

21 November 2024

Member severely reprimanded

On 14 November 2024, the Consent Orders Chair of the Association of Chartered Certified Accountants (ACCA) found proved the following allegations against a member, Mr Rajnikant Chhotabhai Patel, of Ilford, Essex, United Kingdom:

Allegations

1. Mr Patel, on behalf of Company A, breached the ACCA's Fundamental Principle of Professional Competence and Due Care (2022) in that he: failed to fully follow Audit Regulations, Auditing Standards and ACCA's Code of Ethics and Conduct (CEC) in providing the audit opinion included in the Audit Report for Company B for the year ended 31 December 2021.

Mr Patel's working file contained the following deficiencies:

- (i) Mr Patel failed to appropriately document ethical threats facing Company A, which arose from carrying out audit and non-audit services for Company B, for the year ended 31 December 2021. Furthermore, Mr Patel failed to document the appropriate safeguards in place to ensure the firm's independence was not compromised. As a result, Mr Patel failed to comply with the ACCA's CEC.
- (ii) Mr Patel failed to appropriately document ethical threats facing Company A, which arose from the level of the audit fee charged to Company B, for the year ended 31 December 2021. Furthermore, Mr Patel failed to document the appropriate safeguards in place to ensure the firm's independence was not compromised. As a result, Mr Patel failed to comply with the ACCA's CEC and the Ethical Standards published by the Financial Reporting Council (FRC).
- (iii) Mr Patel failed to appropriately audit Going Concern and Subsequent Events when deriving the audit opinion for Company B, for the year ended 31 December 2021. As a result, Mr Patel failed to comply with the ACCA's CEC and the International Standards on Auditing (UK) (ISAs) published by the Financial Reporting Council

(FRC).

- (iv) Mr Patel failed to appropriately audit the stock balance disclosed in the accounts for Company B, for the year ended 31 December 2021. As a result, Mr Patel failed to comply with the International Standards on Auditing (UK) (ISAs) published by the Financial Reporting Council (FRC) and the ACCA's CEC.
- (v) Mr Patel failed to obtain a signed Engagement Letter, agreeing the terms of the engagements and services carried out for Company B.

2. That Mr Patel shall be severely reprimanded and shall pay costs to ACCA in the sum of £3,500.

The Consent Orders Chair ordered that Member Name be severely reprimanded and pay costs to ACCA in the sum of £3500.00.

ACCA's regulations require ACCA to publish the Committee's finding and orders by way of a press release, as soon as practicable.

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We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over 252,500 members and 526,000 future members in 180 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

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