

The Decision and Reasons of the Regulatory Assessor for the case of Mr Sinnathurai Paramaguru FCCA and Param & Company Ltd referred to him by ACCA on 19 December 2024

Introduction

1. Param & Company Ltd is the incorporated sole practice of ACCA member, Mr Sinnathurai Paramaguru FCCA. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Paramaguru'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 audit quality monitoring reviews;
 - b The first six reviews were to Mr Paramaguru's unincorporated sole practice, Param & Co. The seventh and eighth reviews were to his incorporated practice, Param & Company Ltd;
 - c At the firm's first and the second monitoring reviews the Compliance Officer informed the firm of deficiencies in the audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded. The Compliance Officer also informed the firm of some deficiencies found in its work on the report to the Law Society on its Solicitor client. The report on the second review was sent to the firm in November 1999. It contained guidance on how the firm might remedy the deficiencies found. The firm acknowledged receipt of the report in a letter

dated December 1999 but did not indicate what action it was going to take to improve its audit work.

- d At the third review held during November 2002 the Compliance Officer found that the firm had made little effective improvement to its procedures. On the files inspected the firm had continued to issue audit opinions which were not adequately supported by the work performed and recorded. ACCA therefore reported the findings of the visit to the Admissions and Licensing Committee.
- e In March 2003 the Admissions and Licensing Committee made a decision pursuant to Authorisation Regulations 5((1)(f) that Mr Paramaguru be required to:
 - i. Have six audit clients' files, selected by the Monitoring Unit, and all other work in respect of reports to any regulatory body, reviewed by a registered Auditor from another firm or a training company before reports are signed, such registered Auditor or training company being subject to, such training company being subject to ACCA approval;
 - ii. Notify ACCA within six weeks of the date of written notification of this decision of the identity of the training company referred to in i above;
 - iii. Be subject to an accelerated monitoring visit before 31 March 2005 at a cost to the firm of £700 and £250 for each additional audit qualified principal; and
 - iv. Note that failure to make the necessary improvements in the level of compliance with auditing standards and with the requirements of any regulators by that time will jeopardise his and his firm's continuing audit registration.
- f The firm's fourth monitoring review, as imposed by the Admission and Licensing Committee, took place during August 2005. The Compliance

Officer found that the firm had made improvements in the performance and recording of its audit work, although some deficiencies remained which were not significant. The outcome of that review was, therefore, satisfactory. As a result, the firm was released from the terms of the Regulatory order on audit work although it was warned that failure to maintain the improvements may jeopardise the firm's continuing audit registration. The report on the review setting out the deficiencies found was sent to the firm in October 2005. The firm acknowledged receipt of the report in letter dated November 2005 and confirmed that it will be dealing with issues raised in the report.

- g At the fifth review held during September 2009, the Compliance Officer found that the firm had maintained its audit work to a satisfactory standard although there were deficiencies in the recording of audit evidence. However, the Compliance Officer informed the firm of serious deficiencies in its work on the report to the Solicitors Regulation Authority on its Solicitor Client. The report on the review setting out the deficiencies found was sent to the firm in November 2009. The firm acknowledged receipt of the report in letter dated November 2009 and confirmed that it will be dealing with issues raised in the report.
- h At the sixth and seventh review held during January 2013, and February 2019 respectively, the Compliance Officer found that the firm had maintained its standard of audit work although some deficiencies were found in the performance and recording of the audit work. As a result, the overall outcome of the reviews was satisfactory. The reports on the reviews set out the deficiencies found and was sent to the firm in February 2013 and March 2019. The firm acknowledged receipt of the report and provided an action plan describing the remedial action that the firm was taking in March 2013 and April 2019 respectively.
- i At the eighth review held during November 2024, the Compliance Officer found that the standard of the firm's audit work had significantly deteriorated. On the two files inspected there were serious deficiencies in the work recorded in the key areas resulting in the audit opinions not being adequately supported. As a result, on the files examined the audit

opinion was not adequately supported by the work performed and recorded.

- j Four of the eight audit monitoring reviews had unsatisfactory outcomes.
- k The firm provided an action plan following the sixth and seventh review: these action plans have not proven effective in the firm attaining and sustaining a satisfactory standard of audit work
- l The firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warning given at the previous reviews and by the Admissions and Licencing Committee.

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 Paramaguru should be required to:
 - i. Be subject to an accelerated monitoring visit before December 2025 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 his/her/their and his/her/their firm's continuing audit registration.

Publicity

- 5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Paramaguru and his firm made under Regulation 7(2) may be published as soon as practicable, subject to any directions given by me.
- 4. I have considered the submissions, if any, made by Mr Paramaguru 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 or the omission of the names of Mr Paramaguru and his firm from that publicity.

5. I therefore direct pursuant to Authorisation Regulation 7(6)(a), that a news release be issued to ACCA's website referring to Mr Paramaguru and his firm by name.

David Sloggett FCCA
Regulatory Assessor
08 April 2025