

The decision and reasons of the Regulatory Assessor for the case of Mr Mukund Amin FCCA and Affinity Associates Limited referred to him by ACCA on 01 May 2024

Introduction

1. Affinity Associates Limited and Affinity Associates Group Limited are the incorporated practices of ACCA members, Mr M Amin FCCA, Mr D Amin FCCA. In addition, Mr C Smith FCCA who is an ACCA member is a principal in Affinity Associates Group Limited. Affinity Associates Limited holds audit registration and has audit clients. Affinity Associates Group Limited has held audit registration since June 2020 but has no audit appointments. No audit reports have been signed in Affinity Associates Group Limited since it obtained audit registration. All references in this decision to 'the firm' are therefore references to Affinity Associates Limited. Mr M Amin is the audit qualified principal in both firms. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr M Amin'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 The firm was first monitored in October 2012. At this review, the firm had not undertaken any audit work and therefore no audit files were inspected. However, the compliance officer informed the firm of serious deficiencies in its work on solicitor client which had resulted in the report to the Solicitor Regulation Authority not being adequately supported by the work performed and recorded. The outcome of the overall monitoring review was therefore not satisfactory. The report on the review was sent to the firm in November 2012. The firm

acknowledged the receipt of the report in December 2012 describing the action that it was taking to deal with the matters raised on the report;

- c The firm's second monitoring review was held in November 2016. At this review, the compliance officer informed the firm of serious deficiencies in audit work which had resulted in audit opinions not being adequately supported by the work performed and recorded. The report on the review set out deficiencies found and was sent to the firm in December 2016. The compliance officer warned the firm that failure to improve its audit work may jeopardise the firm's continuing audit registration. The firm acknowledged receipt of the report and provided an action plan in April 2017;
- d At the third review, held in November 2018, the compliance officer found that the firm had made improvements in the performance and recording of its audit work, although some deficiencies remained. The outcome of this review was satisfactory. The report on the review setting out the deficiencies found was sent to the firm in March 2019. The firm took three attempts to provide an acceptable action plan which detailed the action that it intended to take in order to address the remaining deficiencies;
- e At the fourth review, which was carried out remotely between during April 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 two files inspected there were serious deficiencies in the work recorded in the key areas resulting in the audit opinions not being adequately supported by the work performed and recorded. The firm took two attempts to provide an acceptable action plan which detailed the action that it intended to take in order to address the remaining deficiencies;
- f Three out of four monitoring reviews have had unsatisfactory outcomes;
- g The firm provided an action plan following the second and the third reviews. These action plans have not proven effective in the firm attaining and sustaining a satisfactory standard of audit work and the firm has failed to achieve a consistently satisfactory outcome in spite of the advice and warning given at the previous reviews.

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 M Amin should be required to:
 - i. Be the subject to an accelerated monitoring visit before 30 September 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 and his firm's continuing audit registration.

Publicity

5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr M Amin and his 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 M Amin 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 M Amin and his 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 M Amin and his firm by name.

David Sloggett FCCA
Regulatory Assessor
16 September 2024