

**Mr Oliver Godfrey of Huntingdon, United Kingdom
CIMA Disciplinary Committee - 1 September 2021**

References in this decision to Regulations are to those in the Institute's Royal Charter, Byelaws and Regulations (2020) and references to Rules are to the Institute's Disciplinary Committee Rules 2020, in both cases unless otherwise stated.

The Charge

The Charge against Mr Godfrey (the Respondent) provided as follows:

“Factual Allegations

1. You are a registered member with the Chartered Institute of Management Accountant (CIMA).
2. You were employed by [REDACTED] Limited ('the Company') between 20 February 2017 and 15 December 2020.
3. Between 29 October 2020 and 26 November 2020, you removed from accounts relating to the Company a sum totalling £115,000. This money was removed without the Company's consent and was paid to yourself for personal gain.
4. During October and November 2020, you removed Bitcoin valued at approximately £190,000 from accounts relating to the Company. This Bitcoin was removed without the Company's consent and was paid to yourself for personal gain.
5. On 15 December 2020 you notified the Company of your actions.
6. On 22 December 2020 you paid back the £115,000.
7. On 22 December 2020 you returned the Bitcoin.
8. Your actions as set out in paragraphs 3 and 4 were dishonest.

Misconduct Allegations

By reason of the facts alleged above, it is alleged that you are guilty of misconduct as defined by Byelaw 1 of the Institute's Royal Charter Byelaws and Regulations (April 2020 version).

In particular you have failed to comply with the Laws of the Institute by breaching:

a. The fundamental principles of the Code of Ethics (January 2020 version):

- (i) Integrity (Sections 110.1 A1 (a) and R111)
- (ii) Professional behaviour (Sections 110.1 A1 (e) and R115)”

Findings of Fact

The Respondent admitted the facts of the Charge, as set out in the application for a Disciplinary Committee Meeting dated 22 July 2021. On the basis of admissions made by the Respondent, the Committee found the facts proved. However, and for the avoidance of doubt, the Committee also considered the relevant documents relied upon by CIMA in relation to each allegation of fact.

The Committee was satisfied that all the facts are proved on the Respondent's admission, supported by the documentary evidence.

Misconduct

The facts having been found proved, the Committee considered the matter of misconduct. CIMA's Byelaws and Regulations define "misconduct" as "failure to comply with the Laws of the Institute." The Laws of the Institute include the Code of Ethics.

This matter related to the Respondent's period of employment with the Company between 20 February 2017 and 15 December 2020. Between 29 October 202 and 26 November 2020 he removed from accounts relating to the Company a sum totalling £115,000. This money was removed without the Company's consent and was for his personal gain. Between October and November 2020, the Respondent removed Bitcoin valued at approximately £190,000 from accounts relating to the Company. This Bitcoin was removed without the Company's consent and was paid to the Respondent for his personal gain. The Respondent's actions were dishonest.

The Committee concluded that the Respondent's actions were in breach of section 110.A1(a) and R111.1 of the Code of Ethics (January 2020 version) (the Code) in respect of integrity. Sections 110.A1(a) and R111.1 which state:

110.A1 (a) "Integrity – to be straightforward and honest in all professional and business relationships"

R111.1 "A professional accountant shall comply with the principle of integrity, which requires an accountant to be straightforward and honest in all professional and business relationships."

The Committee further concluded that the Registrant's actions were in breach of Sections 110.1 A1(e), R115 in respect of professional behaviour. Sections 110.1 A1(e) and R115 which state:

110.1A1 (e) "Professional Behaviour – to comply with relevant laws and regulations and avoid any conduct that the professional accountant knows or should know might discredit the profession."

R115.1 "A professional accountant shall comply with the principle of professional behaviour, which requires an accountant to comply with relevant laws and regulations and avoid any conduct that the accountant knows or should know might discredit the profession..."

Conduct that might discredit the profession includes conduct that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession."

The Committee considered that the allegations relate to multiple instances of dishonesty over a period of time and involved significant sums. The Respondent's actions also involved a breach of Trust. The Committee found that the Respondent's actions fell seriously below the standards to be expected of a member and amounted to misconduct.

Mitigation and Sanction

Having found misconduct as alleged, the Committee went on to consider the questions of mitigation and sanction. In considering what sanction (if any) to impose, the Committee had regard to the Indicative Sanctions Guidance and to the advice of the Legal Assessor. It also had regard to the principle of proportionality and that the sanction imposed should be the least onerous suitable to reflect the seriousness of the misconduct.

The Panel took into account the following aggravating and mitigating factors.

Aggravating:

- The Respondent, as Finance Director, held a position of authority and power within the Company.
- The Respondent's actions were a breach of trust.
- The dishonesty was prolonged and involved a significant sum.

Mitigating:

- The Respondent had repaid the Company.
- The Respondent had shown remorse.

Further, the Committee was aware of the requirements to uphold the standards of the profession and maintain confidence in the Institute.

The Committee took into account the Respondent's various representations.

The Committee considered that the misconduct was conducted over a lengthy period of time and was conduct which the Respondent admits that he knew to be wrong and dishonest. The profession has been brought into disrepute. The Respondent was in a position of great trust and his actions have had the potential damaged the reputation of the profession.

The misconduct was mitigated by the Respondent's seemingly genuine remorse and his cooperation with the Institute in these proceedings. He made full admissions.

The Committee considered each sanction in increasing order of restrictiveness beginning with the least restrictive.

The Committee considered that an admonishment would not meet the seriousness of this case and would not address the harm to the reputation of the profession caused by the Respondent's misconduct.

For the same reasons as set out above the Committee considered that a reprimand or severe reprimand would not be a suitable or a proportionate sanction.

In the Committee's view, a fine was not an appropriate sanction for the same reasons.

The Committee considered whether conditions of practice could be framed which would be workable, measurable and proportionate. After consideration, the Committee found that there were no conditions which would address the fundamental breach of the Code of Ethics. Given the Respondent's dishonest behaviour and the serious nature of the allegations the Committee considered that no conditions could be formulated that would adequately protect the public or uphold confidence in the profession.

The Committee considered whether it could impose a period of suspension of up to two years. Therefore, the Committee could not be satisfied there was no risk of repetition. Even if it has, given the serious nature of the Respondent's dishonest conduct suspension would not adequately uphold confidence in the profession.

The Committee therefore concluded that the appropriate and proportionate sanction was one of expulsion. The Committee recognised that this might result in financial hardship for the Respondent, although he appeared to be pursuing a new career. Also, the Committee noted that in his email to the Institute of 10 August 2021 the Respondent states '*I have suggested that expulsion is appropriate.*' However, while any hardship to the Respondent was relevant, it was outweighed by the need to protect the public and to support public trust and confidence in the profession and in the Institute as its regulator.

Costs

The Committee determined the Respondent should contribute a sum of £912.50 in costs.