

APPLICATION ON PAPERS

CONSENT ORDER CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mrs Rebekah Haywood
Considered on:	Thursday, 19 May 2022
Chair:	Mrs Helen Carter-Shaw
Legal Adviser:	Mr Alastair McFarlane
Outcome:	Consent Order Approved Member Severely Reprimanded Costs imposed of £727.50 Fine imposed of £3000

DOCUMENTS BEFORE THE CHAIR

1. The Chair received a signed draft Consent order (pages 1-133) and two cost schedules.

ALLEGATIONS

Mrs Rebekah Haywood, a member of the Association of Chartered Certified Accountants ('ACCA') and the Money Laundering Reporting Officer and principal of Dashwood Accountants Ltd ("the Firm"):

Allegation 1

ACCA



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On dates between 01 February 2019 and 11 November 2021, failed on behalf of the Firm to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“the MLRs”) namely:

- a. Regulation 18 - Risk assessment by relevant persons: Firm-wide risk assessment,
- b. Regulation 19 - Policies, controls and procedures: AML policy and procedures, Escalation/Internal SAR,
- c. Regulation 21 – Internal controls: MLRO, MCLP, Escalation/Internal SAR; and
- d. Regulation 33-36 – Enhanced customer due diligence: Identifying client risk, EDD.

Allegation 2

By reason of the conduct set out in Allegation 1, Mrs Rebekah Haywood failed to comply with Section B2 (Anti-Money Laundering) of ACCA’s Code of Ethics and Conduct and the Fundamental Principle of Professional Behaviour (as applicable from 2018 to 2021).

Allegation 3

By reason of the conduct set out at allegations 1 and 2 above, Mrs Haywood is guilty of misconduct pursuant to byelaw 8(a)(i).

BACKGROUND

2. Mrs Haywood has been a member of ACCA since 2014 and a Fellow since 2019 and has held a practicing certificate since 2018.
3. On 08 November 2018, the Firm was incorporated and Mrs Haywood was appointed as the sole director. However, the Firm did not commence trading until 01 February 2019. Mrs Haywood is a director and the Money Laundering Reporting Officer (the “MLRO”) of the Firm.

4. On 03 September 2021, ACCA's Anti-Money Laundering team ("the AML Team") undertook a desk-based monitoring of the Firm. The monitoring visit revealed evidence of non-compliance with relevant AML controls, specifically:
 - 4.1 Firm-wide risk assessment – The Firm had not conducted and documented a firm-wide risk assessment;
 - 4.2 AML policies and procedures – The Firm had not put in place adequate AML policies and procedures;
 - 4.3 Escalation/internal activity report (SAR) – The Firm had not put in place a formal process for staff to make an internal Suspicious Activity Report ('SAR');
 - 4.4 Enhanced Due Diligence ('EDD') – The Firm had not put in place a formal process for high-risk clients and EDD was not being conducted for all clients identified as high risk; and
 - 4.5 Control Assurance- The Firm had not put in place an appropriate process to independently assess the adequacy and effectiveness of the Firm's AML controls.

5. Further, the evidence revealed the firm was not compliant with relevant sections of the Money Laundering Regulations. As such, Mrs Haywood acted contrary to the Fundamental Principle of Professional Behaviour, which requires members to comply with relevant laws and Regulations and avoid any conduct that the professional accountant knows or should know may discredit the profession. In addition, the conduct amounts to misconduct and is contrary to the requirements in Section B2 of ACCA's Code of Ethics and Conduct (Anti-Money Laundering):
 - Relationship with the local law; sections 5-6
 - Internal controls and policies; sections 7-8
 - Client identification; sections 9-16
 - Recognition of suspicion; sections 18-19.

6. On 11 November 2021, ACCA considered the documents and information that Mrs Haywood submitted to remediate the AML concerns that had been identified and confirmed that the Firm was now compliant. ACCA also recommended that

further amendments be completed for the Firm's policies and procedures in advance of future audits.

7. On 11 November 2021, following the completion of the monitoring review of the firm, a complaint was referred to ACCA's Professional Conduct Department in light of the failures found. On 25 February 2022, the Professional Conduct Department put the complaint to Mrs Haywood, and she responded on the same day. Mrs Haywood also provided further documents to address the further recommendations made by the AML team as detailed at paragraph 6 above.
8. On 11 April 2022, ACCA contacted Mrs Haywood and proposed that the matter be disposed of via consent. On the same day, Mrs Haywood provided a response confirming that she agreed for the matter to be disposed of via consent and also provided an explanation of her circumstances at the time that the desk-based monitoring review was undertaken.

CHAIR'S DECISION

9. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, the Chair must determine whether, based on the evidence before them, the draft Consent Order should be approved or rejected.
10. The Chair noted that under Regulation 8(12) they shall only reject the signed Consent Order if they are of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
11. The Chair considered the seriousness of the breaches as set out and the public interest, which includes the protection of the public, the maintenance of public confidence in the profession and the declaring and upholding of proper standards of conduct and performance. They balanced this against Mrs Haywood's interests and her previous good character, her admissions, her remorse and insight and her very full co-operation with ACCA. There was no suggestion of dishonesty.
12. The Chair noted the list of aggravating and mitigating factors advanced at paragraphs 11 and 12 of the draft Consent Order. They noted that Mrs Haywood has undertaken extensive measures to ensure that she is compliant with Money

Laundering Regulations and obligations in the future.

13. The Chair had regard to ACCA's Guidance for Disciplinary Sanctions. They were satisfied that there had been early and genuine acceptance of the misconduct and that the risk to the public and profession from Mrs Haywood continuing as a member was low.
14. For the reasons set out above, the Chair was satisfied that the admitted breaches would be unlikely to result in exclusion from membership, and therefore there was no basis for them to reject the Consent Order under Regulation 8(12). The Chair noted the proposed Consent Order and considering all the information before them was satisfied that it was an appropriate and proportionate disposal of this case.
15. The appropriate sanction is a severe reprimand with a fine of £3,000. In deciding that a fine of £3,000 is suitable as a financial sanction, the section in the Guidance headed "Additional guidance in relation to AML Allegations" has been considered. In particular, this states that under the Money Laundering Regulations, ACCA must effectively monitor its firms to ensure they comply with the requirements of the regulations by taking appropriate measures where irregularities have been uncovered. This includes ACCA taking effective, proportionate, and deterrent disciplinary action under ACCA's byelaws and regulations, which may be punitive in effect.
16. The Chair had regard to the Guidance that divides the types of AML breaches into 'Very Serious', 'Serious' and 'Less Serious'. They were of the view that many of the allegations fall into the 'Serious' category and that this was reflected in the sanction and fine.

ORDER

17. The Chair, pursuant to their powers under Regulation 8, made an Order in terms of the draft Consent Order, namely that Mrs Haywood be severely reprimanded, pay a fine of £3,000 and pay ACCA's costs of £727.50.

Mrs Helen Carter-Shaw
Chair
19 May 2022