

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Stephen Nicholas Knowles
Heard on:	Wednesday, 12 May 2021
Location:	Held remotely via ACCA Offices, The Adelphi, 1-11 John Adam Street, London WC2N 6AU using Microsoft Teams
Committee:	Mrs Helen Carter-Shaw (Chair) Dr David Horne (Accountant) Mrs Diane Meikle (Lay)
Legal Adviser:	Mr Andrew Granville Stafford
Persons present and capacity:	Mr Phillip Law (ACCA Case Presenter) Ms Anna Packowska (Hearings Officer) Mr Stephen Knowles (Member)
Observers:	None
Outcome:	Allegations 1(a) and 1(b) found proved Excluded from membership
Costs:	£5,500

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INTRODUCTION AND PRELIMINARY MATTERS

1. The Disciplinary Committee of ACCA ('the Committee') convened to consider a report concerning Mr Stephen Nicholas Knowles.
2. The Committee had before it a bundle of documents (124 pages), two additional bundles (2 pages and 3 pages), a tabled additional bundle (4 pages) and a service bundle (14 pages).

APPLICATION TO HOLD HEARING IN PRIVATE

3. Mr Knowles made an application for the case to be heard in private. He was concerned that publicity concerning the allegation and the conviction underlying it would have an adverse impact on his family, his work and the other party involved in the conviction.
4. The application was opposed by Mr Law on behalf of ACCA who submitted that there was no reason to justify holding this hearing in private.
5. Pursuant to Regulation 11(1) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ('CDR'), hearings before the Disciplinary Committee are normally held in public. The Committee, however, does have the power to hold all or part of the hearing in private if it considers that the particular circumstances of the case outweigh the public interest in holding a public hearing. Those circumstances include prejudice to the member.
6. The Committee did not consider that the circumstances of this case justified the hearing being conducted in private. The Committee noted that the conviction was recorded in the Magistrates Court and sentencing took place in the Crown Court. Therefore, these matters are already in the public domain. It did not consider that the potential impact on Mr Knowles or any third party was sufficient justification to depart from the normal public interest in open justice.

ALLEGATIONS

7. The notice of hearing contained the following allegations.

Allegations

Mr Stephen Nicholas Knowles who is an ACCA member:

- (a) On 04 December 2019 was convicted before Birmingham and Solihull Magistrates Court of the offences of 'make an indecent photograph/pseudo- photograph of child' contrary to sections 1(1)(a) and 6 of the Protection of Children Act 1978, which is discreditable to the Association, or to the accountancy profession.
- (b) By reason of his conduct at 1(a) above, Mr Knowles is liable to disciplinary action pursuant to byelaw 8(a)(ix).

8. Mr Law on behalf of ACCA applied to amend the allegations to read as follows:

Allegations

- 1. Mr Stephen Nicholas Knowles, a registered member of the Association of Chartered Certified Accountants ('ACCA'):
 - (a) Was convicted at Birmingham and Solihull Magistrates Court on 04 December 2019 of making indecent photographs/pseudo-photographs of children contrary to sections 1(1)(a) of the Protection of Children Act 1978, which is discreditable to the Association and/or to the accountancy profession.
 - (b) By reason of his conduct at 1(a) above, Mr Knowles is liable to disciplinary action pursuant to byelaw 8(a)(ix).
- 9. Regulation 10(5) of the CDR allows the Committee at any stage, upon the application of either party or its own motion, to amend the allegations provided that the member is not prejudiced in the conduct of his defence.
- 10. Mr Law submitted that the purpose of the amendment was simply to bring clarity to the allegation, and that it did not materially alter the case brought against Mr Knowles.
- 11. Mr Knowles did not object to the amendment.
- 12. The Committee was satisfied that Mr Knowles would not be prejudiced by the amendments and that it would be in the interests of justice to allow them to be made. Therefore, the Committee allowed Mr Law's application.

BRIEF BACKGROUND

13. Mr Knowles became an ACCA member on 15 April 2003.
14. On 04 December 2019, Mr Knowles was convicted at Birmingham and Solihull Magistrates Court of three counts of making an indecent photograph or pseudo-photograph of a child, contrary to sections 1(1)(a) and 6 of the Protection of Children Act 1978.
15. On 14 December 2019, Mr Knowles sent an email to ACCA stating, *'I pleaded guilty to a criminal offence committed in my private life, at Birmingham Magistrates Court on 04 December 2019. I have been granted unconditional bail and summoned to appear at Birmingham Crown Court on 08 January 2020 for hearing and sentencing'*. Mr Knowles subsequently informed ACCA on 09 January 2020 that his case had been adjourned until 11 March 2020 for pre-sentencing reports.
16. In response to an enquiry from ACCA, on 11 February 2020 Mr Knowles said that he had pleaded guilty to offences of making indecent images of children in categories A, B and C.
17. In a further letter to ACCA on 05 March 2020, Mr Knowles said that he had co-operated fully with the police investigation. By way of explanation of the offences he said:

'The images were found on a desk top computer from internet browsing. The offence was in 2013 when I viewed pornography on the internet. I used search terms that would show adult pornography and that the images shown were of adults over the age of consent. The sites I visited did have age disclosures as far as I could recall. I obtained images inadvertently and failed to delete them properly. Of the images I have been charged with making, I do not have any recollection of viewing them.'

'From a personal point of view, I am absolutely horrified with the circumstances that I have found myself to be subject to. It has destroyed my life, has cost me my job and has caused serious difficulties with my family. I have also lost contact with my nieces and nephews due to the charges being laid against me. It has placed enormous strain on my relationship with my partner together with my parents . . .

From a professional point of view, when I joined ACCA, I knew that I would be expected to uphold the values of being a member and in my professional life, I have acted to the best of my ability to my clients and my employer. I feel that the offence is out of character and I understand that as a member of ACCA, a considerable amount of trust and respect is placed on my shoulders. I feel that I have let down ACCA which I am truly repentant.'

'Since appearing at Birmingham Crown Court in January 2020, I have secured another job and have made my employer aware of the offences, in line with the Rehabilitation of Offenders Act during my interview. My continuation of my job will be subject to the outcome of the sentencing.'

18. At the date of his conviction, Mr Knowles was employed by an accountancy practice. Mr Knowles provided ACCA with a letter from his employer confirming that he had been dismissed on 11 December 2019 for gross misconduct. He informed ACCA that he had secured another job and his employer was aware of the offences. He said that continuation of his job was subject to the outcome of his criminal case.
19. Mr Knowles was sentenced at Birmingham Crown Court 11 March 2020. On each of the three counts he was sentenced to a community sentence for two years with a supervision requirement to run concurrently. In addition, his name was placed on the sex offenders register for five years and subject to a sexual harm prevention order also for five years. He was ordered to pay a victim surcharge and prosecution costs in the sum of £425.
20. Mr Knowles was sentenced with a co-defendant. In his sentencing remarks the judge, His Honour Judge Laird QC, said:

'You, Stephen Knowles, fall to be sentenced for three offences of possession of Indecent Images in categories A, B and C . . . having looked at the descriptions of the sorts of images that were found on both that phone and Mr Knowles, your laptop, they were of the most disturbing nature on occasions . . .

I pause to point out that there is some evidence on the papers that there were two category A images. Having addressed counsel today, it is accepted by all that I should sentence you on the basis that there was one category A moving image, and I do so. There were two category 2 stills and 24 category C stills. Significantly, they were created between 2012 and September 2013, and there

was no evidence found on any device at the premises to reveal that you had accessed any indecent images beyond that date, and I sentence you on that basis.

. . . You, Mr Knowles, pleaded guilty at the magistrates' court and you will get credit for that, in part by the way in which I sentence you . . . A number of factors have led me to the conclusion that the sentences that I will pass upon you both will be, in part, an attempt to rehabilitate you both, and there will be requirements of the orders that I pass that will require you to address the underlying motivation that each of you had for the commission of these offences.'

21. On 28 August 2020, a director of Mr Knowles's new employer wrote to ACCA confirming he was aware of his conviction and that the firm continued to employ him as a Senior Client Manager. The director stated that the firm had found him to be a diligent and responsible individual.
22. In his Case Management Form, completed and signed on 29 March 2021, Mr Knowles indicated that he admitted both allegations and he admitted misconduct. He said he was engaging with the community order and was currently working on a 'Maps for Change' programme with the Probation Service to understand the offending and working to ensure there would not be any repetition. In mitigation he said he had self-referred to ACCA and had fully co-operated with the Police and the ACCA investigation. He said the case had had a devastating effect on his personal and professional life and he was now trying to rebuild his life after the conviction.

DECISIONS ON ALLEGATIONS AND REASONS

23. At the outset of the hearing Mr Knowles admitted all the allegations against him. Pursuant to CDR 12(3), the Committee found Allegation 1(a) proved by admission. The Committee went on to consider whether the factual allegations in 1(a) rendered Mr Knowles liable to disciplinary action under byelaw 8(a)(ix) as alleged in Allegation 1(b).
24. The Committee considered the documents before it, the submissions of Mr Law and Mr Knowles and the advice of the Legal Adviser. The Committee bore in mind that the burden of proving an allegation rests on ACCA and the standard to be applied is proof on the balance of probabilities.

25. Pursuant to byelaw 8(a)(ix) a member is liable to disciplinary action if before a court of competent jurisdiction in the United Kingdom he has pleaded guilty or been found guilty of any offence discreditable to the Association or to the accountancy profession.
26. The Committee was provided with a copy of the certificate of conviction and, in any event, Mr Knowles did not dispute the fact of the conviction. For the purposes of byelaw 8(a)(ix), a copy of a certificate or memorandum of conviction given in the criminal proceedings is conclusive proof of the conviction and of any facts and matters found. The issue for the Committee was whether the offences for which Mr Knowles was convicted were discreditable to ACCA or the accountancy profession.
27. The Committee was in no doubt that the offences in question, namely making indecent photographs or pseudo-photographs of children, were discreditable to ACCA and to the accountancy profession. They clearly represent conduct which falls very far short of what is acceptable and what is expected of an ACCA member. The public's trust in the profession and ACCA might reasonably be undermined in light of the serious nature of the convictions.
28. Therefore, the Committee found Allegation 1(b) proved.

SANCTION AND REASONS

29. The Committee considered what sanction, if any, to impose taking into account ACCA's Guidance for Disciplinary Sanctions and the principle of proportionality. The Committee bore in mind that the purpose of sanctions was not punitive but to protect the public, maintain confidence in the profession and declare and uphold proper standards of conduct and behaviour. It took into account the submissions of the parties and the advice of the Legal Adviser.
30. The Committee considered that the following were aggravating factors. The serious nature of the offending and the category of the images that had been viewed. The fact that Mr Knowles is currently serving his Community Punishment Order which will not conclude until towards the end of this year. He is also on the Sexual Offences Register and subject of a Sexual Harm Prevention Order. The reputational damage to ACCA and the profession resulting from offending of this nature was also an aggravating factor.
31. Further, the Committee considered there was a lack of insight on Mr Knowles's behalf, which was demonstrated by comments he made during the hearing

showing his lack of appreciation of the effect of his offending and of victim empathy.

32. The Committee considered that the following were mitigating factors. There had been no previous disciplinary or regulatory findings made against Mr Knowles. He had self-referred to the ACCA promptly and he had made admissions both before the criminal court and to this Committee. He had also co-operated with both investigations. The Committee noted that Mr Knowles had expressed remorse, repentance and an acceptance that his conduct was truly reprehensible.
33. The Committee also took into account Mr Knowles's submissions about relevant health matters which were disclosed in private and the character reference from his employer.
34. Having found that Mr Knowles's actions amounted to discreditable conduct, taking no further action was clearly not appropriate. The Committee therefore considered the available sanctions in ascending order of seriousness.
35. The Committee considered that this conduct was at the more serious end of the scale. A sanction of admonishment, reprimand or severe reprimand would clearly not be appropriate or proportionate and nor would it adequately mark the seriousness of the offences.
36. Given the nature of the offending and the impact on the reputation of the profession, the Committee considered that no sanction less than exclusion could possibly be justified. The public interest would not be met by a sanction which allowed Mr Knowles to maintain his membership of ACCA. Further, any lesser sanction would not be in accordance with the general principle that a member who has been convicted of a serious criminal offence should not be permitted to practice as a member of a professional body until he has satisfactorily completed his criminal sentence (*CHRE v GDC and Fleischmann* [2005] EWCH 87).
37. Therefore, pursuant to CDR 13.1(c), Mr Knowles is excluded from membership of ACCA. The Committee further ordered that no application for re-admission by Mr Knowles may be considered until the expiry of a period of 4 years from the effective date of the order. The reason the Committee decided this was appropriate was because Mr Knowles will remain on the Sex Offenders Register and subject to a Sexual Harm Protection Order until January 2025.

COSTS AND REASONS

38. ACCA applied for costs in the sum of £6,012.50. The application was supported by a schedule providing a breakdown of the costs incurred by ACCA in connection with the investigation and hearing.
39. The Committee considered that in principle a costs order should be made in favour of ACCA, and Mr Knowles did not dispute that.
40. In determining the amount of costs, the Committee took into account the submissions of both parties and the information provided by Mr Knowles as to his means. It considered that some reduction should be made in light of the time taken to conclude the hearing, but that apart, considered that the costs sought were appropriate and had been reasonably incurred.
41. The Committee determined that the appropriate order was that Mr Knowles pay ACCA's costs in the sum of £5,500.

EFFECTIVE DATE OF ORDER

42. The Committee did not consider that it was necessary in the public interest to order that the sanction have immediate effect. Therefore, the sanction of exclusion will come into effect from the date of expiry of the appeal period, namely after 21 days from service of this written statement of the Committee's reasons for its decision, unless Mr Knowles gives notice of appeal in accordance with the Appeal Regulations prior to that.

Mrs Helen Carter-Shaw
Chair
12 May 2021