

The decision and reasons of the Regulatory Assessor for the case of Mr Steven J Morrell FCCA and Morrell Middleton Auditors Ltd referred to him by ACCA on 26 February 2026

Introduction

1. Morrell Middleton Auditors Ltd is an incorporated practice comprising of Mr Steven J Morrell FCCA (Audit qualified and Responsible Individual (RI)), Ms Sarah E Hogg FCCA (member) and Ms N Morrell (Non member of ACCA). Gravitax Limited, which holds a Firm Auditing Certificate but does not hold any audit appointments, is the sole incorporated practice of Mr S J Morrell FCCA and owns 100% of the issued share capital of Morrell Middleton Auditors Ltd. I have considered a report, including ACCA's recommendation, together with related correspondence, concerning Mr Morrell'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 had five audit quality monitoring reviews. At the first and second review, the firm operated as an incorporated practice of Mr D M Lacy and Mr S J Morrell;
 - b At the firm's first review held during September 2006 the compliance officer found that the audit work was of a satisfactory standard. The report was sent to the firm in October 2006. The firm acknowledged receipt of the report in August 2007;
 - c At the second review which was conducted in August 2013, the compliance officer found that the standard of the firm's audit work had deteriorated. Although the firm used a standard audit programme for all audits, it failed to tailor the programme to meet the specific requirements of each client engagement. In three of the four files examined, the audit opinion was not adequately supported by the work performed and documented. As a result, the overall outcome of the

review was unsatisfactory, and ACCA referred the findings to the Regulatory Assessor;

- d In November 2013, the Regulatory Assessor, pursuant to Authorisation Regulations 6(2)(f) and 6(3)(a), determined based on the evidence contained in the booklet provided, including correspondence received from the firm and ACCA's response, that no regulatory action was necessary against the firm;
- e The third review of the firm was conducted when it operated as the sole incorporated practice of Mr S J Morrell. The review took place during September 2015 on an accelerated basis due to the unsatisfactory outcome of the second review. Although the overall outcome of the third review was satisfactory, the standard of audit work was inconsistent. In one of the three files inspected, the audit opinion was not supported by the audit work performed and documented. The compliance officer subsequently notified the firm of deficiencies identified in the audit work. These deficiencies were detailed in the review report, which was issued to the firm in October 2015. The firm acknowledged receipt of the report and, in February 2016, submitted an action plan outlining the remedial measures being implemented;
- f At its fourth monitoring review, conducted during February 2022, the compliance officer found that the firm had not achieved a consistent standard of audit work. Although the overall outcome of the visit was satisfactory, in one of the two files inspected the audit opinion was not adequately supported by the work performed and documented. The report detailing the deficiencies was issued to the firm in February 2022. In the concluding paragraph, the compliance officer reminded the firm of the expectation that all deficiencies should be rectified before the next review and warned that continued non-compliance could jeopardise its audit registration. In March 2022, the firm acknowledged receipt of the report and provided an action plan in February 2024, detailing the measures it intended to implement to address the deficiencies identified;
- g At the fifth review which was carried out during January 2026, the compliance officer found that the firm had made little substantive improvement to its procedures. In the two files inspected, there were serious deficiencies in both the execution and documentation of audit work in key audit areas. Consequently, in each file examined, the audit opinion was not adequately supported by the work

performed and recorded. Therefore, the overall outcome of the review was unsatisfactory;

- h The firm submitted action plans following the second, third and fourth reviews, however, these action plans have not proven effective in enabling the firm to achieve and sustain a satisfactory standard of audit work;
- i The firm has failed to achieve a satisfactory outcome at the fifth review in spite of the warnings given at the previous review;
- j Following the fifth review, the firms relinquished their audit certificates, and Mr Morrell relinquished his Responsible Individual (RI) status.

The decision

- 4. I note that Mr Morrell has relinquished his practising certificate with audit qualification and his firm's auditing certificate. On the basis of the above I have decided pursuant to Authorisation Regulations 7(2)(f), 7(3)(b) and 7(4) that any future re-application for audit registration by Mr Morrell, 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 :
 - a. He has provided an action plan, including appropriate audit related CPD, which ACCA regards as satisfactory, setting out how Mr Morrell intends to prevent a recurrence of the previous deficiencies and,
 - b. Following the date of this decision, passed the advanced audit and assurance paper of ACCA's professional qualification.

Publicity

- 5. Authorisation Regulation 7(6) indicates that all conditions relating to the certificates of Mr Morrell 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 Morrell 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 and/or the omission of the names of Mr Morrell 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 Morrell and his firm by name.

.....
David Sloggett FCCA
Regulatory Assessor
19 May 2026