

The decision and reasons of the Regulatory Assessor for the case of Mrs Sarah Parker FCCA and Fulwells referred to him by ACCA on 08 January 2024

Introduction

1. Fulwells is a partnership between ACCA members, Mrs Sarah Parker FCCA and Mr Andrew Parker FCCA, who is not audit qualified. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mrs Parker'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 been the subject of four audit quality monitoring reviews;
 - b At its first monitoring review held in October 2008, the compliance officer informed the firm of serious deficiencies on one of the two 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 monitoring review was unsatisfactory. The report on the review set out these deficiencies and was sent to the firm in November 2008. The compliance officer warned the firm that failure to rectify the deficiencies and make the necessary improvements by the time of the next monitoring review was likely to jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report in a letter dated December 2008 and outlined the action it was taking;
 - c At its second review held in August 2013, the compliance officer found that on the files inspected, whilst the overall outcome of the review was satisfactory, some deficiencies were found in the performance and recording of the audit work. The report setting out the deficiencies found was sent to the firm in September 2013. The compliance officer again warned the firm that failure to rectify the deficiencies and maintain a consistent satisfactory standard of work at the time of the next

monitoring review might jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report in an email dated October 2013 and provided an action plan detailing the action that it intended to take to rectify the deficiencies found;

- d At its third review in November 2018, the compliance officer found that the audit work was not of a consistent standard. Although the overall outcome of the visit was satisfactory, on one of the three files inspected, the opinion was not adequately supported by the work performed and recorded. The report set out the deficiencies found and was sent to the firm in November 2018. The firm acknowledged receipt of the report in an email dated January 2019 and provided an action plan detailing the action that it intended to take to rectify the deficiencies found;
- e At the fourth review carried out remotely in November 2023, the compliance officer found that firm's procedures had deteriorated. The firm had failed to implement the action plan it had committed to in response to the findings of the previous monitoring review and its procedures were not adequate to ensure that it conducts all audits in accordance with the International Standards on Auditing (UK) (ISAs). On all three files inspected there were serious deficiencies in audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded. As a result, the outcome of the monitoring visit was unsatisfactory;
- f The firm has subsequently relinquished its auditing certificate and Mrs Parker has relinquished her practising certificate with audit qualification and been issued with a general practising certificate;
- g Mrs Parker had provided action plans following her previous two reviews, but these have not proven effective in her reaching a consistent satisfactory standard of audit work;
- h The firm has failed to achieve a satisfactory outcome in spite of the advice and warnings given at the previous reviews.

The decision

4. I note that Mrs Parker has relinquished her practising certificate with audit qualification and her firm's auditing certificate. On the basis of the above I have decided pursuant to Authorisation Regulations 7(3)(b) and 7(4) that any future re-application for audit registration by Mrs Parker, or by a firm in which they are a principal, partner or director must be referred to the Admissions and Licensing Committee, which will not consider the application until they have:
 - a Provided an action plan, which ACCA regards as satisfactory, setting out how Mrs Parker intends to prevent a recurrence of the previous deficiencies and,
 - b Attended a practical audit course, approved by ACCA and,
 - c Following the date of this decision, resat and passed paper P7 (or the equivalent advanced level audit paper) of ACCA's professional qualification.

Publicity

5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mrs Parker and her 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 Mrs Parker 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 Mrs Parker 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 Mrs Parker and her firm by name.

David Sloggett FCCA
Regulatory Assessor
07 March 2024