Think Ahead ACCA

HEARING

# ADMISSIONS AND LICENSING COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

## REASONS FOR DECISION

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| **In the matter of:** | **Mr Shevki Mehmet / S M Harman Limited** |
| **Heard on**: | **Tuesday, 27 October 2026** |
| **Location:** | **Remotely via Microsoft Teams** |
| **Committee:** | **Mr David Tyme (Chair)**<br>**Ms Nimra Syeda (Accountant)**<br>**Ms Yvonne Walsh (Lay)** |
| **Legal Adviser:** | **Ms Katrina Hyde** |
| **Persons present and capacity:** | **Ms Michelle Terry (ACCA Case Presenter)**<br>**Miss Sofia Tumburi (Hearings Officer)** |
| **Observers:** | **Ms Amy Barron (ACCA Appointments Board)**<br>**Ms Hayley Quick (Financial Reporting Council)** |

1. The Admissions and Licensing Committee (the "Committee") convened to consider the appropriate order to make, following an audit monitoring review by ACCA in respect of SM Harman Limited ("the firm"), which is the sole incorporated practice of ACCA member, Mr Shevki Mehmet. The outcome of the review was said by ACCA to be unsatisfactory.

2. The hearing was conducted remotely through Microsoft Teams. Ms Terry appeared for ACCA. Mr Mehmet represented himself at the hearing.

3. The Committee had considered the following documents: a Hearing bundle (pages 1 to 140) and a Service bundle (pages 1 to 16).

**BRIEF BACKGROUND**

4. SM Harman Limited is the sole practice of ACCA member, Mr Mehmet. The firm was reviewed on 17 June 2026. This was the ninth review by ACCA. The purpose of this was to follow up the firm's previous monitoring review, which took place on 18 November 2024, the outcome of the most recent review was that the audit work was again unsatisfactory. The review also included a limited review of the firm's eligibility for:

   a. Registered auditor status; and

   b. Monitoring compliance with the Chartered Certified Accountants' Global Practising Regulations 2003 ("GPRs").

5. References to a Practising Regulation ("PR") are to the regulations in Annex 1, Appendix 1 (UK) to the GPRs.

6. The firm has eleven limited company audit clients, one limited liability partnership audit client and one charity audit client. Two of the audit files were selected for inspection. ACCA alleged that significant deficiencies were found in the audit work, which are summarised under the following headings:

   a. The outcomes of ACCA's first to eighth monitoring reviews;

   b. The ninth monitoring review, which prompted this hearing before the Committee;

   c. International Standard on Quality Management (UK) 1 ("ISQM 1"), effective 15 December 2022, requires firms to have designed, implemented, and be operating a system of quality management. The

firm was not effective in ensuring compliance with ISQM, as reflected in the general standard of the firm's audit work on the files inspected.

d. Deficiencies were found in the firm's audit work and discussed with Mr Mehmet following the review.

e. ACCA alleged that Mr Mehmet and the firm breached the GPRs in that that they failed to comply with the International Standards on Auditing (UK) ("ISAs") in the conduct of audit work.

**History of monitoring reviews**

**First Monitoring review – 11 June 1993**

7. At Mr Mehmet's first monitoring review on 11 June 1993, the compliance officer informed his unincorporated firm, then Harman & Co, of serious deficiencies in audit work in two of the four files inspected, which had resulted in audit opinions not being adequately supported by the work performed and recorded. The report on the review set out these deficiencies and was sent to the firm on 02 July 1993. Harman & Co acknowledged receipt of the report in a letter dated 22 November 1993.

**Second Monitoring Review – 25 June 1997**

8. At Mr Mehmet's second monitoring review on 25 June 1997, the compliance officer informed his unincorporated firm, Harman & Co, of serious deficiencies in audit work. Audit opinions were not therefore adequately supported by the work performed and recorded on all four audit files reviewed. The report on the review set out these deficiencies and was sent to the firm on 14 July 1997. Harman & Co acknowledged receipt of the report in a letter dated 09 September 1997.

**Third monitoring review - 30 June 1999**

9. At Mr Mehmet's third monitoring review on 30 June 1999, the compliance officer informed his unincorporated firm, Harman & Co, of serious deficiencies in audit work in one of the four files inspected, which had resulted in audit opinions not

being adequately supported by the work performed and recorded. The report on the review set out these deficiencies and was sent to the firm on 19 July 1999. Harman & Co again acknowledged receipt in a subsequent letter.

**Fourth monitoring review – 10 April 2003**

10. Mr Mehmet's fourth monitoring review of his unincorporated firm, Harman & Co, took place on 10 April 2003. The compliance officer found the audit work for the four company audit files reviewed and the Solicitors Accounts Rules file reviewed to be of a satisfactory standard, although some deficiencies were identified. The report on the review set out these deficiencies and was sent to the firm on 30 May 2003.

**Fifth monitoring review – 14 November 2007**

11. At Mr Mehmet's fifth monitoring review of his unincorporated firm, Harman & Co, and his incorporated firm Harman Accountancy Limited, on 14 November 2007, the compliance officer found the audit work for the two company audit files reviewed satisfactory standard, although some deficiencies were identified. However, the Solicitors Accounts Rules file reviewed was found to have serious deficiencies which had resulted in the opinion issued not being adequately supported by the work performed and recorded. The report on the review set out these deficiencies and was sent to these firms on 17 December 2007. These firms acknowledged receipt of the report in a letter dated 21 February 2008.

**Sixth monitoring review – 19 October 2012**

12. At Mr Mehmet's sixth monitoring review of his firm, SM Harman Limited on 19 October 2012, the compliance officer found the audit work for the two company audit files reviewed and the Solicitors Accounts Rules file reviewed to be of a satisfactory standard, although some deficiencies were identified. The report on the review set out these deficiencies and was sent to the firm on 30 October 2012.The firm acknowledged receipt of the report in a letter dated 29 November 2012 and provided an informal action plan detailing the action that the firm intended to take in order to rectify the deficiencies found.

**Seventh monitoring review – 12 October 2018**

13. At Mr Mehmet's seventh monitoring review of his firm, SM Harman Limited on 12 October 2018, the compliance officer found the audit work for the three company audit files reviewed to be of a satisfactory standard, although some deficiencies were identified. The report on the review set out these deficiencies and was sent to the firm on 27 November 2018. The firm acknowledged receipt of the report in an email dated 09 January 2019 and provided an informal action plan detailing the action that the firm intended to take in order to rectify the deficiencies found, with revisions to the action plan, as requested by the compliance officer, submitted on 10 June 2019.

**Eighth monitoring review – 18 November 2024**

14. At Mr Mehmet's eighth monitoring review of his firm, S M Harman Limited on 18 November 2024, the compliance officer informed the firm of serious deficiencies in audit work on both audit files reviewed, which had resulted in audit opinions not being adequately supported by the work performed and recorded. The report on the review set out these deficiencies and was sent to the firm on 28 November 2024. S M Harman Limited acknowledged receipt of the report in an email dated 24 December 2024 and provided an informal action plan detailing the action that the firm intended to take in order to rectify the deficiencies found. The compliance officer requested revisions to the action plan, and the firm submitted these on 09 May 2025.

**Ninth review – summary**

15. At the ninth review which was carried out remotely on 17 June 2026 the compliance officer found that the firm had made little effective improvement to its procedures. The firm had failed to implement the action plan it had committed to in response to the findings of the previous monitoring. Its procedures were not adequate to ensure that it conducts all audits in accordance with the International Standards on Auditing (UK) ("ISAs"). As a result, on the files examined the audit opinion was not adequately supported by the work performed and recorded.

**International Standard on Quality Management (UK) 1**

16. ISQM 1, effective 15 December 2022, requires firms to have designed, implemented, and be operating a system of quality management ("SOQM") to provide it with reasonable assurance:

    a. that engagements are performed in accordance with professional standards and regulatory and legal requirements, and

    b. that the firm or the engagement partner issues reports that are appropriate in the circumstances.

17. Although the firm had purchased a procedures manual for ISQM it has not tailored this to the circumstances of the firm and it was not effective in ensuring compliance with ISQM. This was reflected in the general standard of the firm's audit work on the files inspected. The firm had not demonstrated that it had adequately monitored the effectiveness of its ISQM procedures.

**Detailed findings on audit work**

18. ACCA stated that its conclusion that the audit work was "unsatisfactory" was based on the evidence considered on the files during the review and was an assessment of whether or not the audit opinion was supported on each file inspected. ACCA submitted that the deficiencies were discussed in detail with Mr Mehmet at the end of the monitoring review.

**Apparent breaches of the GPRs**

19. ACCA submitted that Mr Mehmet and the firm breached the GPRs 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 the audit opinions were not adequately supported by the work performed and recorded.

**Summary of ACCA's position**

20. On behalf of ACCA, Ms Terry submitted that ACCA considered that permitting Mr Mehmet and the firm to retain audit certificates:

    a. would not be in the public interest; and

    b. would be contrary to the Regulatory Board Policy Statement, September 2025, ("PS"), particularly paragraph 3, headed "Presumption of Competence."

21. ACCA's position was therefore that the Committee withdraw Mr Mehmet's audit qualification and his firm's auditing certificate and impose conditions on Mr Mehmet requiring him to pass the advanced audit and assurance paper of ACCA's professional qualification before making any future reapplication for the audit certificates.

22. ACCA relied on the following:

    a. Mr Mehmet had nine monitoring reviews;

    b. Five of the nine reviews had unsatisfactory outcomes;

    c. There was some improvement to the standard of audit work at the third, fourth, sixth and seventh review but many of the deficiencies reported at the previous review remained;

    d. Mr Mehmet provided action plans following the sixth, seventh and eighth reviews: these action plans did not prove effective in Mr Mehmet reaching and sustaining a satisfactory standard of audit work;

    e. The firm failed to achieve a satisfactory outcome at a ninth review in spite of the advice and warning given at the previous review; and

    f. ACCA had serious concerns about Mr Mehmet's ability and willingness to maintain a satisfactory standard of audit work despite the advice and warnings given at the previous reviews.

23. Ms Terry also submitted that the following excerpts from the Regulatory Board Policy Statement and Regulatory Guidance (September 2025) were relevant:

*"9.4 All firms are expected to achieve, and then maintain, a satisfactory standard of audit work in order to remain eligible for audit registration and ensure compliance with quality management standards. Where a firm has an unsatisfactory outcome to two successive monitoring reviews, there are very few circumstances in which it would be appropriate for the firm and its principals to avoid withdrawal of their firm's auditing certificates and the responsible individual status of the audit principals. The firm has been allowed an opportunity to improve by implementing its own action plan, and to show some slight improvement but not achieve an overall satisfactory standard of work is not sufficient because of the presumption of competence explained in PS3.*

*9.5 In cases where a firm fluctuates between an overall satisfactory and unsatisfactory standard, there will be serious concerns about its capability and willingness to sustain a satisfactory standard. It will have developed at least one previous action plan, and in some cases more than one, but the inspection findings indicate that the firm has not effectively implemented its planned actions and/or not adequately demonstrated compliance with quality management standards. ACCA will consider the firm's and responsible individuals' monitoring history with particular focus on the number and age of past unsatisfactory review outcomes before deciding on the appropriate action. Although there will be exceptions, in the majority of cases ACCA is likely to refer the matter to the Admissions and Licensing Committee with the recommendation that it withdraws the firm's auditing certificates and the responsible individual status of the audit principals.*

*9.6 Unless the Committee is satisfied that there are clear exceptional reasons for not doing so, it will normally follow this policy and ACCA's recommendation and withdraw the firm's auditing certificates and the responsible individual status of the audit principals. In addition, the Committee will normally place conditions on the responsible individuals, such as passing ACCA's advanced audit examination by way of a test of competence and undertaking appropriate audit and/or quality management related CPD, before being permitted to make any future reapplication for the certificates."*

**Summary of Mr Mehmet's position**

24. The Committee had the benefit of a letter and appendix from Mr Mehmet sent to the ACCA Senior Audit Reviewer after the report of the ninth review. His letter was dated 25 August 2026 and it stated as follows:

*"I wish to confirm that all the necessary work was undertaken to verify the balances reported… Debtors, creditors and bank balances were independently confirmed.*

*All the evidence in respect of these independent verifications is contained within the file previously passed on to you. This includes debtor and creditor circularisations and bank confirmation letters, which are among the working papers already provided to you.*

*Unfortunately, due to my ill health, we were unable to complete the documentation and put all of the work performed into the appropriate format within the required timeframe.*

*I acknowledge that we did not document the work performed to the standard that it should have been. However we maintain that the underlying working procedures necessary for the audit were properly carried out."*

25. Enclosed with this letter was a copy of a detailed appendix of ACCA findings, and on this Mr Mehmet had added numbers in clear handwriting. He had then enclosed, in addition, a further document which set out his replies and explanations in respect of the numbered items.

26. In addition, Mr Mehmet told the Committee in submissions that in his view, he had the necessary skills to carry on with audit work. His firm had done a lot of work on the audits. Statements of financial position and all assets and liabilities had been checked but it was right that not everything had been fully documented. Mr Mehmet stated that one of the criticisms raised by ACCA was trustee renumeration. However. in that case only one trustee had been remunerated. and he was remunerated because he was a pastor. He stated that a criticism had also been made that the firm relied on information provided by the clients, however in fact the firm had picked up on transactions with

related parties and stated it on the accounts when they were submitted and finalised. Mr Mehmet maintained that all the accounts and audits were true and fair. No questions had been raised by other organisations, for example banks or HMRC and the firm had done a good job. He accepted that they had been a little deficient with recording certain information. However the firm did the work, and he would stand by the accounts that were prepared. Despite the absence of the documentation, they were true and fair. None of the businesses that they had audited were in any difficulty.

27. Mr Mehmet also told the Committee that at the time of the review, the firm had introduced a new software programme. Previously ACCA had criticised the firm for using an old system. This was the first review when the firm was using the new system. They did the best that they could with it, he stated that they might not have been familiar with all aspects of the software at the time. In relation to the criticism made regarding charity accounts, the firm had corrected that and they made improvements. It did take a long time to get used to the software, but he was confident it would be better next time.

28. In answer to questions from the Committee, Mr Mehmet said that in relation to ISA 230, he was aware of it to a certain extent. He understood the purpose of it. His main concern was always to get the correct results; the completion of documentation was his weak point and always had been. He had obtained the new software after the previous monitoring review, which was in 2024. In answer to a question about the importance of documentation, he stated that sometimes he could see things clearly and get the answer and he felt there was no need to explain how he had obtained the answer. In his mind it was clear and it was something that he thought he did not need to demonstrate. He confirmed that he had assistance from a team helping him with the audits. In relation to the issues of completeness and independence, he was asked whether information which ought to have been recorded might have been recorded elsewhere, perhaps not in the mandatory work paper. In relation to this Mr Mehmet answered that regarding the charity audit, the pastor was the only person remunerated. ACCA had raised criticisms for not checking if other trustees were renumerated, but in reality the pastor was the only person remunerated. In relation to independence and deliverables he stated that the firm did not get involved in management or bookkeeping, and he took the view

that the firm was sufficiently independent. In relation to ethics, he stated that they had given sufficient answers to ACCA.

**DECISION AND REASONS**

29. The Committee carefully considered all of the information and evidence before it, from Mr Mehmet and from ACCA. The Committee received and accepted legal advice from the Legal adviser.

30. The Committee was satisfied that Mr Mehmet's submissions were clear that, at the time of the review, he and the firm had not properly documented the audit work that had been done. The Committee considered that it was an unusual and concerning position for an auditor to say that they routinely did not ensure that certain information was documented, when such matters were required to be documented under the ISAs. It showed a lack of concern for his professional standards and obligations. The Committee acknowledged that Mr Mehmet had been going through an illness, but there had been numerous previous reviews, he had been given three to four weeks' notice of the ninth review, and the firm could have referred to its Continuity partner. The successive monitoring reviews and the track record of unsatisfactory results made this a serious matter and it was far from a one off. On the balance of probabilities, the Committee was satisfied that:

    a. The firm was not effective in ensuring compliance with ISQM 1, in that there was not an SOQM designed, implemented or operating; this was reflected in the general standard of the firm's audit work.

    b. Mr Mehmet and the firm breached GPRs in that that they failed to comply with ISA 230 and 220 in the conduct of audit work.

31. Overall, the Committee was not reassured by Mr Mehmet's submissions. The Committee concluded that he had a lack of insight into the seriousness of what had occurred. His submissions heightened rather than reduced the Committee's concerns regarding the risk of future non-compliance with professional standards by him and the firm. The Committee found the following submission of ACCA persuasive, namely that there were concerns about the firm's capability and willingness to sustain a satisfactory standard, under the

Regulatory Board Policy Statement and Regulatory Guidance (September 2025). In particular, Mr Mehmet's reference to the lack of investigation by HMRC and/or banks was a cause for concern because it was an indication that again, he lacked insight into the seriousness of his failures. The Committee found that Mr Mehmet appeared to be substituting his own preferences regarding ways of working and documentation, for the standards set out in the ISAs and GPRs. Moreover he saw nothing problematic with this. Overall, the Committee concluded that the matters raised by ACCA posed a risk to the public. It was satisfied that it was necessary to withdraw Mr Mehmet's audit qualification and his firm's auditing certificate as a material breach had been committed under Regulation 5 of the Authorisation Regulations, in the carrying on of the activities to which the certificate related.

32. The Committee also observed that it would likely benefit Mr Mehmet to obtain an appropriately qualified mentor and to avail himself of ACCA's online resources. For the avoidance of doubt the Committee did not make this a condition under the Authorisation Regulations, rather it took the view that this was a matter which would be of assistance to Mr Mehmet going forward.

**ORDER**

33. The Committee made an order pursuant to Authorisation Regulations 5(2)(f) and 6(16)(a)(iv) that Mr Mehmet's audit qualification and his firm's auditing certificate be withdrawn and that Mr Mehmet be required to pass the advanced audit and assurance paper of ACCA's professional qualification before making any future reapplication for the audit certificates.

**EFFECTIVE DATE OF ORDER**

34. The Committee was satisfied that, in order to comply with the rules, it was necessary and in the public interest for the orders to take immediate effect.

**Mr David Tyme**
**Chair**
**27 October 2026**