

**The decision and reasons of the Regulatory Assessor for the case of Mr S M Shah FCCA and Mr D R Dewing FCCA and Leadersmans referred to him by ACCA on 14 August 2024**

**Introduction**

1. Leadersmans is the unincorporated partnership practice of ACCA member, Mr S M Shah FCCA and Mr D R Dewing FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Shah's and Mr Dewing'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 five audit quality monitoring reviews;
  - b. At its first monitoring review, held in September 2003, the compliance officer found that the standard of the audit work on the files inspected was satisfactory although there were some deficiencies in the audit evidence. The report on the review was sent to the firm in October 2003 which set out the deficiencies and contained guidance on how the firm might remedy the deficiencies found;
  - c. At the second review held in August 2009, the compliance officer found that the firm had not maintained the standard of its audit work. There were serious deficiencies on one of three audit files inspected which had resulted in the audit opinion not being adequately supported by the work performed and recorded. As a result, the outcome of the review was unsatisfactory. The report on the review was sent to the firm in September 2009. The compliance officer warned the firm that failure to improve its audit work to a consistently satisfactory standard may jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report in October 2009 and outlined the action that it was taking;

- d. At the third review on 17 December 2013, the compliance officer found that the firm's audit work had improved and was of a reasonable standard although some deficiencies in the performance and recording of the work remained. As a result, the audit files inspected was satisfactory. The report on the review was sent to the firm in January 2014. The compliance officer warned failure to rectify the deficiencies may jeopardise the firm's continuing audit registration. The firm acknowledged the receipt of the report in March 2014 and provided an action plan detailing the action that the firm was taking;
- e. At the fourth review held in October 2018, the firm had only one audit client. The compliance officer found that the firm's audit work was of a reasonable standard although some deficiencies in the performance and recording of the work remained. The report on the review set out deficiencies found and was sent to the firm in October 2018. The firm acknowledged receipt of the report and provided an action plan in October 2018;
- f. At the fifth review, which was carried out during May 2024, the compliance officer found that the firm had not maintained the improvements to its audit procedures and the standard of the firm's audit work had deteriorated. On the three audit files inspected there were significant deficiencies in compliance with ISAs resulting in the audit opinions not being adequately supported by the work performed and recorded;
- g. The firm provided action plans following the third and the fourth reviews. These action plans have not proven effective in the firm sustaining a satisfactory standard of audit work;
- h. The firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warning given at the previous reviews;
- i. The firm has subsequently relinquished its firm's auditing certificate and Mr Shah and Mr Dewing have relinquished their practising certificates with audit qualification and have been issued with general practising certificates.

#### **The decision**

- 4. I note that Mr Shah and Mr Dewing have relinquished their practising certificate with audit qualification and their 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 Shah or by Mr Dewing, or by a firm in which either of them is a principal, partner or director, must be referred to the Admissions and Licensing Committee, which will not consider the application until :

- a. They have provided an action plan, including appropriate audit related CPD, which ACCA regards as satisfactory, setting out how they intend to prevent a recurrence of the previous deficiencies and,
- b. 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 Shah and Mr Dewing 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, if any, made by Mr Shah and Mr Dewing 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 Shah and Mr Dewing 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 Shah and Mr Dewing and their firm by name.

**David Sloggett FCCA**  
**Regulatory Assessor**  
**17 September 2024**