

HEARING

ADMISSIONS AND LICENSING COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Jahangir K K Chowdhury & the Firm, J C Associates

Heard on: Thursday, 23 & Friday, 24 October 2025

Location: Remote via Microsoft Teams

Committee: Ms Colette Lang (Chair)
Dr David Horne (Accountant)
Ms Deborah Fajoye (Lay)

Legal Adviser: Mr Robin Havard

Persons present

and capacity: Mr Mazharul Mustafa (ACCA Case Presenter)
Miss Nicole Boateng (Hearings Officer)
Mr Jahangir K K Chowdhury (Member)

1. The Admissions and Licensing Committee convened to consider the appropriate order to make following an unsatisfactory outcome of a fourth audit monitoring review in respect of J C Associates (“the firm”), which is the sole incorporated practice of ACCA member, Mr Jahangir K K Chowdhury FCCA.
2. The hearing was conducted remotely through Microsoft Teams.
3. Mr Mustafa appeared for ACCA. Mr Chowdhury appeared in person and represented himself.

INTRODUCTION

4. J C Associates is the sole practice of ACCA member, Mr Jahangir K K Chowdhury FCCA. The firm was reviewed on 25 and 26 June 2025. The purpose of this fourth review was to monitor the conduct of the firm's audit work. The review also included confirming the firm's eligibility for registered auditor status and monitoring compliance with the Chartered Certified Accountants' Global Practising Regulations 2003 (GPRs). References to a Practising Regulation (PR) are to the regulations in Annex 1, Appendix 1 (UK) to the GPRs.
5. Mr Mustafa provided the following summary of the report of the compliance officer relating to the monitoring visits which have been undertaken by ACCA at J C Associates.
6. The firm had one limited company audit client. The one audit file was selected for inspection. Some significant deficiencies were found in the audit work as set out below.

History Of Monitoring Reviews

28 July 2011 – First Monitoring Review

7. At its first monitoring review on 28 July 2011, 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 these deficiencies and was sent to the firm on 5 September 2011. The firm acknowledged receipt of the report in a letter dated 8 March 2012 and provided an action plan detailing the action that the firm intended to take in order to rectify the deficiencies found.

22 September 2015 – Second Monitoring Review

8. At the second monitoring visit on 22 September 2015, the overall outcome of the review was satisfactory, with one of three files reviewed being of a satisfactory standard. However, some deficiencies were found and reported to the firm on 20 October 2015. The firm acknowledged receipt of the report in a

letter dated 23 November 2015 and provided a response on the recommended future action required to be taken by the firm.

25 July 2019 – Third Monitoring Review

9. At the third monitoring visit on 25 July 2019, the overall outcome of the review was satisfactory, with the one file reviewed being of a satisfactory standard. However, some deficiencies were found and reported to the firm on 1 August 2019. The firm acknowledged receipt of the report in a letter dated 27 August 2019 and provided a response on the recommended future action required to be taken by the firm.

25 & 26 June 2025 – Fourth Monitoring Review

Summary Of Findings Of Current Review

10. At the fourth review which was carried out remotely on 25 and 26 June 2025, the Compliance Officer found that the firm's audit work had significantly deteriorated. There was almost no record of audit work other than initials and ticks on some audit programme where these were completed. The working papers comprised accounting schedules which contained no indication of any audit work. As a result, on the file examined the audit opinion was not adequately supported by the work performed and recorded.
11. The Compliance Officer summarised their findings as follows.

International Standard on Quality Management 1 (ISQM 1)

12. International Standard on Quality Management (UK) 1 (ISQM 1), effective 15 December 2022, requires firms to have designed, implemented and be operating a system of quality management (SOQM). This was required in order to provide it with reasonable assurance that engagements are performed in accordance with professional standards and regulatory and legal requirements, and that the firm or engagement partner issue reports that are appropriate in the circumstances.

13. Although the firm had produced a procedures manual for ISQM 1 it had not tailored this to the circumstances of the firm and it was not effective in ensuring compliance with ISQM 1, as reflected in the general standard of the firm's audit work on the files inspected. In addition, the firm had not undertaken any monitoring and remediation activities in the year (ISQM .36-47) and had not performed an annual evaluation to conclude whether the firm was complying with the standard. The detailed findings of the audit file inspection had been set out in the appendix to the compliance officer's report.

Detailed Findings On Audit And Regulated Work

14. Mr Mustafa referred the Committee to the appendix to the Compliance Officer's report and provided a summary of the audit file reviewed and details of the deficiencies which had been identified. The descriptions "unsatisfactory" were based on the evidence seen on the files during the review and was an assessment of whether or not the audit opinion was supported on the file inspected. The deficiencies highlighted in the appendix were discussed in detail with Mr Chowdhury at the end of the monitoring review.

ALLEGED BREACHES OF THE GLOBAL PRACTISING REGULATIONS

15. It was alleged that Mr Chowdhury and the firm had breached PR 13(1) in that they failed to comply with the International Standards on Auditing (UK) ("ISA") in the conduct of audit work. There were deficiencies in the planning, control and recording of audit work, resulting in the audit opinion not being adequately supported by the work performed and recorded.

REGULATORY POWERS AND RECOMMENDED ACTION

16. Mr Mustafa referred the Committee to Regulation 5(2)(f) of the Authorisation Regulations (AR), which provides that the Committee may withdraw, suspend or impose conditions if:

"it is notified or becomes aware that a holder of a certificate or any of its partners, members, directors or controllers has committed a material breach of any of these regulations or any other rules and regulations or codes of practice

to which they are subject (or were subject prior to 1 January 2014) in the carrying on of the activities to which the certificate relates or authorises;”

17. AR 5(3) provides that, in determining whether to exercise its powers under AR 5(2), the Committee shall have regard to such matters as it considers relevant.

Summary Of Facts

18. ACCA has referred the standard of Mr Chowdhury's audit work for the Committee's consideration. This follows the approach set out in PS9.5 of the Regulatory Board Policy Statement ('PS') and paragraphs 6.3.3 and 6.3.4 of the Regulatory Guidance, based on the following relevant facts:

- i. Mr Chowdhury has had four monitoring reviews;
- ii. Two of the four reviews had unsatisfactory outcomes;
- iii. Mr Chowdhury provided action plans following the first, second, and third reviews. However, these action plans had not proven effective in Mr Chowdhury reaching and sustaining a satisfactory standard of audit work;
- iv. The firm has failed to achieve a satisfactory outcome at the fourth review in spite of the advice and warning given at the previous reviews;
- v. There were serious concerns about Mr Chowdhury's ability and willingness to maintain a satisfactory standard of audit work despite the advice and warnings given at the previous reviews.

ACCA's Application

19. In light of the above facts, Mr Mustafa submitted that to permit Mr Chowdhury to retain his audit certificates would not be in the public interest and contrary to the presumption of competence explained in PS3. ACCA therefore recommended that the Committee withdraws Mr Chowdhury's audit qualification and his firm's auditing certificate and imposes conditions on Mr Chowdhury requiring him to pass the advanced audit and assurance paper of

ACCA's professional qualification before making any future reapplication for the audit certificates.

20. PS11.4 provides that, in the absence of sufficient, reliable and credible evidence to the contrary, the Committee should on the balance of probabilities rely on the findings set out in ACCA's report as establishing non-compliance with the requirements of auditing standards and determine the appropriate course of action in accordance with the PS and Regulatory Guidance.
21. PS9.6 and paragraphs 7.3.1 and 7.3.2 of the Regulatory Guidance provide that, unless the Committee was satisfied that there were clear exceptional reasons for not doing so, it would normally follow PS9.5 and ACCA's recommendation and withdraw the audit certificates, with conditions imposed on future reapplication.

Effective Date

22. Mr Mustafa stated that, in accordance with PS13.1, in the event that the Committee determined it was necessary to make an order to withdraw, suspend or impose conditions on Mr Chowdhury's audit certificates in order to protect the public, the Committee should, on the same grounds, make that order with immediate effect.

Mr Chowdhury's Written And Oral Submissions

23. In advance of the hearing, the Committee had read the detailed response submitted to ACCA by Mr Chowdhury on 5 September 2025, together with the accompanying documentation.
24. At no point in his written representations did Mr Chowdhury question or challenge the findings contained in the report and appendix regarding the deficiencies identified in the audit work as outlined by the Compliance Officer. His replies indicated acceptance of the findings and set out detailed plans to address the shortcomings.
25. In the course of his oral evidence, Mr Chowdhury confirmed that he accepted the Compliance Officer's conclusions as outlined in the report and detailed findings and that the audit work was defective in the areas identified.

26. The thrust of Mr Chowdhury's written and oral submissions in requesting the Committee not to follow ACCA's recommendations was that he had put in place a detailed action plan following the monitoring visit in June 2025 which addressed those shortcomings.
27. Mr Chowdhury confirmed that he had implemented a quality management system tailored to the work undertaken by his firm with the support of an audit programme provided by Company A.
28. Issues with regard to engagement letters had been addressed to include standard terms of business and an AML checklist. It was stressed that he would only issue an audit opinion when he could show compliance with the necessary ISAs. He accepted that, in the past, he had misunderstood the provisions of ISQM and the level of documentation required.
29. At present, Mr Chowdhury confirmed that he does not have any audit clients and so maintained that the public interest was protected. He and his firm currently provide accountancy services to both small and medium sized businesses.
30. Mr Chowdhury informed the Committee that he had booked himself on relevant training courses and that, if allowed to continue to carry out audit work, he would ensure that hot reviews were undertaken by an external firm to ensure compliance before the audit was signed.

The Committee's Findings And Decision

31. In reaching its decision, the Committee had taken full account of the guidance to be found in the document entitled "Regulatory Board Policy Statement and Regulatory Guidance" ("the Guidance").
32. The Committee had read the Compliance Officer's report prepared following the monitoring visit in June 2025. It accepted the detailed findings as set out in the appendix. Indeed, the Committee noted that Mr Chowdhury also accepted the findings in full.

33. It was of considerable concern that such serious deficiencies were discovered in the course of a fourth monitoring visit. The first monitoring visit had also identified serious shortcomings. Whilst the overall outcome of the second and third monitoring visits was satisfactory; there were still certain deficiencies which needed to be rectified.
34. At the conclusion of the previous monitoring visits, Mr Chowdhury had provided ACCA with action plans designed to rectify the shortcomings but, despite this, the fourth monitoring visit had revealed widespread and serious deficiencies.
35. Indeed, in the appendix setting out the detailed findings, on the one audit file reviewed by the compliance officer, Mr Chowdhury had failed to meet the requirements of the following ISAs: 230; 240; 250; 300; 315; 320; 330; 450; 500; 520; 530; 540; 550; 560; 570; 620; 700; 705; 706 and 710. There was also non-compliance with paragraph 601 of the Code of Ethics and Conduct (“CEC”) and paragraph 5.127 of the Ethical Standard (UK) (“ES”).
36. The Committee found, on the balance of probabilities, that Mr Chowdhury and his firm had failed to meet the requirements of those ISAs in the manner described and the paragraphs identified in the CEC and ES. Indeed, as stated, Mr Chowdhury had not challenged ACCA's findings.
37. In the circumstances, the Committee was satisfied that such failures amounted to a breach of PR13(1).
38. Based on its findings, the Committee reminded itself of what, on the facts of this case, it considered to be the relevant parts of the Guidance.
39. In particular, at PS3, there is a presumption of competence to undertake audit work, and that the public is entitled to expect that an individual such as Mr Chowdhury with an audit qualification is competent to provide audit services.
40. The Committee had regard to paragraphs 8.2.9 and 8.2.11 of the Guidance.
41. The Committee was not satisfied that Mr Chowdhury had true insight into the scale of the deficiencies identified at the monitoring review in June 2025. There was also a concern that Mr Chowdhury did not have, *“the capability to rapidly*

improve compliance with auditing and quality management standards and sustain it at a consistently satisfactory standard” in accordance with paragraph 8.2.9 of the Guidance.

42. As stated, this was the fourth monitoring visit and the wide-ranging and serious shortcomings did not provide the Committee with any confidence that the standard of work would improve to, and remain at, the necessary standard. The detailed response and assurances provided by Mr Chowdhury suggested a templated approach had been adopted together with booking training which had not been undertaken.
43. The Committee had also considered whether there were any exceptional reasons to justify a departure from a decision to withdraw the ability of Mr Chowdhury and his firm to conduct audit work. In doing so, the Committee bore in mind paragraph 7.5 of the Guidance.
44. The Committee was required to pay particular regard to the protection of the public and the fact that the reputation of the profession was more important than the fortunes of an individual member.
45. The Committee took into account its conclusion that it does not have confidence in Mr Chowdhury improving to, and maintaining, a satisfactory level of compliance. Bearing in mind the guidance at paragraphs 7.5.1 and 7.5.2, the Committee did not consider that the content of his response amounted to an exceptional reason justifying a lesser outcome than withdrawal of the ability of Mr Chowdhury and his firm to conduct audit work.
46. The Committee was satisfied that this was a proportionate outcome.
47. In reaching that conclusion, and in exercising its judgement, the Committee decided that the need to protect the public and maintain the reputation of the profession outweighed the personal interests of Mr Chowdhury.

ORDER

48. The Committee made an order pursuant to Authorisation Regulations 6(16)(a)(ii) and 5(2)(f) that:

- (i) Mr Jahangir K K Chowdhury's responsible individual status and J C Associates' auditing certificate be withdrawn; and
- (ii) any future re-application for audit registration by Mr Jahangir K K Chowdhury, or by a firm in which he is a principal, must be referred to the Admissions and Licensing Committee, which will not consider the application until they have provided an action plan, including appropriate audit related CPD, which ACCA regards as satisfactory, setting out how Mr Chowdhury intends to prevent a recurrence of the previous deficiencies and, following the date of this order, passed ACCA's advanced audit and assurance examination required by the relevant jurisdiction.

PUBLICITY

49. The Committee heard submissions from Mr Mustafa on behalf of ACCA and Mr Chowdhury. It had regard to the Statutory Auditors and Third Country Auditors Regulations 2016, in particular regulation 6, and to the guidance on publicity. The Committee could not identify any reason which would prevent it from ordering that the orders should be publicised in the usual way. The Committee determined that the public interest in publication of its decision and reasons outweighed Mr Chowdhury's interests and therefore made no order restricting publicity.

EFFECTIVE DATE

50. On the application of ACCA, the Committee was satisfied that, in order to comply with the regulations, and taking account of the seriousness and extent of the failures on the part of Mr Chowdhury and J C Associates in the conduct of audit work, it was necessary and in the interests of the public for the order to take immediate effect.

Ms Colette Lang
Chair
24 October 2025