

**APPLICATION ON THE PAPERS  
CONSENT ORDERS CHAIR OF THE ASSOCIATION OF  
CHARTERED CERTIFIED ACCOUNTANTS**

**REASONS FOR DECISION**

**In the matter of:** Mr Stephen Derek Humphreys FCCA

**Considered on:** 02 September 2022

**Chair** Ms Carolyn Tetlow

**Legal Adviser:** Mr Sanjay Lal

**Outcome** Draft Consent Order approved

**INTRODUCTION**

1. This matter has been referred to the Chair of the Complaints and Disciplinary Committee for them to determine on the basis of the evidence before them whether to approve or reject the draft Consent Order.
2. The Chair had a case bundle numbered pages 1-111 and a service bundle numbered page 1 containing an email dated 26 August 2022 informing Mr Humphreys that the draft Consent Order would be considered by a Chair.
3. By a Consent Order signed on 09 August 2022, Mr Humphreys admitted the following allegations:

*Allegation 1*

*From 26 June 2017 to 07 January 2022, Mr Stephen Derek Humphreys failed on behalf of the Firms to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in that he:*

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- (a) *did not conduct a firm-wide risk assessment to identify and assess the risks of money laundering and terrorist financing to which his Firms are subject, contrary to Regulation 18; and*
- (b) *did not take appropriate measures, with records, to ensure that the Firms' employees were regularly given training in how to recognise and deal with transactions and other activities or situations which may be related to money laundering or terrorist financing, contrary to Regulation 24.*

#### *Allegation 2*

*By reason of the conduct set out in Allegation 1, Mr Stephen Derek Humphreys failed to comply with Section B2 of ACCA's Code of Ethics and Conduct (Anti-Money Laundering) and the Fundamental Principle of Professional Behaviour (as applicable from 2017 to 2022).*

#### *Allegation 3*

*By reason of the conduct set out at Allegations 1 and 2 above, Mr Stephen Derek Humphreys is guilty of misconduct pursuant to bye-law 8(a)(i).*

4. The parties have agreed that Mr Humphreys shall:
  - (a) be severely reprimanded;
  - (b) pay a fine to ACCA of £5,000; and
  - (c) pay costs to ACCA of £750.

#### **RELEVANT FACTS/ PROVISIONAL AGREEMENT**

5. Mr Humphreys became a member of ACCA on 16 February 1998. He holds an ACCA practising certificate.
6. Mr Humphreys is the principal and Money Laundering Reporting Officer (MLRO) of the SHMS Accountants and SC Miller Ltd (the Firms).

7. On 16 November 2021, ACCA's Anti-Money Laundering Team undertook a compliance review of the Firms in order to assess their compliance with the Money Laundering Regulations.
8. The review found the Firms' AML controls in respect of conducting firm-wide risk assessments and maintaining training records for staff in so far as Anti-Money Laundering (AML) was concerned to be non-compliant.
9. On 09 December 2021, Mr Humphreys was directed to remedy the weaknesses identified in the review. These remedies were completed by him by 07 January 2022.
10. On 22 December 2021 a complaint was referred to the Professional Conduct Department in light of the failure to comply with the Money Laundering Regulations. Mr Humphreys responded to this complaint and agreed that the matter is disposed of via a Consent Order which he agreed to in writing dated 09 June 2022. The terms of the Consent Order are that the appropriate sanction is one of severe reprimand, a fine of £5000 and for Mr Humphreys to pay ACCA's costs of £750.

## **DECISION**

11. 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 satisfied it is appropriate to deal with the complaint by way of consent but with the terms of the draft order to be amended (CDR 8(13)).
12. The Chair had regard to ACCA's Guidance for Consent Orders. Having carefully considered all of the material before them, the Chair was satisfied that the matter had properly been investigated by ACCA. The Chair was further satisfied that Mr Humphreys had properly and willingly admitted all of the

allegations and had complied with ACCA's directions and the advice provided to him by ACCA.

13. In considering whether a Severe Reprimand was the appropriate sanction, the Chair noted that ACCA's Guidance for Disciplinary Sanctions (Guidance) had been considered and particularly the key principles which include 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.
14. 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.
15. ACCA accept, and the Chair agreed, that notwithstanding the breaches of the MLR's which were serious and date back to 2017, Mr Humphreys is an ACCA member of good standing; he promptly remedied the breaches identified; the breaches were not deliberate; Mr Humphreys has cooperated with the ACCA investigation throughout and there is no evidence of actual or continuing risk to the public. There is no evidence of dishonesty or actual harm caused.
16. The Chair noted in particular Section H of the Guidance (additional guidance in respect of AML allegations). She concluded that that ACCA had considered all of the available sanctions and agreed that a severe reprimand and a fine of £5000 were the appropriate and proportionate sanctions in this case.
17. Taking into account all of the above factors, the Chair agreed that a severe reprimand was a proportionate sanction which sufficiently dealt with the public protection and public policy considerations.
18. The Chair did not consider that exclusion was a likely sanction if the matter proceeded to a hearing before a Disciplinary Committee.

## **ORDER**

19. The Chair made the following order:

- i. The draft Consent Order is approved.
- ii. Allegations 1, 2 and 3 are proved by admission.
- iii. Mr Humphreys is severely reprimanded.
- iv. Mr Humphreys is ordered to pay a fine to ACCA of £5000.
- v. Mr Humphreys is ordered to pay costs to ACCA of £750.

**Ms Carolyn Tetlow**  
**Chair**  
**02 September 2022**