

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Keith Peters

Heard on: Thursday, 12 September 2019

Location: ACCA, The Adelphi, 1-11 John Adam Street, London, WC2N
6AU

Committee: Mrs Judith Way (Chairman)
Mr Robert Clarke (Accountant)
Ms Helen Kitchen (Lay)

Legal Adviser: Ms Judith Chrystie (Legal Adviser)

Persons present

and capacity: Mr Benjamin Jowett (ACCA Case Presenter)
Mr Richard Lorkin (Hearings Officer)

Observer: Mr Daniel Lugg (ACCA Investigations Officer)

Outcome: **Exclusion from membership, with immediate effect**
No re-admission for a minimum period of 3 years
Costs imposed in the sum of £3,750.

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

SERVICE OF PAPERS

1. Mr Peters was neither present nor represented. He was currently imprisoned.
2. The Committee had the following papers before it:
 - (a) Bundle with pages, numbered 1-23;
 - (b) Service Bundle 1 with pages, numbered 1-29;
 - (c) Additional Bundles 1 with pages, numbered p1-3; and
 - (d) Tabled Additional Bundles 1 with pages, numbered p1-3.
3. The Committee considered its papers in order to determine whether there had been effective service of the notice of the hearing. It noted that notice of hearing, in the appropriate form had been emailed to Mr Peters on 12 August 2019, in accordance with the Complaints and Disciplinary Regulations 2014 (amended 2019) ('the Regulations'). The Committee was satisfied that there was good service.

PROCEEDING IN ABSENCE

4. The Committee recognised that it needed to consider with the utmost care and caution, whether or not to proceed in Mr Peter's absence. The Committee determined that it was fair to proceed in accordance with its discretionary power at Regulation 10(7) of the Regulations.
5. In a letter received by ACCA on 22 August 2019, Mr Peters advised that it was not possible for him to physically attend the hearing, and he did not wish to take up the offer of a video connection.
6. From the material before it, the Committee concluded that it was clear that Mr Peters did not intend to be present at the hearing either in person or remotely. Further, Mr Peters had not applied for an adjournment to allow him to attend following his release from prison and, as such, the Committee was content that there would be no purpose served in postponing consideration

of the case to a later date. In addition, the Committee recognised that there was a public interest in regulatory proceedings being considered and concluded expeditiously. Further the Committee recognised that this was a case involving a conviction for serious offences and, therefore, there could be few areas of dispute and contention around the facts of the case.

7. In all the circumstances, the Committee determined that Mr Peters had voluntarily waived his right to attend the hearing and it was reasonable and fair to proceed in his absence.

ALLEGATIONS/BRIEF BACKGROUND

8. The Committee considered the following allegations:
 1. Between 18 March 2019 and 27 March 2019, Mr. Keith Peters, an ACCA (Association of Chartered Certified Accountants) fellow, was convicted of two counts of False Accounting, contrary to section 17(1)(a) of the Theft Act 1968 before Cardiff Crown Court, which is discreditable to ACCA and the accountancy profession.
 2. By reason of his conviction as described in 1 above, Mr. Keith Peters is liable to disciplinary action pursuant to bye-law 8(a)(ix).
9. Mr. Peters' became an ACCA member on 16 June 1975, and a Fellow on 6 June 1980.
10. The Committee had a certificate of conviction which evidenced that between 18 March and 27 March 2019, Mr Peters was tried and convicted of two counts of False Accounting, contrary to section 17(1)(a) of the Theft Act 1968 before Cardiff Crown Court. He was sentenced on 10 May 2019 to a total of 15 months imprisonment.

11. In addition to the Certificate of Conviction, ACCA had obtained a copy of the sentencing transcript. This set out that:

- a. Mr Peters was employed as an accountant;
- b. It was through Mr Peters' professional verification of figures that public funds were released to his employer;
- c. Accepted that Mr Peters did not have any knowledge of the fraud itself or its extent but must have known the importance of the documents he was verifying;
- d. The fraud spanned 16 months during which Mr Peters signed five documents on four separate days;
- e. Mr Peters knew that the public body would only accept someone as qualified as him to produce verification of accounts;
- f. Mr Peters exploited his position and abused his professional status. He was a professional man who was using his professional standing, *'as a veneer of respectability and in whom trust could easily be reposed and was so reposed...'*;
- g. The overall fraud would not have succeeded without Mr Peters' confirmation of the figures;
- h. Mr Peters' conduct was *'blatant dishonesty'*;
- i. Mr Peters was of previous clean character and the fraudulent activity is unlikely to be repeated.

12. In correspondence with ACCA dated 22 August 2019, Mr Peters had stated that he had intended to plead not guilty at the trial, but in order to benefit from a greatly reduced prison sentence and to avoid a lengthy trial, he had concluded that he had, *'no alternative other than to plead guilty'*. Mr Peters claimed that when writing its Sentencing Document, the Crown had stated, among other matters, that Mr Peters was not involved or aware of the fraud and that most of the grant monies had been advanced before he had signed the documentation.

13. Mr Peters stated that he had been a proud ACCA member for over 40 years, and deeply regret[ted] the need for ACCA's, '*understandable course of action against [him]*'

DECISION ON FACTS/ALLEGATION AND REASONS

14. The Committee recognised that its papers contained a copy of the certificate of certificate which, under bye-law 8(a)(ix), stood as conclusive proof of the conviction and of any facts and matters found. It had no reason to doubt the authenticity of the certificate, and was satisfied that Allegation 1 was proved.
15. The Committee was satisfied that Allegation 2 was proved. This provided that a member would be liable to disciplinary action had he, in summary, pleaded guilty (or been found guilty) to an offence discreditable to the ACCA or the accountancy profession.
16. The Committee was satisfied that a conviction of a member for a fraud was discreditable to ACCA as well as to the profession. Although the Committee recognised that the Court accepted that Mr Peters did not have any knowledge of the fraud itself or its extent, the Judge was satisfied that Mr Peters must have known the importance of the documents he was verifying.
17. The Committee considered the papers demonstrated that the fraud involved serious dishonesty, perpetuated over time, had been against the public purse for considerable amounts of money, and had been sophisticated in approach, including in respect of the steps taken to disguise the dishonesty. It recognised that the Judge commented that without Mr Peters' involvement, the fraud would not have succeeded. The Judge stated that Mr Peters abused his professional status. The Committee had no doubt that the conviction was directly related to his professional status, and that this compounded the discredit brought to ACCA and the profession.

18. In these circumstances the Committee was satisfied that Allegation 2 was proved, and that Mr Peters was liable to disciplinary action.

SANCTIONS AND REASONS

19. The Committee had regard to the Guidance for Disciplinary Sanctions ('the Guidance').

20. The Committee recognised that the purpose of the disciplinary order was not to impose a punishment, but could be imposed in the public interest.

21. The Committee considered what mitigation existed in the case. It was advised that Mr Peters had no previous disciplinary history, and therefore had an unblemished professional career of over 40 years. Further, Mr Peters had pleaded guilty to the offences at the Crown Court, the sentencing judge had accepted that he had not known about the fraud or its extent. Mr Peters had expressed regret for his actions. The mitigation was, however, limited in comparison to the aggravating circumstances in the case. The aggravating circumstances related to the fact that the convictions are for dishonesty related offences. In perpetrating the offences, Mr Peters had abused his professional status, and was described by the sentencing judge as being blatantly dishonest. Further, the Committee recognised that the fraud, which had continued for some time, involved public monies, and would not have succeeded without Mr Peters' involvement.

22. The Committee considered that the fact an accountant had abused the trust placed in him by virtue of his professional status, and had been convicted of serious criminal offences involving blatant dishonesty, would significantly, and detrimentally impact on the public's confidence and trust in the accountancy profession. The Committee determined that, in these circumstances, it would be woefully inadequate for it to make no order or to impose an admonishment or some form of reprimand, serious or otherwise. The Committee considered that these sanctions would not reflect the extremely serious nature of Mr Peters' dishonest conduct, and its highly criminal nature.

23. The Committee considered that Mr Peters' repeated, deliberate, dishonest conduct, abused his position as a professional accountant, and adversely impacted on public monies leading to criminal convictions. This conduct was such a significant and serious departure from the standards of behaviour expected of an accountant, that it was fundamentally incompatible with him continuing as a member of ACCA.
24. The Committee recognised that the public is entitled to expect a high degree of probity from a professional who has undertaken to abide by a code of ethics. The Committee found no exceptional circumstances in the case. It considered that the only proportionate order in the public interest given the seriousness of the matter was to exclude Mr Peters from membership, and to combine this with an order that he could not apply for re-admission for a period of 3 years from the effective date of his exclusion.
25. In relation to the effective date, the Committee considered that the order should take effect immediately. It considered that such an order was in the interests of the public, given the serious nature of the convictions, and the need to protect the public, given that Mr Peters could still operate as an accountant with ACCA membership from prison.
26. The Committee therefore ordered that Mr Peters should be excluded from membership of ACCA with immediate effect, and that he could not apply for readmission for a minimum period of three years.

COSTS AND REASONS

27. ACCA claimed costs in the sum of £5,762.66. The Case Presenter submitted that this sum should be reduced to £4,327.66 in recognition that the hearing had not lasted the full time estimate, and that the hearing had been listed on the same day with another case, with the consequence that the fixed costs of holding a hearing should be shared.

28. The Committee determined to exercise its power under Regulation 15(1) of the Regulations, to direct that Mr Peters pay ACCA the sum of £3,750. It considered that this sum was appropriate to reflect the fact that further cost reductions to those suggested by the Case Presenter, were necessary to reflect the reduced hearing time. It considered that this sum reflected the amount properly incurred in investigating and hearing the allegations against Mr Peters.
29. Mr Peters had not provided any statement or evidence as to his means. In the circumstances, the Committee considered that there was no evidence about Mr Peters' means or ability (or otherwise) to pay the costs of the hearing to justify a further reduction to the costs.
30. The Committee ordered that Mr Peters should pay ACCA's costs in the sum of £3,750.

Mrs Judith Way
Chairman
12 September 2019