

## HEARING

**DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF  
CHARTERED CERTIFIED ACCOUNTANTS****REASONS FOR DECISION**

**In the matter of:** Mr Michael Robert Hogg

**Heard on:** Friday, 29 November 2024

**Location:** Remotely via Microsoft Teams

**Committee:** Mr Martin Winter (Chair)  
Ms Nimra Syeda (Accountant)  
Mrs Victoria Smith (Lay)

**Legal Adviser:** Mr David Marshall

**Persons present  
and Capacity:** Mr Matthew Kerruish-Jones (ACCA Case Presenter)  
Miss Mary Okunowo (Hearings Officer)

**Summary:** Exclusion from membership with immediate effect.

**Costs:** £6,965.50

1. The Committee heard an allegation of misconduct against Mr Hogg. Mr Kerruish-Jones appeared for ACCA. Mr Hogg was not present and not represented.
2. The Committee had a report and bundle of papers containing 96 pages and a service bundle containing 32 pages.

## PROCEEDING IN ABSENCE

3. The Committee was satisfied that Mr Hogg had been served with the documents required by regulation 10(1) of The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 in accordance with regulation 22. The required documents were contained in the papers before the Committee. There was evidence that they were sent by email on 01 November 2024 to an email address notified by Mr Hogg to ACCA as an address for all correspondence.
4. In a telephone conversation on 25 November, Mr Hogg said that the registered email address was incorrect, even though ACCA believed that Mr Hogg himself had registered it. The difference between the registered address and what Mr Hogg said was the correct address was a hyphen within the name of his firm. The papers were re-sent to the new version of the address but in any case, copies of the service papers had already been sent on 01 November 2024 to a separate Gmail address which Mr Hogg agreed had been registered by him. He said he had not looked at that account.
5. The Committee saw two emails from Mr Hogg dated 26 November 2024 which showed that he was aware of today's hearing but did not intend to be present. He said:

*I can confirm that I do not intend to attend the meeting on 29th November. I had thought that by failing to renew my membership I would simply have left the Association but if this is not the case please accept this message as my resignation. I am afraid that events of the last few years have left me with no inclination to engage with the process. I don't mean to sound dismissive but the toll of mostly personal events have left me with no resistance.*
6. In a second email that day he said he was 'quite content for proceedings to continue in my absence'.
7. The Committee concluded that Mr Hogg did not wish to exercise his right to be present and that it would be fair to proceed in his absence. The Committee

would take into account all written representations from him prior to the hearing.

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

8. Mr Hogg became a member of ACCA in 1994 and a fellow in 1999. At all relevant times he was in public practice as an accountant through a company called Hill Allen (Wickford) Ltd.
9. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the 'MLR') came into force on 26 June 2017. They imposed significant administrative obligations on practising accountants such as Mr Hogg. ACCA in turn was required to monitor the level of compliance of members such as Mr Hogg with the MLR. On 05 October 2021 ACCA notified Mr Hogg that it would be carrying out a 'desk-based review to assess your AML [anti-money laundering] controls'. The review would be completed over the telephone. The date for the review was subsequently fixed as 18 November 2021.
10. The review was carried out as arranged and the reviewer sent the report to Mr Hogg on 30 November 2021. He reported a number of serious failings and referred Mr Hogg to ACCA's Professional Conduct Department for investigation. That investigation led to the following allegations being formulated:

### ***Allegations***

*Mr Michael Robert Hogg, an ACCA member and Director of Hill Allen (Wickford) Ltd*

1. *On dates between 26 June 2017 and 07 September 2022, failed to comply (or demonstrate compliance) with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the regulations) in relation to the accountancy services offered by the firm, in breach of:*

- a) *Regulation 18 (Risk assessment by relevant persons)*
- b) *Regulation 19 (Policies, controls and procedures)*
- c) *Regulation 21 (Internal controls)*
- d) *Regulation 24 (Training)*
- e) *Regulation 27 & 28 (Customer due diligence)*

2. *By reason of any or all of his conduct set out at allegation 1, he is:*

- (a) *Guilty of misconduct pursuant to bye-law 8(a)(i).*

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

11. Mr Kerruish-Jones did not call any oral evidence. He relied on the witness statement of ACCA's AML reviewer, the documents exhibited to that statement and other business documents from ACCA's records. Mr Hogg had not asked for the proposed witness to attend and had not put forward a defence statement which called for evidence from ACCA.
12. In his witness statement the reviewer produced his report dated 30 November 2021 which included an Appendix setting out the reviewer's conclusions by reference to key provisions of the MLR. The reviewer was a Senior Supervision Officer within ACCA's AML Team, and the Committee accepted that he was an appropriate person to express an opinion on Mr Hogg's AML compliance. The Committee did not have any basis for doubting his opinions. Mr Hogg had not made any significant challenge to the findings, nor to the integrity or impartiality of the reviewer. The Committee accepted the conclusions of the review.
13. Each of the allegations in this case was supported by (and based on) the findings set out in the Appendix. **The Committee therefore found Allegations 1(a) to (e) proved on the balance of probabilities.**
14. As to Allegation 2, the Committee was satisfied that Mr Hogg's actions or inactions that led to those findings amounted to **misconduct**. AML precautions

are of great importance as was highlighted by the National Risk Assessment referred to in the Sanctions Guidance. Mr Hogg seemed indifferent to the obligations on him in this respect. His attitude was deplorable.

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

15. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions (2024). It first sought to identify mitigating and aggravating factors.
16. In mitigation, no previous disciplinary matters were known against Mr Hogg. Furthermore, he had initially shown some level of engagement with the review process. In an email on 30 May 2022, he said:

*I have now been able to access the documents and have begun to work through these. ... I have though actioned attention to additional personal training and staff training. I hope that additional time can be provided for this and other points to be addressed.*

17. This was slight mitigation. However, it was not followed through, and Mr Hogg later showed no inclination to rectify the problems found by the review. The most significant mitigation was a number of serious personal and family problems which occurred at the time with which this hearing was concerned. The Committee accepted that they must have caused him distress and anxiety and may have eclipsed his professional obligations.
18. There were significant aggravating factors. The misconduct persisted over a long period of time. Mr Hogg became subject to the MLR in June 2017. He was first notified of an AML review in October 2021. He received the report at the end of November 2021 showing serious deficiencies but took no steps to rectify these thereafter and certainly not up to September 2022, the end of the period under scrutiny. Throughout much of this period Mr Hogg demonstrated a lack of awareness of his AML obligations, even after he had received the report. While his failures might have been described as reckless at the start of the period, they became deliberate later. His personal issues became a

significant distraction. Mr Hogg did not show remorse or insight and took no remedial action.

19. The Committee was satisfied that the finding of misconduct required a sanction. It considered the available sanctions in ascending order of seriousness by reference to ACCA's Guidance for Disciplinary Sanctions (2024).
20. The Committee was satisfied that the sanction of Admonishment was not sufficient to mark the seriousness of the misconduct. Furthermore, none of the suggested factors was present in this case.
21. The Committee next considered Reprimand. The Guidance states that 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 misconduct in this case was not minor. Breach of the MLR was a serious matter and its seriousness was aggravated in this case as already stated. While there could be worse cases than this – for example where the accountant is actively involved in money laundering – the wholesale disregard of the rules in this case meant that the firm and therefore the public was exposed to a high level of risk.
22. The next sanction was Severe Reprimand. Mr Hogg was of good character and had shown a reasonable level of cooperation during the investigation. Apart from these, none of the suggested factors were present. The Committee considered that the misconduct was intentional, in the sense that Mr Hogg took a decision not to implement the measures necessary for compliance. It was continuing throughout the relevant period and there is no reason to think that any remedial steps were taken later. Mr Hogg has not shown insight or remorse. This could not be described as an isolated incident. No references were provided.
23. The Committee considered carefully before moving to the next level, exclusion. Breaches of the MLR do not routinely lead to exclusion. However, what made this case particularly serious was Mr Hogg's failure to acknowledge

in any meaningful way the importance of compliance. There was no prospect of him performing satisfactorily as an ACCA member while such an attitude persisted. The Committee was satisfied that his attitude was fundamentally incompatible with remaining on the register of members.

### **COSTS AND REASONS**

24. Mr Kerruish-Jones applied for costs of £6,965.50. The Committee was satisfied that the proceedings had been properly brought and that, in principle, ACCA was entitled to a contribution to its costs.
25. As to the amount to be awarded, the Committee considered the schedules and satisfied itself that the sum claimed was reasonable.
26. The Committee had no information about Mr Hogg's means and was therefore unable to make any reduction on the basis that the order for costs would cause him undue hardship.

### **EFFECTIVE DATE OF ORDER**

27. The Committee took a serious view of this case mainly because of Mr Hogg's apparent blindness to the risks posed by money laundering and terrorist finance: risks to his firm, to his clients and to the general public. Because of that, the Committee decided that it was necessary, in the public interest, to impose its order with immediate effect.

### **ORDER**

28. The Committee **ordered** as follows:
  - (a) Mr Michael Robert Hogg shall be excluded from membership with immediate effect;
  - (b) Mr Hogg shall make a contribution to ACCA's costs of £6,965.50.

**Martin Winter  
Chair  
29 November 2024**