28 August 2025