

## APPLICATION ON PAPERS

### CONSENT ORDER CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

**In the matter of:** Mr Alan Stuart Bradstock

**Considered on:** Friday, 08 April 2022

**Chair:** Mrs Kathryn Douglas

**Legal Adviser:** Mr Andrew Granville Stafford

**Outcome:** Consent Order Approved

#### INTRODUCTION

1. This matter has been referred to a Chair of the Disciplinary Committee of ACCA ('the Chair') pursuant to Regulation 8(8) of the Complaints and Disciplinary Regulations ('CDR') to determine on the basis of the evidence before them whether to approve the draft Consent Order. Under CDR 8(8), a Consent Order is made by a Chair of the Disciplinary Committee in the absence of the parties and without a hearing.
2. The Chair had before them a bundle of 103 pages which included a Consent Order Draft Agreement.

#### CONSENT ORDER DRAFT AGREEMENT

3. The Consent Order Draft Agreement was signed by Mr Bradstock on 01 December 2021 and by a representative of ACCA on 02 December 2021. It reads as follows.

#### ACCA



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## ***Allegations***

*The Association of Chartered Certified Accountants (ACCA} and Mr Alan Stuart Bradstock (together "the Parties"), agree as follows:*

1. *Alan Stuart Bradstock, an ACCA member and the Money Laundering Reporting Officer and principal of Accura Accountants Limited ("the Firm"), admits the following:*

### *Allegation 1*

*From 26 June 2017 to 7 October 2020, Alan Stuart Bradstock failed on behalf of the Firm to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in that that he did not conduct a firm-wide risk assessment to identify and assess the risks of money laundering and terrorist financing to which his firm is subject, contrary to Regulation 18.*

### *Allegation 2*

*By reason of the conduct set out in Allegation 1, Alan Stuart Bradstock failed to comply with Section B2 (Anti-Money Laundering) of ACCA's Code of Ethics and Conduct (as applicable from 2017 to 2020).*

### *Allegation 3*

*By reason of the conduct set out at allegations 1 and 2 above, Alan Stuart Bradstock is guilty of misconduct pursuant to bye-law 8(a)(i).*

2. *That Mr Bradstock shall:*
  - a) *Be reprimanded;*
  - b) *Pay a fine to ACCA of £1,500; and*
  - c) *Pay costs to ACCA of £1,452.50.*
  
4. *The relevant background and facts are set out in an appendix to the agreement which reads as follows.*

### Relevant Facts, Failings and/or Breaches

3. *The investigating officer has conducted their investigation into the allegations against Mr Bradstock in accordance with Regulation 8(1)(a) of the Complaints and Disciplinary Regulations ("the CDR") and is satisfied that:*
  - a) *They have conducted the appropriate level of investigation, as evidenced by the enclosed evidence bundle (pages 7 to 103), and determined that there is a case to answer against Mr Bradstock and there is a real prospect of a reasonable tribunal finding the allegations proved; and*
  - b) *The proposed allegations would be unlikely to result in exclusion from membership.*
4. *The relevant facts, failings and/or breaches have been agreed between the parties and are set out in the detailed allegations above together with the proposed sanction and costs.*
5. *A summary of key facts is set out below:*
  - 5.1. *On 24 March 1994, Mr Bradstock became a Member of ACCA (page 57).*
  - 5.2. *On 24 May 2011, the Firm was incorporated (page 102).*
  - 5.3. *On 26 January 2012, the Firm was issued with an ACCA Firm Auditing Certificate which it continues to hold (page 57).*
  - 5.4. *On 1 January 2013, Mr Bradstock was issued with an ACCA practicing certificate (with audit qualification) for the UK and Ireland which he continues to hold (page 60).*
  - 5.5. *On 26 June 2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the Money Laundering Regulations") came into force (page 9).*
  - 5.6. *Mr Bradstock is the Money Laundering Reporting Officer ("the MLRO") of the Firm (page 16).*
  - 5.7. *On 27 February 2020, ACCA informed Mr Bradstock that the Firm*

*had been selected for an Anti-Money Laundering (AML) review (pages 11 to 13).*

*5.8. On 1 June 2020, ACCA undertook the AML review in respect of the Firm (page 45).*

*5.9. On 18 September 2020, ACCA sent an email to Mr Bradstock which attached a report detailing the results of their AML visit to the Firm (page 43). The visit revealed one of the AML controls to be non-compliant as a result of the Firm not having conducted and documented a firm-wide risk assessment (pages 46 to 52).*

*5.10. On 7 October 2020, Mr Bradstock provided a firm-wide risk assessment to ACCA (page 64), the effect of which is that ACCA no longer considered the Firm to be non-compliant in respect of its AML obligations (page 74).*

*6. The relevant sections of the Money Laundering Regulations are contained at pages 9 to 10.*

*7. Mr Bradstock's conduct in respect of Allegation 1 was contrary to Section B2 (Anti-Money Laundering) of ACCA's Code of Ethics and Conduct that required Mr Bradstock to familiarise himself with the law that applied to him and ensure that he worked within the law (paragraph 5).*

### *Sanction*

*8. The appropriate sanction is reprimand and a fine of £1,500.*

*9. In considering this to be the most appropriate sanction, ACCA's Guidance for Disciplinary Sanctions ("the GDS") has been considered and particularly the key principles. One of the key principles is that of the public interest, which includes the following:*

- Protection of members of the public;*
- Maintenance of public confidence in the profession and in ACCA;*  
*and*
- Declaring and upholding proper standards of conduct and performance.*

10. *Another key principle is that of proportionality, that is, balancing the member's own interests against the public interest. Further the aggravating and mitigating features of the case have been considered.*

11. *The aggravating factors are considered to be as follows:*

- *Compliance with the Money Laundering Regulations is a legal requirement and mandatory;*
- *Mr Bradstock was the MLRO of the Firm;*
- *The potential risks arising from a failure to undertake a firm-wide risk assessment;*
- *The length of time that Mr Bradstock failed to comply with the Money Laundering Regulations which came into force in June 2017; and*
- *Mr Bradstock's conduct fell below the standards expected of a qualified ACCA member and brought discredit upon himself, ACCA and the accountancy profession.*

12. *In deciding that a reprimand is the most suitable sanction, the following mitigating factors have been noted:*

- *Action was taken by Mr Bradstock after he was informed of the breach;*
- *The investigation has not found evidence suggesting Mr Bradstock's conduct was in deliberate disregard of his professional obligations or dishonest;*
- *There is no evidence of actual enabling of money laundering;*
- *Mr Bradstock has made admissions in the investigatory process and admitted his conduct;*
- *Mr Bradstock has fully co-operated with the investigation;*
- *Mr Bradstock personal circumstances at the time (pages 99 to 101); and*

- *There does not appear to be any continuing risk to the public.*
13. *ACCA has considered the other available sanctions and is of the view that they are not appropriate. A reprimand proportionately reflects Mr Bradstock's conduct and the public policy considerations which ACCA must consider in deciding on the appropriate sanction. This is a public interest sanction due to the misconduct bringing discredit to ACCA and the profession; and it conveys a message of the importance of fundamental standards of professional conduct.*
  14. *In addition, Section H of the GDS (Additional guidance in relation to AML allegations) has been consulted to help determine:*
    - *The appropriate sanction;*
    - *The appropriateness of a fine; and*
    - *The amount of that fine.*

## **DECISION**

5. The powers available to the Chair are to:
  - a) Approve the draft Consent Order, in which case the findings on the allegations and the orders contained in it become formal findings and orders (CDR 8(11) and 8(14));
  - b) Reject the draft Consent Order, which they may only do if they are of the view that the admitted breaches would more likely than not result in exclusion from membership (CDR 8(12));
  - c) Recommend amendments to the draft Consent Order, if they are satisfied it is appropriate to deal with the complaint by way of consent but wish the terms of the draft order to be amended (CDR 8(13)).
6. The Chair was satisfied it was appropriate to make a Consent Order in the terms agreed between the parties.
7. The Chair considered that there had been a full and proper investigation into this complaint. Mr Bradstock had admitted the allegations both in correspondence and by signing the draft Consent Order. The Chair was satisfied that his admissions were full and unequivocal, and further that they

were properly made in light of the evidence before them. It was clear that, if this case proceeded to a hearing before the Disciplinary Committee, there was a real prospect that these allegations would be found proved.

8. The Chair agreed that it was suitable to deal with this complaint by way of a Consent Order. They further agreed that if the matter were to be dealt with by the Disciplinary Committee, it would be unlikely to result in Mr Bradstock being excluded from membership.
9. The Chair considered that the proposed sanction of a reprimand and a fine was appropriate and proportionate. They agreed that the aggravating and mitigating factors were accurately set out in paragraphs 11 and 12 of the background. The Chair noted that a reduction had been made to the amount of the fine to reflect Mr Bradstock's personal circumstances and they agreed that this was justified on the facts of this case.

#### **ORDER**

10. The Chair made the following order:
  - i. The draft Consent Order is approved.
  - ii. Allegations 1 and 2 are proved by admission. Allegation 3, alleging misconduct, is found proved in the judgment of the Chair.
  - iii. Mr Bradstock is reprimanded.
  - iv. Mr Bradstock is fined £1,500.
  - v. Mr Bradstock is ordered to pay costs to ACCA in the sum of £1,425.50.
11. Under CDR 8(17) there is no right of appeal against this order. Therefore, this order comes into effect immediately.

**Mrs Kathryn Douglas**  
**Chair**  
**08 April 2022**