

The Decision and Reasons of the Regulatory Assessor for the case of Mr Steven Lucey FCCA and Lucey & Associates referred to him by ACCA on 28 January 2025.

Introduction

1. Lucey & Associates is the unincorporated sole practice of ACCA member, Mr Steven Lucey FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Lucey'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 four audit quality monitoring reviews;
 - b At its first monitoring review held during January 2013, the Compliance Officer informed the firm of deficiencies in audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded. The report set out these deficiencies and was sent to the firm in February 2013. As this was the firm's first review, an action plan was requested from the firm. The firm acknowledged receipt of the report in a letter dated March 2013 and provided a detailed plan describing the action that the firm was taking. This included the implementation of a cold file review procedure to be undertaken by an external provider and making changes to the audit documentation templates. The action plan was accepted as satisfactory by ACCA;
 - c At the second monitoring review held during July 2019, the firm had improved its audit procedures and the audit work on the file reviewed

supported the audit opinion issued. The report set out the remaining deficiencies and was sent to the firm on 19 August 2019. The firm prepared an action plan to explain how it intended to address the deficiencies identified to further improve the standard of its audit work and ACCA considered it to be satisfactory;

- d At the third review which was carried out remotely between October 2023 and December 2023 the Compliance Officer found that the firm had not maintained the standard of its audit work. Its procedures were not sufficiently applied to ensure that it conducted all audits in accordance with the International Standards on Auditing (Ireland) (ISAs). The firm was using a standard audit programme on all audits, but it was not tailoring and applying this to ensure that it met the needs of the audit of each client. As a result, on all three files examined the audit opinion was not adequately supported by the work performed and recorded. ACCA therefore reported the findings of the review to the Regulatory Assessor;
- e In March 2024, the Regulatory Assessor made a decision pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that Mr Lucey should be required to:
 - i) Be subject to an accelerated monitoring visit before April 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 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 his firm's continuing audit registration;
- f At the fourth review carried out during January 2025, the Compliance Officer found that the firm had made little effective improvement to its procedures. On the files inspected, there were serious deficiencies in the performance and recording of the audit work in key audit areas. As a result, on all the files examined the audit opinion was not adequately supported by the work performed and recorded;

- g Mr Lucey provided action plans following the previous reviews, but these action plans have not proven effective in sustaining a satisfactory standard of audit work;
- h The firm has failed to achieve a satisfactory outcome at the third and fourth reviews in spite of the warnings given by Assessor at the previous review;
- i Mr Lucey has relinquished his practicing certificate with audit qualification and his firm's auditing certificate.

The Decision

- 4. I note that Mr Lucey 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(2)(f), 7(3)(b) and 7(4) that any future re-application for audit registration by Mr Lucey, or by a firm in which he is a principal, must be referred to the Admissions and Licensing Committee, which will not consider the application until:
 - i) He has provided an action plan, including appropriate audit related CPD, which ACCA regards as satisfactory, setting out how Mr Lucey intends to prevent a recurrence of the previous deficiencies and,
 - ii) Following the date of this decision, passed the advanced audit and assurance paper of ACCA's professional qualification.

Publicity

- 5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Lucey 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 Lucey 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 Lucey 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 Lucey and his firm by name.

David Sloggett FCCA
Regulatory Assessor
08 April 2025