

The Decision and Reasons of the Regulatory Assessor for the case of Mr Jonathan M. Leathley FCCA and Fawley Judge & Easton referred to him by ACCA on 13 January 2026

Introduction

1. Fawley Judge & Easton is the unincorporated sole practice of ACCA member, Mr Jonathan M. Leathley FCCA. I have considered a Report, including ACCA's recommendation, together with related correspondence, concerning Mr Leathley'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 had seven audit quality monitoring visits;
 - b At its first monitoring review held during March 2004, the firm was a sole practice of Mr S Woolias. The Compliance Officer identified serious deficiencies in audit work that had resulted in audit opinions not being adequately supported by the work performed and recorded. As a result, the outcome of the review was unsatisfactory, and the report setting out these deficiencies was sent to the firm in May 2004;
 - c At its second review held during May 2006, the firm was a partnership between Mr S Woolias, Mr M Marsden, Mr M Craughan and Mr Duncan Gilmour. Mr S Woolias and Mr M Marsden were the audit principals. The Compliance Officer found that while the work on the pension scheme audit was of a reasonable standard, the audit work on solicitor and estate agent clients did not comply with the respective regulators' requirements. As a result, the outcome of the

review was unsatisfactory, and a report detailing the deficiencies was sent to the firm in May 2006;

- d At the third review held during June 2009, the Compliance Officer found the firm had only one pension scheme audit client and had maintained quality control policies and procedures designed to ensure compliance with the International Standards on Auditing (UK & Ireland). As a result, the overall outcome of the review was satisfactory, and the report was issued to the firm in June 2009;
- e At its fourth review held during October 2015, Mr S Woolias and Mr J Leathley were the audit qualified principals, following the retirement of Mr Marsden. The Compliance Officer found that on two of the three files inspected the audit work was not of a satisfactory standard, and the firm's files did not show that the firm had obtained sufficient audit evidence to support the audit opinion. As a result, the overall outcome of the review was unsatisfactory and a report outlining the deficiencies was issued in November 2015. The Compliance Officer advised the firm that it was expected to rectify the deficiencies before the next review and warned that failure to do so could jeopardise its audit registration. The firm acknowledged receipt of the report in December 2015 and submitted an action plan outlining proposed remedial measures;
- f At the fifth review held during October 2018, the Compliance Officer found that the standard of the firm's audit work had improved to a satisfactory standard, although some deficiencies remained. These were detailed in the review report issued to the firm in October 2018. The Compliance Officer again cautioned that failure to maintain a satisfactory standard could place the firm's audit registration at risk. The firm acknowledged receipt of the report in November 2018 and submitted a revised action plan in December 2018 to address the deficiencies identified;
- g At the firm's sixth review, held during December 2023, Mr Leathley was the sole audit principal. The Compliance Officer found that the audit work was not of a consistent standard. Although the overall outcome was satisfactory, one of the three files inspected contained an audit opinion that was not adequately supported by the work performed and recorded. The report detailing the deficiencies was sent to the firm in December 2023. In the concluding paragraph, the Compliance Officer again reminded the firm of the expectation that all deficiencies would be

rectified before the next review and warned that continued non-compliance could jeopardise its audit registration. The firm acknowledged receipt of the report in February 2024 and provided an action plan setting out intended corrective actions;

- h At the seventh review conducted in October 2025, the Compliance Officer found that the firm had not maintained effective audit procedures, and that the standard of audit work had significantly deteriorated. The firm had failed to implement the action plan it had previously committed to and did not have adequate procedures to ensure compliance with the International Standards on Auditing (UK & Ireland). There were serious deficiencies on both audit files inspected, resulting in audit opinions that were not adequately supported by the work performed and recorded;
- i Subsequent to the seventh review, the principal has confirmed that the firm has not renewed its auditing certificate and his Responsible Individual (RI) status;
- j Mr Leathley had been an audit principal in four of the seven monitoring reviews and two of his four reviews had unsatisfactory outcomes;
- k Mr Leathley provided action plans following his second and third reviews; these action plans have not proven effective in Mr Leathley reaching and sustaining a consistent satisfactory standard;
- l Mr Leathley has failed to achieve a consistently satisfactory outcome in spite of the advice and warning given him at his previous reviews;
- m Additionally, the following matters were noted at the seventh review and have been referred to ACCA's Professional Conduct Department for investigation. I should therefore consider these matters only to the extent that it is relevant to future licensing;
- n Prior to the seventh review, the Compliance Officer undertook standard pre-review procedures, which included using software to obtain from Companies House a list of companies for which the firm had filed accounts as auditor. This review identified several clients whose financial statements included an audit report signed by the firm. However, one of these audit clients had not

been disclosed on the list provided by the firm at the time of the review. In addition, during the monitoring review, the Compliance Officer also noted that the firm had not disclosed an audit of a pension scheme;

- o It appears that Mr Leathley may not be a 'fit and proper' person under GPR 8(2)(d) in that he has committed a material breach of an applicable regulation of the Association. GPR 14(2) requires that "members must supply the Association with all the information necessary to enable the Association to complete its monitoring process and quality assurance programme efficiently." In failing to disclose the existence of all audit clients, Mr Leathley has committed a breach of GPR 14(2);
- p In addition, Mr Leathley had shown little attempt to comply with the requirements of the International Standards on Auditing (UK) in the audit of the firm's PLC client, L&B Blackmoor Company Plc (file 2), as there were serious deficiencies in both the performance and recording of the audit work. The financial statements provided for monitoring review included an auditor's report dated 30 June 2025, whereas the financial statements filed at Companies House contained an auditor's report dated 25 March 2025;
- q Audit documentation showed that substantive procedures, completion testing, and signoffs in key areas including accounting estimates, cash flow workings, communication with management, irregularities and fraud, company accounts information, permanent file information, updates to the subsequent events and going concern assessment continued between April and October 2025, well after both audit report dates. Under ISA (UK) 700 (Forming an Opinion and Reporting on Financial Statements) and ISA (UK) 230 (Audit Documentation), the auditor's report must not be dated earlier than the date on which the auditor has obtained sufficient and appropriate audit evidence and the financial statements have been approved by those charged with governance. The documentation indicates that these conditions had not been met as at either 25 March 2025 or 30 June 2025. Consequently, neither audit report date was supported by the audit evidence, and the audit opinions issued do not comply with the requirements of ISA (UK) 700 paragraphs 49–49-2;
- r In light of these deficiencies, particularly the invalid dating of the auditor's report and the absence of contemporaneous audit evidence to support the opinion

issued, it appears that Mr Leathley may not be a “fit and proper” person under GPR 8(2)(d), in that he has committed material breaches of applicable regulations of the Association;

- s Mr Leathley has also breached sections R112 and R113 of the International code of ethics for professional accountants (ICEPA), in that he has not acted with integrity and/or professional competence and due care. In particular, section R111.2(a) requires that a professional accountant shall not knowingly be associated with a report which contains a materially false or misleading statement. It appears that Mr Leathley has signed audit reports stating that his firm carried out an audit in accordance with the International Standards on Auditing (UK) when this was evidently not the case. In addition, section R113.1(b) requires an accountant to act diligently and in accordance with applicable technical and professional standards when providing professional services, which was not demonstrated in this audit;
- t Furthermore, PR 14(1) requires that, in the conduct of audit work, statutory auditors shall comply with all applicable sections of the Association’s Rulebook and, in particular, the ACCA Code of Ethics and Conduct and the technical, ethical, and quality management standards issued by the UK competent authority under the Statutory Auditors and Third Country Auditors Regulations 2016, including the International Standards on Auditing (UK) issued by the Financial Reporting Council. The audit work performed falls significantly short of these requirements.

The Decision

- 4. I note that Mr Leathley has not renewed 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 Leathley, 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 :
 - a. The committee has considered the long-term licencing risk and implications of points 3m to 3t above,

- b. He has provided an action plan, including appropriate audit related CPD, which ACCA regards as satisfactory, setting out how Mr Leathley intends to prevent a recurrence of the previous deficiencies and,
- c. 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 Leathley 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 Leathley 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 Leathley 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 Leathley and his firm by name. The news release should be published after the investigation and possible hearing referred to in 3m above.

David Sloggett FCCA
Regulatory Assessor
27 February 2026