

The Decision and Reasons of the Regulatory Assessor for the Case of Mr A K Malhotra FCCA, Miss A Moe FCCA, Ms Sonja Henry (non-member) and Cavendish referred to her by ACCA on 3 June 2026.

Introduction

1. Cavendish is a partnership comprising of Mr A K Malhotra FCCA, Miss A Moe FCCA and Ms Sonja Henry (non-member). All partners are audit qualified and hold Responsible Individual (RI) Status. I have considered a Report, including ACCA's recommendation, together with related correspondence, concerning Mr Malhotra, Miss Moe and Ms Henry's conduct of audit work.

Basis and Reasons for the Decision

2. I have considered all of the evidence in the booklet provided, 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:
 - i. The firm have undergone eight monitoring reviews, four of the eight monitoring reviews resulted in unsatisfactory outcomes.
 - ii. The firms first monitoring review in February 1993. The partnership consisted of five audit principles of which Mr Malhotra was an audit principal. Significant deficiencies were identified in the audit work and the review was unsatisfactory.
 - iii. The second monitoring review was conducted in June 1998 and was also unsatisfactory.
 - iv. At the third monitoring review in October 2000, three of the eight files inspected had significant deficiencies in the standard of audit work and the overall grading was unsatisfactory.

- v. The fourth review was conducted in November 2003 and was graded satisfactory although some deficiencies remained. The fifth and sixth reviews were carried out in November 2007 and April 2014, when Ms Henry had joined the partnership with Mr Malhotra and one other partner. These reviews were graded satisfactory, although some deficiencies were identified. Following the sixth review the firm provided an action plan outlining its intended actions to rectify the deficiencies identified.
- vi. The seventh monitoring review was carried out in March 2020 when the partnership comprised Mr A K Malhotra FCCA, Ms Sonja Henry FCA and Miss A Moe. The overall audit work was of a satisfactory standard; however, deficiencies were identified in the performance and recording of the audit work. The report setting out these deficiencies was issued to the firm with a caution that failure to maintain a consistent satisfactory standard could place the firm's audit registration at risk. The firm acknowledged receipt of the report in May 2020 and provided an action plan outlining the action it intended to take to rectify the deficiencies identified.
- vii. At the eighth monitoring review, conducted between the 16 and 20 February 2026, the Senior Compliance Officer found that the firm had not maintained effective audit procedures, and that the standard of audit work had deteriorated significantly. The firm had failed to implement the action plan it had previously committed to and did not have adequate procedures in place to ensure compliance with the International Standards on Auditing (UK & Ireland). Significant deficiencies were identified in all audit files inspected, with the result that the audit opinions issued were not adequately supported by the work performed and recorded. As a result, the overall outcome of the monitoring review was unsatisfactory.
- viii. While the standard of audit work had improved at the fourth, fifth, sixth and seventh reviews, a number of the deficiencies reported at earlier reviews persisted. The firm provided action plans following the sixth and seventh reviews which have not proven effective in enabling the firm to attain and sustain a satisfactory standard of audit work. Despite the advice and warnings given at previous reviews, the firm and its principals have failed to achieve a consistent satisfactory outcome.
- ix. Furthermore, while the firm had documented its System of Quality Management (SoQM), the firm had not demonstrated how it exercised professional judgement to design, implement and operate a SoQM that was appropriately tailored to the

nature and circumstances of the firm and its engagements. As a result, the SoQM had not been sufficiently designed to address the firm's quality risks and to support the achievement of its quality objectives.

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 A K Malhotra FCCA, Miss A Moe FCCA and Ms Sonja Henry should be required to:
 - i. Be subject to an accelerated monitoring visit before 31 December 2027 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

5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr A K Malhotra FCCA, Miss A Moe FCCA and Ms Sonja Henry and their 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 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 A K Malhotra FCCA, Miss A Moe FCCA and Ms Sonja Henry and their 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 A K Malhotra FCCA, Miss A Moe FCCA and Ms Sonja Henry and their firm Cavendish by name.

Fiona MacNamara FCCA
Regulatory Assessor
09 June 2026