

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Miss Lisa Ann Dugdale

Heard on: Wednesday, 08 December 2021

Location: Remotely via Microsoft Teams

Committee: Mrs Kathryn Douglas (Chair)
Mr Trevor Faulkner (Accountant)
Mrs Jackie Alexander (Lay)

Legal Adviser: Mr Robin Havard (Legal Adviser)

**Persons present
and capacity:** Ms Afshan Ali (ACCA Case Presenter)
Ms Anna Packowska (ACCAA Hearings Officer)

Observers: Ms Ceegay Verley (ACCA Case Progression Officer)

Summary Exclusion from membership with immediate effect.

Costs: £500 awarded against Miss Dugdale

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



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

PRELIMINARY APPLICATIONS

SERVICE OF PAPERS

1. The Committee had considered the following documents: a hearing bundle (pages 1 to 40); a case management form (pages 1 to 22) and a service bundle (pages 1 to 18). The Committee had also considered legal advice which it had accepted.
2. The Committee had read the letter dated 10 November 2021 containing Notice of Proceedings, sent on the same day by ACCA by post to Miss Dugdale who is currently serving a prison sentence at HMP Drake Hall, Eccleshall Staffordshire. On 10 November 2021, the letter and enclosures were also sent to Miss Dugdale at her private email address. The Committee had noted the subsequent emails of the same date sent to Miss Dugdale with the necessary link and password to enable Miss Dugdale to gain access to the letter and the documents relating to this hearing.
3. The Committee was satisfied that the emails had been sent to Miss Dugdale's registered email address in accordance with Regulation 22 of the Complaints and Disciplinary Regulations 2014 as amended ("CDR"). The Committee had noted that the emails had been delivered successfully. The emails and the documents to which Miss Dugdale had access also contained the necessary information in accordance with CDR10.
4. Consequently, the Committee decided that there had been effective service of proceedings on Miss Dugdale in accordance with CDR10 and 22.

PROCEEDING IN ABSENCE

5. On 19 July 2021, ACCA wrote to Miss Dugdale informing her that it was in receipt of the Certificate of Conviction relating to her criminal offence, requesting Miss Dugdale to respond.

6. On 23 July 2021, Miss Dugdale responded, stating, *"With regards to your letter, I think we both know that I will be struck off the register so I should save the time and effort of going through the complaints procedure and just strike me off the register."*
7. On 03 September 2021, ACCA wrote to Miss Dugdale notifying her of the decision to refer her case to a Disciplinary Committee. The Case Management Form ("CMF") had accompanied that notification.
8. Miss Dugdale completed the form and returned it to ACCA, having signed it on 05 September 2021. In that form, Miss Dugdale indicated that she would not be attending the hearing, nor would she be represented. Miss Dugdale then indicated that she did not consent to the hearing proceeding in her absence.
9. Nevertheless, Miss Dugdale confirmed that she admitted the allegation set out in the form, which related to the conviction that led to her prison sentence, and she admitted that the facts of the allegation amounted to misconduct.
10. Miss Dugdale had also responded to the service on her of the Notice of Proceedings dated 10 November 2021. On 13 November 2021, Miss Dugdale had written a letter to ACCA, stating as follows:

"Further to your letter dated 10 November with regards to the hearing scheduled for Weds. 8th Dec 2021. I repeat that I am unable to attend as I am in prison with no access to electronic equipment or a phone.

I also reiterate that I am unable to pay any costs as the Proceeds of Crime Act has taken everything in order to repay the company.

I am in prison with no income whatsoever. When I am eventually released I will return to living on benefits as my health renders me unable to work, the details of which you received before I was sentenced.

Therefore, the hearing and attempt to recuperate any costs is futile. and yet again ask that you save yourselves the money and simply strike me off the register.

Yours sincerely

Lisa Dugdale"(sic)

11. The Committee was satisfied that, taking account of the seriousness of the allegations, it was in the public interest to proceed. The Committee did not consider that any benefit would be derived in adjourning the hearing and, whilst in the CMF, Miss Dugdale had not consented to the hearing proceeding in her absence, no application for an adjournment had been made. Furthermore, Ms Ali confirmed to the Committee that it was Miss Dugdale's responsibility to make enquiries of the prison service with regard to arrangements for joining this hearing remotely and there was no evidence to suggest that she had done so, despite being sent the necessary joining details.
12. Based on her letter of 13 November 2021, the Committee found that the major concern for Miss Dugdale related to the cost of the hearing taking place. However, an adjournment would only serve to increase costs. Furthermore, any adjournment would be particularly lengthy taking account of the prison sentence of four years imposed on 14 June 2021.
13. Based on all the circumstances known, the Committee found that Miss Dugdale had effectively waived her right to attend this hearing.
14. Finally, the Committee considered that it was in a position to reach proper findings of fact on the written evidence presented to it by ACCA, to include the Certificate of Conviction, the sentencing remarks of the Judge, the admissions made by Miss Dugdale in the CMF, and the written responses provided by her.
15. The Committee ordered that the hearing should proceed in the absence of Miss Dugdale.

ALLEGATIONS

Allegation 1

1. Miss Lisa Ann Dugdale, a member of the Association of Chartered Certified Accountants ('ACCA'):
 - a. On 14 June 2021, was convicted of fraud by abuse of position at the Birmingham Magistrates Court (the 'Conviction'), which is discreditable to the Association and/or the accountancy profession.
 - b. By reason of her conduct in respect of Allegation 1(a), Miss Dugdale is liable to disciplinary action pursuant to byelaw 8(a)(ix).

DECISION ON FACTS, ALLEGATIONS AND REASONS

Allegation 1(a) & (b)

16. On 15 May 2003, Miss Dugdale became a member of ACCA. On 15 May 2008, she became a Fellow.
17. In reaching its findings in respect of Allegations 1(a) and 1(b), the Committee relied on the Certificate of Conviction and found that, having pleaded guilty in the Magistrates Court to an offence of "Fraud by abuse of position", Miss Dugdale was committed to Birmingham Crown Court for sentence. On 14 June 2021, Miss Dugdale was sentenced to four years imprisonment.
18. The Committee had also relied on the Sentencing Remarks of His Honour Judge Butterfield QC. Extracts from his remarks are set out below.

"The facts are that you worked for a firm called Associated Architects Limited. You had the job title of practice secretary and also financial accountant. You started work there, I am told, in 2008. Beginning in 2011 and lasting until 2019 -- so, an eight-year period -- you stole from the company, in breach of the trust

placed in you. You used the company credit card to make multiple personal purchases. The credit card, as may be obvious, was meant to be reserved for the sole purpose of business spending.

You also made regular cash withdrawals, using that credit card, and increased the limit on company credit cards without authorisation from the company.

The spending that you financed in that way for your own benefit included holidays, renovations to your home and funding of your daughter's education, the precise mechanics of which are really not particularly relevant. At times, your misuse of the company credit card was daily, I am told. (sic)

In February 2017, you developed a further strand to your dishonesty. You further abused your position to increase, to the benefit of your pension, the employer's contribution to that pension. Your position as company accountant allowed you to make manual adjustments of that nature. You increased the amount from 7.5 per cent, which it should have been, doubling it to 15 per cent. Not satisfied, in May 2017 you made a further increase to 20 per cent. Then, in February 2019, an additional increase to 27.5 per cent. The overpayments to your pension alone totalled over £17,000.

In terms of the company's loss, the company was able to verify that over £350,000 of your transactions were clearly unauthorised: £351,912.71, to be precise. It estimated that the overall loss occasioned by your fraud is over £650,000. I will return to that topic."

"There is, on the Digital Case System at G2, a business impact statement. It includes that your actions have left the company rudderless and needing to pay out to get to the bottom of what you had done and to rectify what you had done."

"There is a guideline which applies to this sentencing exercise. This offence falls into a high culpability category, with a Category 1 level of harm. There are multiple factors to justify that classification as to culpability.

Despite the defence submission I received, this case is not, in my judgment, Category 2. The lower figure of approximately £350,000 is, in effect, fully audited. There is absolutely no reason, in my judgment, to doubt that the higher figure of £650,000 is actually what represents the reality of loss to the company from your behaviour."

19. The Committee found such conduct to be discreditable to Miss Dugdale, ACCA and the accountancy profession. Consequently, the Committee found Allegations 1(a) and (b) proved.

SANCTION AND REASONS

20. The Committee considered what sanction, if any, to impose taking into account all it had read in the bundle of documents, ACCA's Guidance for Disciplinary Sanctions, and the principle of proportionality. It had also listened to legal advice from the Legal Adviser which it accepted.
21. The Committee considered the available sanctions in increasing order of severity having decided that it was not appropriate to conclude the case with no order.
22. The Committee was mindful of the fact that its role was not to be punitive and that the purpose of any sanction was to protect members of the public, maintain public confidence in the profession and in ACCA, and to declare and uphold proper standards of conduct and performance.
23. The Committee considered whether any mitigating or aggravating factors featured in this case.
24. The Committee accepted that there were no previous findings against Miss Dugdale.
25. The Committee had no information regarding the personal circumstances of Miss Dugdale, nor had it been provided with any testimonials or references as

to her character. Whilst there was reference in the Judge's Sentencing Remarks to a report from Miss Dugdale's GP, it only related to issues relating to her health once her fraudulent behaviour had been discovered. [PRIVATE].

26. The Committee noted that Miss Dugdale had engaged with the process to the extent that she had corresponded with ACCA and returned the CMF duly completed. However, taking account of the content of the communications from her, which centred on the consequences for her of her criminal activity, Miss Dugdale had only shown to ACCA a very limited level of insight. However, the Committee took into consideration the comments of the Judge who confirmed that Miss Dugdale had pleaded guilty and had admitted her conduct immediately following her arrest. In a letter to which the Judge referred, Miss Dugdale emphasised the shame that she felt.
27. As for aggravating features, on the basis of the findings, the conviction related to an offence of dishonesty. It concerned a course of conduct that had persisted over eight years and involved significant sums of money that had caused substantial damage to the firm that employed her. It represented a gross breach of trust by someone who held a position of responsibility within the firm. The steps Miss Dugdale had taken involved a level of determination and premeditation. She had concealed her dishonest conduct that was taking place on a frequent and regular basis. The Committee was entirely satisfied that her behaviour would undermine the reputation of ACCA and the profession.
28. The Committee concluded that neither an admonishment nor a reprimand would adequately reflect the seriousness of the Committee's findings.
29. The Committee then considered whether a severe reprimand would be an appropriate sanction. Again, taking account of the seriousness of its findings, the Committee did not consider that a severe reprimand would be sufficient or proportionate.
30. Miss Dugdale had been convicted of a serious fraud and had acted dishonestly over some eight years. She was currently serving a lengthy period of

imprisonment. The Committee was concerned that, based on its findings, the objective of her dishonest conduct was to fund expenditure such as holidays, renovations to her home, and her pension. Her dishonest activities had caused substantial harm to the firm and, no doubt, caused great anxiety and distress to those who worked at the firm and who had placed their trust in her. The Committee found that it had not been provided with sufficient reassurance for it to conclude that Miss Dugdale did not pose an ongoing risk. This was conduct which was fundamentally incompatible with being a member of ACCA.

31. The Committee had considered whether there were any reasons which were so exceptional or remarkable that it would not be necessary to exclude Miss Dugdale from the register of members but could find none.
32. The Committee concluded that the only appropriate, proportionate and sufficient sanction was to order that Miss Dugdale shall be excluded from membership of ACCA.
33. Furthermore, due to the seriousness of the conduct, the Committee decided that no application for readmission may be considered until the expiry of five years from the date of this order.

COSTS AND REASONS

34. The Committee had been provided with a detailed breakdown of costs schedule (pages 1 and 2) and a simple costs schedule (pages 1 and 2) relating to ACCA's claim for costs.
35. The Committee concluded that ACCA was entitled to be awarded costs against Miss Dugdale, all allegations, including dishonesty, having been found proved. The amount of costs for which ACCA applied was £6,080.00. The Committee did not consider that the claim was unreasonable although the hearing had taken less time than estimated.
36. Miss Dugdale had not provided ACCA with any documentary evidence of her means. In the correspondence sent to her, Miss Dugdale was warned at the

outset of the importance of providing details of her financial circumstances. Furthermore, she was made aware of ACCA's intention to apply for costs.

37. However, Miss Dugdale had written to ACCA with regard to her current financial situation and the outlook for her future. The Committee accepted that, during her period of imprisonment, she would effectively be without an income. [PRIVATE].
38. The judge had said in his sentencing remarks that, whilst Miss Dugdale had not repaid any of the amounts she had stolen, civil proceedings were underway. Finally, the Committee noted that Miss Dugdale confirmed that any assets she owned would be subject to recovery under the Proceeds of Crime Act 2002.
39. In all the circumstances, and in exercising its discretion, the Committee considered that it was reasonable and proportionate to award costs to ACCA in the reduced sum of £500.00.

EFFECTIVE DATE OF ORDER

40. The Committee had considered whether the order should have immediate effect. Even taking account of Miss Dugdale's incarceration for four years commencing on 14 June 2021, the Committee had found that Miss Dugdale posed an ongoing risk and her conduct was so serious that it had put at substantial risk the reputation of ACCA and the accountancy profession. Therefore, it was in the interests of the public to make such an order.
41. In the circumstances, the Committee decided that this order shall take immediate effect.

Mrs Kathryn Douglas
Chair
08 December 2021