

The Decision and Reasons of the Regulatory Assessor for the case of Mr Gary J. McHale FCCA, Mr Alec C. Pridsam FCCA, Ms Mia Lundin and Mr Nicholas P. Longford and DSA Prospect Audit Limited referred to him by ACCA on 06 May 2025

Introduction

1. DSA Prospect Audit Limited is an incorporated practice owned by ACCA qualified member, Mr Gary J McHale FCCA and Ms Mia Lundin and Mr Nicholas P. Longford who are not qualified. Mr Alec C. Pridsam is a non-shareholding Director of the firm and ACCA qualified member. I have considered a Report, including ACCA's recommendation, together with related correspondence, concerning Mr McHale's and Mr Pridsam'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. This review relates to the conduct of Irish regulated audit work.
4. 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 the first review which took place during September 2014, 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. The Compliance Officer informed the firm that in all three of the audit files inspected, it was not evident that the firm had obtained sufficient audit evidence to support the audit opinion. As a result, the outcome of the review was unsatisfactory. The Report on the review set out these deficiencies and this report was sent to the firm in October 2014. 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 on that month and provided an action plan in October 2014 setting out the actions it is taking to address the deficiencies reported;

- c At the second review which took place during October 2016 the Compliance Officer found that the standard of the firm's audit work had improved, and three of the four audit files reviewed recorded sufficient audit evidence to support the audit opinion. As a result, the outcome of the review was satisfactory. There were some deficiencies however, and these were included in the Report on the review sent to the firm in October 2016. The firm acknowledged receipt of the Report and provided an action plan during November 2016 setting out the actions it is taking to address the deficiencies reported;
- d At the third review, which was carried out remotely with a closing meeting held during December 2020, the Compliance Officer found that the firm had maintained its audit work to an acceptable standard and two of the four audit files reviewed recorded sufficient audit evidence to support the audit opinion. As a result, the outcome of the review was satisfactory. There were some deficiencies however, and these were included in the Report on the review sent to the firm in June 2021. The firm acknowledged receipt of the Report and provided an action plan on that month setting out the actions it is taking to address the deficiencies reported;
- e At the fourth review which was carried out on site and the closing meeting held remotely during April 2025, the Compliance Officer found that the standard of the firm's audit work had deteriorated. On the audit file inspected there were serious deficiencies in the work recorded in the key areas resulting in the audit opinion not being adequately supported. As a result, the outcome of the review was unsatisfactory;
- f Two of the four monitoring reviews have had unsatisfactory outcomes.
- g The firm provided an action plan following the first, second and third 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 despite the advice and warnings given at the previous reviews.

The Decision

- 5. On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that Mr McHale and Mr Pridsam should be required to:
 - i. Be subject to an accelerated monitoring visit before November 2026 at a cost to the firm of £1,500 and £650 (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 by that time will jeopardise *their* and *the* firm's continuing audit registration.

Publicity

- 6. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr McHale and Mr Pridsam and *the* firm made under Regulation 7(2) may be published as soon as practicable, subject to any directions given by me.
- 7. I have considered the submissions, if any, made by Mr McHale and Mr Pridsam 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 McHale and Mr Pridsam and *the* firm from that publicity.
- 8. I therefore direct pursuant to Authorisation Regulation 7(6)(a), that a news release be issued to ACCA's website referring to Mr McHale and Mr Pridsam and *the* firm by name.

David Sloggett FCCA
Regulatory Assessor
18 July 2025