

The Decision and Reasons of the Regulatory Assessor for the case of Mr Riaz Ahmad FCCA and Riaz Ahmad & Co referred to him by ACCA on 23 May 2025

Introduction

1. Riaz Ahmad & Co Limited (trading as Riaz Ahmad & Co Accountants) is the incorporated sole practice of ACCA member Mr Riaz Ahmad FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Riaz'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 seven audit quality monitoring reviews, dating back to October 1991;
 - b The firm has had two unsatisfactory visits prior to the seventh visit;
 - c The first visit with an unsatisfactory outcome was carried out during September 2002. A two year follow visit was carried out, the result of which was satisfactory;
 - d The fifth visit and the second visit with an unsatisfactory outcome was carried out during November 2018. Of the three files inspected, two were unsatisfactory. A two year follow up was scheduled;
 - e The two year follow up was late and occurred during June 2021. The compliance officer informed the firm of deficiencies in audit work, these deficiencies were not deemed serious, and the files were assessed as being satisfactory. The report on the review set out these deficiencies and this report was sent to the firm in June 2021. The firm acknowledged receipt of the report and provided a detailed plan describing the action that the firm was taking. This included a point to improve audit documentation, the firm committed to continue cold file reviews with its external provider and the RI was to complete CPD aimed at improving audit

quality. The action plan stated that they would be using new audit tools (INFLOW) on future engagements. A four year follow up review was scheduled;

- f The seventh visit was carried out remotely during April and May 2025. The compliance officer found that the firm was using a standard audit programme on all audits, but it was out of date and was not tailoring this to ensure that it met the needs of the audit of each client. The working papers did not accurately reflect the work and considerations of the auditor. As a result, on all the files examined the audit opinion was not adequately supported by the work performed and recorded.
- g Mr Riaz 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 two of the three cases examined the audit opinions were not adequately supported by the work performed and recorded;
- h Three of the seven audit quality monitoring visits have had unsatisfactory outcomes;
- i The firm provided an action plan following the sixth and previous reviews: these action plans have not proven effective in the firm attaining and sustaining a satisfactory standard of audit work.
- j The firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warnings given at the previous reviews and, the audit quality had deteriorated since the June 2021 review.

The decision

- 4. On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f) and 7(3)(b) that Mr Ahmad should be required to:
 - i. be subject to an accelerated monitoring visit before December 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 his and his firm's continuing audit registration.

Publicity

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

David Sloggett FCCA
Regulatory Assessor
17 July 2025