

The Decision and Reasons of the Regulatory Assessor for the case of Mr John McEaney FCCA (Statutory Auditor UK and Ireland), Mr Colm Reilly FCCA (Statutory Auditor UK and Ireland), Mr Gerard Watters FCCA (Statutory Auditor UK and Ireland), Mr Neil McGeown FCCA (Statutory Auditor UK and Ireland) and Mr James Maguire FCCA and KMR Accountants Limited referred to him by ACCA on 10 February 2025.

Introduction

1. KMR Accountants Limited is the incorporated practice of ACCA members Mr J McEaney FCCA (Statutory Auditor UK and Ireland), Mr Colm Reilly FCCA (Statutory Auditor UK and Ireland), Mr Gerard Watters FCCA (Statutory Auditor UK and Ireland), Mr Neil McGeown FCCA (Statutory Auditor UK and Ireland) and Mr James Maguire FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr McEaney's Mr Reilly's, Mr Watters's and Mr McGeown'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 seven audit quality monitoring reviews;
 - b At the first review, which was carried out during March 1995, weaknesses found resulted in an early follow-up.
 - c At the second review, which was carried out during July 2000, the visit outcome was unsatisfactory. An early follow up resulted.

- d At the third review, which was carried out during September 2002, the visit outcome was satisfactory.
- e The fourth, fifth and sixth reviews were all satisfactory and carried out on a “routine” visit cycle.
- f At the seventh review, which was carried out remotely during January 2025, review which was carried out remotely between 3 January 2025 and 23 January 2025 the Compliance Officer found that the firm did not have effective procedures. 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. The testing focused on the balance sheet, with very little substantive testing being conducted over the profit and loss balances. As a result, on the majority of files examined the audit opinion was not adequately supported by the work performed and recorded.
- g Mr John McEneaney, Mr Colm Reilly FCCA, Mr Gerard Watters FCCA, and Mr Neil McGeown FCCA and the firm have breached PR 13(1) in that they failed to comply with the International Standards on Auditing (UK)/(Ireland) in the conduct of audit work. There were deficiencies in the planning, control and recording of audit work, and in seven of the eight cases examined the audit opinions were not adequately supported by the work performed and recorded.

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 McEneaney, Mr Reilly, Mr Watters and Mr McGeown should be required to:
 - i. Be subject to an accelerated monitoring visit before 01 June 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 their firm’s continuing audit registration.

Publicity

6. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr McEaney, Mr Reilly, Mr Watters and Mr McGeown and their 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 McEaney, Mr Reilly, Mr Watters and Mr McGeown 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 McEaney, Mr Reilly, Mr Watters and Mr McGeown and their 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 McEaney, Mr Reilly, Mr Watters and Mr McGeown and their firm by name.

David Sloggett FCCA
Regulatory Assessor
9 May 2025