

APPLICATION ON PAPERS

ADMISSIONS AND LICENSING CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: **Mr Garrett Noel Smyth FCCA (Principal)**
 Gary Smyth Associates Limited (Firm)

Considered on: **Tuesday, 07 October 2025**

Chair: **Mr Maurice Cohen**

Outcome: **Order that any future application for responsible individual status by Mr Smyth or a practising certificate with audit by a firm in which he is a principal must be referred to the Admissions and Licensing Committee.**

PRELIMINARY APPLICATIONS / SERVICE OF PAPERS

1. This case was dealt with in a private meeting. The Chair had a bundle of documents numbered pages 1 – 38.
2. The Committee noted that Mr Smyth was duly informed that the matter would be dealt with by a Chair sitting alone rather than a hearing. Mr Smyth did not raise any objection to the same. Accordingly, the Chair was satisfied that the firm had been properly served with notice and was content to proceed with the meeting.

BRIEF BACKGROUND

3. Mr Smyth and his firm are said to have breached Practising Regulation (PR) 13 (1) in that they failed to comply with the International Standards on Auditing (Ireland) in the conduct of audit work. There were deficiencies in the planning,

control and recording of audit work in one of the 2 cases examined. The audit opinion was not adequately supported by the work performed and recorded.

INTRODUCTION

4. Gary Smyth Associates Limited is the incorporated practice of ACCA member, Mr Garrett Noel Smyth FCCA. The firm was reviewed between 18-21 March 2025. The purpose of this sixth 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 2, Appendix 1 (Ireland) to the GPRs.
5. The firm had three audit clients; one was a charity and the other two were dormant limited companies that only required an audit due to late filing of their annual returns. Two of the audit files were selected for inspection, being the charity and one of the two dormant companies. Some significant deficiencies were found in the audit work as set out below.

SUMMARY OF EVENTS

6. At its first monitoring review, on 22 February 2021, 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. An early follow-up review was conducted on 09 March 2003, the review was satisfactory, and the firm were put onto a routine review cycle. The next three monitoring reviews were graded as satisfactory. The last of these reviews was completed on 21 October 2021, whilst both files were graded as satisfactory, they were both borderline, the reviewer recommended an accelerated review cycle. The report on the review set out these deficiencies and was sent to the firm on 17 December 2021. The firm provided an action plan detailing the action that the firm intended to take action in order to rectify the deficiencies found.

Summary of findings of current review

7. At the sixth, and current review which was carried out remotely between 18-21 March 2025 the compliance officer found that the firm had applied its audit procedures inconsistently over its engagements. The audit work completed over the charity engagement was found to be satisfactory. The work over the dormant company was found to be insufficient. The firm had not applied its audit procedures to the engagement and demonstrated that an audit, under the International Standards on Auditing had been completed to support the audit opinion issued. As a result, this file was graded D.
8. The provisional review outcome was determined as a follow up to the firm in two years to ensure they apply their audit methodology across all engagements. The review conclusion was communicated to the firm, and the firm completed an action plan which was accepted. The review was then selected for oversight review by the Audit Monitoring Committee (AMC).
9. The AMC differed from the conclusions reached by the review team and asked that the review be referred to the Regulatory Assessor noting this was a second unsatisfactory review for Mr Smyth. However, there is no mechanism within the audit regulations that allow this, their referral can only be made to the Admissions and Licensing Committee (ALC) (audit Reg 17(2)). Therefore, this review was referred to the ALC with the recommendation that conditions be applied, similar to what would be requested should the matter have been referred through to the RA.
10. The firm has subsequently relinquished their auditing certificate and Mr G N Smyth has relinquished his responsible individual status and has been issued with a general practising certificate. International Standard on Quality Management 1 (ISQM 1) International Standard on Quality Management (ISQM 1) requires firms to establish a system of quality management (SOQM) designed 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 the engagement partner issue reports that are appropriate in the circumstances. ISQM 1 requires that the SOQM be documented and communicated to the firm's personnel. The firm had documented its procedures in accordance with ISQM 1 but had not applied the

SOQM consistently across its audit engagements and this is reflected in the audit work observed during the file review.

Detailed findings on audit and regulated work

11. Details of the audit file examined, and the deficiencies found, are shown in the appendix attached to ACCA's report. The description unsatisfactory is based on the evidence seen on the files at the review and is an assessment of whether or not the audit opinion was supported on each file inspected. The deficiencies highlighted in the appendix were discussed in detail with Mr Smyth on Friday 21 March 2025.

APPARENT BREACHES OF THE GLOBAL PRACTISING REGULATIONS

12. Mr Smyth and the firm have breached PR 13(1) in that they failed to comply with the International Standards on Auditing (Ireland) in the conduct of audit work. There were deficiencies in the planning, control and recording of audit work in one of the two cases examined. The audit opinion was not adequately supported by the work performed and recorded.

REGULATORY POWERS

13. I have regard to the relevant provisions of the Authorisation Regulations (ARs), which set out the Committee's powers in a case such as this. AR 7(2) provides that the Committee may, if in their absolute discretion they think fit, impose conditions upon a certificate on eight different grounds. One of these eight grounds, AR 7(2)(f), appears to be relevant in this case. It provides that the Committee may impose conditions if:

“the Association is notified or becomes aware that a holder of a certificate or any of their or 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 01 January 2014) in the carrying on of the activities to which the certificate relates or authorises;”

14. AR 7(2) further provides that, in determining whether to exercise its powers under AR 7(2), the Committee shall have regard to such matters as it considers relevant.

SUMMARY OF FACTS

15. ACCA has referred the standard of Mr Smyth'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 Smyth has had six monitoring reviews.
 - ii. Two of the six reviews had unsatisfactory outcomes.
 - iii. There was inconsistent application of audit procedures at the most recent review, leaving one file as being unsatisfactory, with limited evidence of an audit having taken place.
 - iv. Mr Smyth has relinquished his responsible individual status and his firm's auditing certificate.

DECISION

16. In light of the above facts, ACCA indicated that they would normally have referred the member to the Committee and recommended an early review at his firm's cost to take place within one year to 18 months of the previous monitoring review to assess the improvement in Mr Smyth's work.
17. However, as Mr Smyth has relinquished his responsible individual status and the firm has relinquished their audit certificate, ACCA's position is that this referral is no longer appropriate. Therefore, ACCA recommends that the Committee imposes conditions on any future re-application for responsible individual status for Mr Smyth, or application for a practising certificate with audit registration by a firm in which he is a principal. The approach taken by the Assessor is explained at 8.2.14 of the guidance. Guideline Decision B4 would

appear appropriate, whereby any future application for audit registration must be referred to the Committee.

18. The Committee had regard to all of the information before it, including ACCA's written submissions in response to the application. The Committee also had regard to the appropriate guidance.
19. In light of the circumstances of this case and noting that Mr Smyth has relinquished his responsible individual status and that the firm has relinquished their audit certificate, I concur that ACCA's decision not to refer this matter to the committee and impose an early review is entirely appropriate.

ORDER(S) AND REASON(S)

20. The Chair orders that any future re-application for responsible individual status for Mr Smyth, or application for a practising certificate with audit registration by a firm in which he is a principal, must be referred to the Admissions and Licensing Committee for consideration.

EFFECTIVE DATE OF ORDER

21. The order shall take effect as soon after 21 days to allow for the relevant appeal period as can reasonably be achieved.

PUBLICITY

22. In accordance with AR 6 (14) (c) (i) I direct that notice of this decision shall duly be published as soon as practicable.

Mr Maurice Cohen
Chair
07 October 2025