

## HEARING

### DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

**In the matter of:** Mr Steve Brown

**Heard on:** Tuesday, 06 and Wednesday, 07 May 2025

**Location:** Remotely via Microsoft Teams

**Committee:** Ms Wendy Yeadon (Chair)  
Mr Abdul Samad (Accountant)  
Dr Jackie Alexander (Lay)

**Legal Adviser:** Mr David Marshall

**Persons present  
and capacity:** Mr Mazharul Mustafa (ACCA Case Presenter)  
Mr Steve Brown (Member)  
Mr Matthew Corrie (Counsel for Mr Brown)  
Ms Afshan Ali (Instructing Solicitor)  
Miss Mary Okunowo (Hearings Officer)

**Summary:** Misconduct not found but liable to disciplinary action.  
Reprimand.

**Costs:** £4,000.00

1. The Committee heard an allegation of misconduct against Mr Brown. Mr Mustafa appeared for ACCA. Mr Brown was present and represented by Mr Corrie.

2. The Committee had a main bundle of papers containing 232 pages, a Tabled Additional bundle containing 71 pages, a Defence bundle of 268 pages and a service bundle containing 24 pages.

### **PRELIMINARY APPLICATIONS / SERVICE OF PAPERS**

3. At the start of the hearing an application was made by Mr Mustafa to admit the witness statement of Person A, Senior Supervision Officer within ACCA's AML Team. The statement had not been served by ACCA at least 28 days before the hearing, as required by Regulation 10(1) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (as amended). Mr Mustafa explained that it was made in response to the witness statement served on behalf of Mr Brown. Mr Corrie pointed out that there appeared to be no exceptional circumstances for the delay. However, in the interest of not causing any further delay he did not oppose the admission of the statement. The Committee decided to receive the document.
4. Mr Mustafa applied for the Allegations to be amended to add a new Allegation 5.2. Mr Corrie expressed concern at the lateness of the amendment but did not object to it. On that basis the Committee was satisfied that Mr Brown would not be prejudiced in the conduct of his defence. It allowed the amendment, which is included in the Allegation as set out below.
5. Mr Corrie applied for part of the evidence of Mr Brown to be heard in private. The application was on the basis that it concerned private family life and health. The Committee directed that certain parts of the evidence should be heard in private. A redacted version of the transcript will be published accordingly.

### **ALLEGATION(S) / BRIEF BACKGROUND**

6. Mr Brown became a Member of ACCA in 2004 and a Fellow in 2009. At all relevant times he was in practice as an accountant. In or about 2018 he became a sole practitioner practising through the medium of a company called Skyfire Accountancy Ltd ('the Firm'). He holds an ACCA practising certificate and is the

Money Laundering Reporting Officer ('MLRO') of the Firm. ACCA was the AML Professional Body Supervisor for the Firm.

7. On 26 October 2021 ACCA, in its capacity as Professional Body Supervisor, sent an email to Mr Brown stating, 'we need you [to] complete a mandatory questionnaire ... by 1 December 2021.' This appears to have been an automated email since it was sent from a 'no-reply@' address. The questionnaire referred to was an ACCA AML Risk Assessment Questionnaire which was to be completed online at a link provided. Mr Brown completed and submitted the questionnaire the same day.
8. The following year the Firm was selected for an AML Compliance Review. On 29 July 2022, Person A emailed Mr Brown to notify him of this. He asked Mr Brown to complete an AML Compliance Review Assessment Form by 12 August 2022. Again, this was to be completed online. Mr Brown submitted it on 02 August 2022 and the review took place thereafter. The outcome was reported to Mr Brown on 25 August 2022.
9. As a result of the compliance review and subsequent investigations, allegations against Mr Brown were formulated as follows:

### **Allegations**

1. Steve Brown, a member of ACCA, on or about 26 October 2021 submitted or caused to be submitted to ACCA an ACCA Anti-Money Laundering (AML) Risk Assessment Questionnaire representing that:
  - a. He had conducted a firm-wide risk assessment for his firm and it was documented; and
  - b. His firm had documented AML Policies and Procedures in place.
2. In respect of allegation 1 above Mr Brown was dishonest in that he sought to represent that:
  - a. He had conducted a firm-wide risk assessment for his firm and it

was documented, when he knew this was not true.

b. His firm had documented AML Policies and Procedures in place, when he knew this was not true.

3. In the alternative in respect of the conduct referred to in allegations 1 and 2 above, Mr Brown has failed to demonstrate integrity.

4. Mr Brown, between 26 June 2017 and 02 August 2022 failed to demonstrate on behalf of his firm it had complied with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, namely and or all:

4.1 Regulation 18 (Risk assessment)

4.2 Regulation 19 (Policies, controls and procedures)

4.3 Regulation 27 & 28 (Customer due diligence)

4.4 Regulation 33 (Enhanced customer due diligence)

5. By reason of his conduct, Mr Brown is:

5.1 Guilty of misconduct pursuant to bye-law 8(a)(i) in respect of any or all of the matters set out above

5.2 In the alternative, liable to disciplinary action pursuant to Bye-law 8(a)(iii) in respect of a breach of Section B2(5) of ACCA's Code of Ethics and Conduct *[added by amendment]*

## **DECISION ON FACTS / ALLEGATION(S) AND REASONS**

10. The Committee considered a substantial amount of documentary evidence and heard oral evidence from Person A and Mr Brown, both of whom were cross-examined.

### **Allegation 1**

11. At the start of the hearing, Mr Brown admitted Allegation 1 in its entirety and the Committee found Allegations 1(a) and (b) proved.

### **Allegation 2: dishonesty**

12. The AML Risk Assessment Questionnaire completed in 2021 was a multiple-choice document. The two questions and answers with which this case is concerned were:

*Have you, the MLRO, conducted a firm-wide risk assessment for the firm and is it documented? (Technical Factsheet)*

*Yes - and it is updated on a periodic basis*

***Yes - I have conducted it once***

*No*

*Does the firm have documented AML Policies and Procedures in place? (Technical Factsheet)*

*Yes - and it is updated on a periodic basis*

***Yes - I have conducted it once***

*No*

13. The underlined text was a link to a web page giving more information. The answers in bold were the ones Mr Brown selected at the time. Mr Brown did not dispute that those answers were incorrect, but he denied that he had been dishonest when he submitted the form. His position was that it was true that he had conducted a firm-wide risk assessment and true that he had AML Policies and Procedures in place. However, the stem of the question included the word 'documented'. Mr Brown said that what he had put in place was not documented, so the answers were in fact incorrect. He did not remember completing the form, but he said he was under intense pressure at the time and thought he must have paid insufficient attention to what he was doing. It was an honest mistake. He said that at the time he was not aware that a one-person practice like his was required to document his AML processes. There was no

other person who could have benefited from such documentation.

14. Under Allegation 2 it was for ACCA to prove, on the balance of probabilities, that at the relevant time Mr Brown knew that the two answers he gave were not true. Mr Mustafa submitted that Mr Brown must have known this. He must have known that sole practitioners had to have their policies and risk assessments documented and he must have known that he had not done so. He had been in practice since 1999 and was therefore an experienced accountant. Before he became a sole practitioner, he had been a partner in an accountancy firm and had experience of AML measures. Mr Brown had informed ACCA that he had undergone in-house AML training there. He had also produced a CPD certificate showing that in June 2021 he had earned 2 hours of CPD by undertaking an activity called 'Practical Assurance & Money Laundering'. Mr Mustafa also referred to passages in Mr Brown's witness statement:

*'I incorrectly believed I had everything necessary in place to comply with current Anti-Money Laundering regulations and that these were being operated correctly. I had actively been involved with assisting with the creation of the Anti-Money Laundering processes in both of my previous roles. ...'*

*'... When I set up the Firm I had been under the impression that I would receive an email from ACCA with guidance on what was required to be compliant with AML requirements. I never received such an email, although I did carry out some research as to what was required, this was inadequate in that I did not understand that a documented FWRA and policies and procedures were required for a sole practitioner.'* [emphasis added]

15. Mr Mustafa suggested that Mr Brown's motive for giving false answers would have been to conceal from ACCA that he was in breach of the MLR.
16. Person A was not able to give any evidence about Mr Brown's knowledge at the time of the 2021 questionnaire. ACCA did not produce evidence to show that Mr Brown knew, for example, that he was required to document the policies he followed, even when he was the only practitioner in the Firm. For example, there was no evidence that Mr Brown had previously acted as a Money

Laundering Reporting Officer in a sole practice, or even in a larger firm.

17. Mr Brown gave evidence that he did not know at the relevant times that he was required to document his procedures. He fully accepted that he ought to have known and was remorseful that he had inadvertently broken the rules but maintained that he was not dishonest in giving incorrect answers in 2021. It was a mistake. In 2022 when he subsequently completed the AML Compliance Review form, he was asked 'Please confirm that you have formally completed and documented a firm-wide risk assessment (FWRA)'. He answered '*No*', truthfully. The online form then asked him to explain why he had not done it, and he answered '*I am the only individual working in the business. I am aware of the firm-wide risks.*' The next question was 'Please confirm that you have an AML policy and procedures (P&P) document in place.' Again, the answer was '*no*', with the same explanation. Again, it was an honest answer to a question which asked directly whether there was a document. These answers were given before any accusation had been made against him. They supported his evidence that he believed that a sole practitioner in his position was not required to produce this documentation.
18. Mr Brown's evidence was that the two statements in Allegation 2 were not the only mistakes he made in the form. There was a question 'Does the firm hold client's money and conduct financial transactions (involving the transfer of funds) on behalf of clients?'. He selected '*yes*' although in fact (he said) the Firm had never done these things. Another question asked whether Mr Brown had ever submitted Suspicious Activity Reports to the National Crime Agency. He selected the answer '*no*' even though he had previously submitted such a report. These answers were against his interests in that they would have tended to expose him to more, not less, scrutiny by ACCA. The Committee considered that they tended to support his case that the pleaded statements were errors rather than an attempt to deceive.
19. Mr Brown said he had no motive to give incorrect answers to ACCA because he was not aware that he was in breach of the MLRs. The Committee found that this was supported by the documents.
20. Mr Mustafa submitted that Mr Brown had no choice in 2022 but to admit that

he did not have documentation. Mr Mustafa submitted that in the online form the questions varied depending on the answers given to earlier questions. If Mr Brown had given a 'yes' answer the form would not have proceeded until he had uploaded the required document(s). However, there was no evidence that Mr Brown had tried to answer 'yes' and he denied it. Mr Corrie submitted that a dishonest member trying to conceal his lack of documents would simply have created them retrospectively and uploaded them. There was ample time to do so. The Committee concluded that no motive had been established for Mr Brown to seek to deceive ACCA.

21. Mr Corrie submitted that Mr Brown was a thoroughly honest man and that it was intrinsically unlikely that he would commit the dishonesty alleged. Mr Brown told the Committee, and it accepted, that he had worked in practice since 1999 and had no previous regulatory findings or convictions against him. He produced a number of powerful testimonials. Each of the writers had seen a copy of the allegations. They spoke of his probity, honesty and attention to detail. Phrases used included 'a stickler for the rules', 'pedantic' about client information, 'exceptionally trustworthy'. One referee had approached Mr Brown to help with a tax return. Mr Brown asked to see his passport and proof of address despite the fact they had known each other for 30 years.
22. The Committee was advised that such evidence could be relevant both to Mr Brown's credibility as a witness and to the likelihood that Mr Brown committed the misconduct alleged. The Committee found that Mr Brown was an honest witness. His evidence was appropriately supported by relevant documents. He answered questions directly and made concessions where appropriate. From his evidence, his conduct and the testimonials the Committee concluded that he would be unlikely to attempt to deceive his regulator.
23. Mr Brown said that he had *'a vague recollection of receiving a survey to complete [in 2021] but no recollection of actually completing it'*. He said that he incorrectly interpreted the questionnaire as being a [routine] survey rather than what it really was. In effect it was an enquiry into the Firm's exposure to money laundering risks and its AML measures. Mr Brown's evidence that he thought it was a survey was challenged. A number of points were made in argument on both sides. There was an issue about whether it had been described by ACCA



online as a 'survey'. The Committee considered it unnecessary to resolve this. Ultimately, the Committee concluded that Mr Brown had not appreciated the true nature of the questionnaire, and this had contributed to a state of mind where Mr Brown did not give it the attention that it required.

24. Mr Brown gave evidence that the questionnaire was completed at a time in his life when there were several major pressures on him, of both a personal and professional nature. He gave evidence in private about personal matters in the period leading up to the submission of the 2021 answers.
25. [PRIVATE].
26. The Committee accepted that at the time when he was invited to complete the questionnaire Mr Brown was experiencing considerable stress due to [PRIVATE]. These events included [PRIVATE] which also required him to take on many administrative tasks. Mr Brown gave evidence, which the Committee accepted, that at the same time he was under considerable pressure in his professional practice. This concerned the purchase of a client company by a US Company. It was worth tens of millions of dollars and required considerable work across two time zones. Mr Brown exhibited emails exchanged at the time he was dealing with the questionnaire. These showed the amount of urgent client business he was handling.
27. The Committee noted that Mr Brown had been allowed six weeks to complete the questionnaire but actually returned it the same day. The Committee concluded that this was the action of a man who had failed to appreciate the importance of what he was being asked to do, not one who was setting out to deceive.
28. None of these factors was an excuse for failing to answer the questions accurately (as Mr Brown accepted) but ACCA's case was not based on carelessness but on dishonesty. That was an extremely serious charge to bring, and the Committee found insufficient evidence to establish it.
29. The Committee was not satisfied, on the balance of probabilities, that when Mr Brown submitted the two answers set out under Allegation 2, he knew they were not true. He genuinely (but mistakenly) believed that the answers were

accurate. His answers were not dishonest by the standards of ordinary decent people.

30. The Committee found Allegations 2(a) and (b) not proved.

### **Allegation 3**

31. The Committee understood that integrity is a wider concept than dishonesty and can be found in many types of unprofessional conduct which would not amount to dishonesty. However, it had found that the two admittedly incorrect statements were the result of an honest mistake. The Committee was not satisfied, on the balance of probabilities, that Mr Brown lacked integrity in making them.

### **Allegations 4.1 and 4.2**

32. At the start of the hearing, Mr Brown admitted these allegations and the Committee found Allegations 4.1 and 4.2 proved.

### **Allegations 4.3 and 4.4**

33. Allegation 4 was opened, presented and closed on the basis that the Firm 'failed to comply with' the Money Laundering Regulations specified. That was not exactly how the allegation was worded. It referred to Mr Brown demonstrating compliance but there was no allegation that Mr Brown was under a duty to demonstrate compliance. His duty was to ensure compliance. The Committee approached Allegation 4 on the basis that it alleged breaches of the Money Laundering Regulation, as did the parties.
34. The dates set out in the Allegation were from 26 June 2017, when the Money Laundering Regulations came into force, to 02 August 2022 when Mr Brown submitted the AML Compliance Review Assessment Form. Allegations 4.3 and 4.4 dealt with customer due diligence ('CDD') and enhanced CDD. In ACCA's written opening submissions the basis for these allegations was said to be the 'lack of evidence' that certain actions had been taken, for example evidence of

undertaking periodic reviews. Mr Brown's position, at the time and at the hearing was that he had complied with his CDD obligations in all respects except for documenting the FWRA and policies. He accepted that he might be criticised for the way his records were kept.

35. Person A's evidence was that his review was based entirely on the contents of the AML Compliance Review Assessment Form completed on 02 August 2022. If Mr Brown failed to provide an item of evidence requested in the form, then he was deemed to be non-compliant, whether or not he had in fact complied. He said that if non-compliance is found after the desktop review, ACCA's policy was to report it immediately to the Conduct Department for disciplinary action.
36. Person A explained that in the past, after the desktop review there might be a site visit or a discussion by telephone or video, but this was rarely done now. In this case, he had not sought explanations from Mr Brown or engaged in any form of dialogue with him before preparing the report. He accepted in cross-examination that he had experience of cases where there had been apparent non-compliance but in a dialogue with the Member, he had clarified what evidence was needed and it was then provided. He accepted that a member who had not previously undergone a compliance review might not understand what was required although he believed that the information was available online, by following links within the form.
37. The Committee noted that Person A's conclusion in relation to CDD was that the Firm was 'potentially in breach of the MLR 2017'. He accepted in cross-examination that if Mr Brown had in fact done what he was required to do he would be compliant.
38. In his written and oral evidence Mr Brown gave detailed information about how he complied with the MLRs concerning CDD since first setting up the Firm. He produced representative samples of the documents he had collected and generated. The Committee considered that the vast majority of the CDD information would have been required by him in any event, simply to enable him to perform his professional services. It accepted Mr Brown's evidence that he had performed his duties in relation to CDD, including, for example, always obtaining identity documents from new clients. The Committee accepted that

his problem was essentially an administrative one in that the information was not recorded in the way that ACCA expected. Mr Brown had been unclear what evidence should be provided so did not provide what Person A expected. Mr Brown had expected to be contacted by Person A if anything was missing or unclear but was not contacted. He said that if Person A had asked for clarification, he could have provided it. The Committee accepted his evidence.

39. The Committee was not satisfied, on the balance of probabilities, that Mr Brown had failed to comply with the Money Laundering Regulations set out in Allegations 4.3 or 4.4.

#### **Allegation 5.1: misconduct**

40. The Committee considered whether the admitted allegations – 1, 4.1 and 4.2 – were sufficiently serious to amount to misconduct. It concluded that they were not. It accepted that the control of money laundering was inherently a serious matter, but the admitted breaches would not have affected Mr Brown's ability to take appropriate and required precautions. The breaches essentially related to record-keeping in a one-person firm. This was not a subject of the allegations. The failings were rectified as soon as Mr Brown realised that he was in breach.

#### **Allegation 5.2: liability to disciplinary action**

41. Under bye-law 8(a)(iii) a Member is liable to disciplinary action if he or she has committed any breach of the bye-laws or of any regulations made under them. The definitions section of the bye-laws says that 'regulation' includes a Code of Conduct. The Code of Ethics, B2(5) says:

#### ***Relationship with the local law***

*'A professional accountant shall obey the law. It is the responsibility of the professional accountant to familiarise themselves with the law that applies to them and ensure that they work within the law. In particular, the professional accountant is expected to familiarise themselves with any particular definition of*

*the term "money laundering" which is used in local legislation and interpret this section by reference to that definition.'*

42. There were admitted breaches of the Money Laundering Regulations. Therefore, the Committee concluded that Mr Brown was liable to disciplinary action.

### **SANCTION(S) AND REASONS**

43. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions. It first sought to identify aggravating and mitigating factors.
44. An aggravating factor was the length of time involved. Mr Brown had never documented the FWRA and policies because of his misunderstanding of whether the requirement had applied to a sole practitioner. However, the Committee accepted that he put this right within a very short time of realising his mistake.
45. There was considerable mitigation. Mr Brown had well developed insight into his failings and the Committee accepted that he was unreservedly sorry for them. He corrected the mistakes identified in the assessment report within a very short time of receiving it and before formal allegations were made. At one point in his cross-examination Person A agreed that the monitoring had 'achieved its purpose'. Mr Brown cooperated fully with ACCA's monitoring process and its aftermath as well as with the investigation when it commenced. He produced impressive testimonials which indicated that he was an asset to the profession and to his community. The difficult circumstances which Mr Brown found himself in at the relevant time were also a significant mitigating factor.
46. The Committee was satisfied that a sanction was required in this case because it concerned anti money laundering regulations.
47. The Committee first considered the sanction of admonishment. The factors set out in the Sanctions Guidance were present in this case, but the Committee

considered that admonishment was not a sufficient sanction to mark the seriousness of a case involving money laundering matters.

48. The Committee next considered the sanction of reprimand. The guidance states 'This sanction would usually be applied in situations where the conduct is of a minor nature and there appears to be no continuing risk to the public'. The Committee considered that this case fell within that description. As to the individual factors, the first two were not relevant but most of the rest applied. The conduct was not in deliberate disregard of professional obligations; there was early and genuine acceptance that misconduct had been committed; there were no adverse consequences – it had not caused material distress, inconvenience or loss; there was an early admission. Clearly the period involved was not short, but it was caused by a single misunderstanding which was corrected as soon as Mr Brown became aware of it.
49. The Committee determined to impose the sanction of reprimand. The Committee did look at the option of imposing a fine in addition but decided that this was unnecessary and disproportionate.

## **COSTS AND REASONS**

50. Mr Mustafa applied for costs totalling £10,427.00. He accepted that the hearing today would probably take less time than had been estimated so some reduction might be appropriate.
51. Mr Corrie accepted that some contribution to costs could reasonably be awarded. His client was not seeking a reduction on the basis of his means. However, he submitted that a substantial reduction should be made to reflect the fact that ACCA had not succeeded in proving any of the contested allegations. Given that the proven allegations had been admitted from the start, the case might have been disposed of by a consent order. If a hearing had been necessary, it would have been shorter and cheaper to pursue. He submitted that an appropriate reduction would be in the range of 50% to 70%.
52. The Committee was satisfied that Mr Brown should make a contribution to ACCA's costs, but it agreed in principle with Mr Corrie's submission that there

should be a significant reduction. Mr Brown demonstrated complete cooperation and willingness to correct any faults from the start of this process. ACCA could, therefore, have dealt with the matter at much less cost. The Committee determined to award costs of £4,000.

## **ORDER**

53. The Committee **ordered** as follows:

- (a) Mr Brown shall be reprimanded;
- (b) Mr Brown shall pay a contribution to ACCA's costs assessed at £4,000.

**Wendy Yeadon**  
**Chair**  
**14 May 2025**