

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Cihan Dograyan
Heard on:	Tuesday, 19 December 2023
Location:	Remotely via Microsoft Teams
Committee:	Mr Maurice Cohen (Chair) Mr Ryan Moore (Accountant) Ms Rachel O'Connell (Lay)
Legal Adviser:	Mr Robin Havard (Legal Adviser)
Persons present and Capacity:	Ms Elaine Skittrell (ACCA Case Presenter) Miss Mary Okunowo (Hearings Officer)
Summary:	Allegations 1, 2(a) and 3 were found proved.
Sanction:	Removal from ACCA's student register with immediate effect.
Costs:	£4,700

PRELIMINARY APPLICATIONS

ACCA



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SERVICE OF PAPERS

1. The Committee had considered the following documents: a Hearing Bundle (pages 1 to 141), and a Service Bundle (pages 1 to 21). The Committee had listened carefully to the submissions made by Ms Skittrell and also considered legal advice, which it had accepted.
2. The Committee had read the letter dated 21 November 2023 sent by ACCA by email to Mr Dograyan. It had noted the subsequent emails sent to him with the necessary link and password to enable him to gain access to the letter and the documents relating to this hearing.
3. The Committee was satisfied that such emails had been sent to Mr Dograyan'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.
4. The emails and the documents to which Mr Dograyan had access also contained the necessary information in accordance with CDR10.
5. Consequently, the Committee decided that Mr Dograyan had been properly served with Notice of the proceedings.

PROCEEDING IN ABSENCE

6. Although Mr Dograyan indicated in the Case Management Form that he intended to attend, subsequently he indicated in an email of 06 November 2023 that he had changed his mind and would not be attending.
7. On 21 November 2023, Mr Dograyan sent an email to ACCA confirming that he was not able to attend the hearing but did not give any reason.
8. On 01 December 2023, ACCA sent an email to Mr Dograyan, noting that he did not intend to attend and that, if he changed his mind, he should notify ACCA.

Mr Dograyan was asked to confirm that he was prepared for the Committee to continue in his absence.

9. On 04 December 2023, Mr Dograyan wrote to ACCA with regard to his employment status and then said that he would notify ACCA if he decided to attend the hearing.
10. On 13 December 2023, ACCA wrote to Mr Dograyan asking him for his consent to new ACCA panel members observing the proceedings and asking him again if he wished to attend, confirming that ACCA would bear the cost of him attending via telephone or video.
11. On the same day, Mr Dograyan replied, stating that he would not be attending and he did not object to observers attending the hearing.
12. On 18 December 2023, ACCA sent an email to Mr Dograyan with the necessary link to enable him to join via Microsoft Teams if he wished to do so.
13. The Committee considered that ACCA had done everything possible to enable Mr Dograyan to attend the hearing. The Committee was satisfied that the emails had been sent to the address on ACCA's register and there was a record of the emails having been delivered successfully.
14. Mr Dograyan had responded to the emails, confirming that he did not intend to attend. The Committee concluded that Mr Dograyan had voluntarily absented himself from the hearing, which he could have joined by telephone or video link.
15. The Committee was also 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 no such application had been made.
16. 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, together with

the responses that Mr Dograyan had provided in the course of the investigations by Firm A and ACCA.

17. The Committee ordered that the hearing should proceed in the absence of Mr Dograyan.

ALLEGATIONS

Mr Cihan Dograyan, an ACCA student:

1. Between 02 December 2018 and 27 September 2019, while he was employed by Firm A, improperly claimed personal expenses amounting to £14,545.05, in breach of Firm A's Expenses Policy.
2. Mr Dograyan's conduct in respect of the matters described in Allegation 1 above:-
 - a. Was dishonest, in that Mr Dograyan claimed expenses from Firm A, when he knew he was not entitled to do so; or, in the alternative
 - b. Demonstrates a failure to act with integrity.
3. By reason of the above Mr Dograyan is guilty of misconduct pursuant to bye-law 8(a)(i) in respect of any or all of the matters at Allegations and 1 and 2 above.

DECISION ON FACTS, ALLEGATIONS AND REASONS

18. As stated above, and in reaching its decisions with regard to the allegations, the Committee had considered the following documents: a Report of Disciplinary Allegations and Evidence Bundle (pages 1 to 141), and a Service Bundle (pages 1 to 21). The Committee had listened carefully to the submissions made by Ms Skittrell and also considered legal advice, which it had accepted.

Allegation 1

19. In reaching its findings of fact in respect of Allegation 1, and in the absence of Mr Dograyan, the Committee had listened to the submissions made by Ms Skittrell and considered the content of the documents contained in the bundle. This included the responses provided by Mr Dograyan in the course of Firm A's investigation and disciplinary process as well as his subsequent correspondence exchanged with ACCA.
20. Mr Dograyan became an ACCA student on 02 November 2017.
21. Mr Dograyan had been an employee (Senior Manager) at Firm A's Turkey office.
22. On 19 September 2016, he transferred to Firm A's UK office in London, where he worked in Financial Services, Banking Audit and was a Senior Manager Grade 2.
23. In May 2019, Mr Dograyan was referred to the Internal Financial Investigations Team ("IFI") for investigation by the Expenses Team, after concerns were raised in relation to a duplicate claims report and a high number of unreceipted claims made by Mr Dograyan.
24. In July 2019, a three-month review of the expenses claims made by Mr Dograyan was initially undertaken. This revealed clear breaches by him of Firm A's Expenses Policy. A full twelve-month investigation commenced in relation to further expense claims submitted by Mr Dograyan, covering the period from 02 December 2018 to 27 September 2019. As described by Firm A, this highlighted "*a high level of expense claims for personal spend that Mr Dograyan had claimed as business costs*".
25. On 29 October 2019, Mr Dograyan was interviewed with regard to the financial anomalies, in particular, the high proportion of the claims that were "*personal*

spend'. In his explanation, Mr Dograyan advised Firm A that he predominantly worked at the client site and his expenses related to travel, meals and overtime which had been charged by the business to Firm A Chicago. As mitigation, Mr Dograyan stated he often worked late i.e. after 9pm, and explained that he had [PRIVATE], though Firm A stated he did not directly link this as a cause for his conduct. Firm A stated that Mr Dograyan had informed them that he had read the Expenses Policy and was aware that when he was completing the Ethics and Independence training, which Firm A stated he completed on 12 November 2019, he had confirmed annually that he had read, understood and would comply with Firm A's Expenses Policy.

26. The Committee had considered the Expenses Policy and a document entitled Ethics and Independence Confirmation 2019. Having done so, the Committee was satisfied that the Expenses Policy for Firm A UK was a clear, easily understood and detailed policy. Furthermore, the Committee found that, in signing the Ethics and Independence Confirmation, he had confirmed that he understood, and had complied with, various policies, to include the Expenses Policy.
27. Following the interview, the IFI sent Mr Dograyan an updated schedule of expenses spreadsheet listing claims requiring further information and clarification. Mr Dograyan was asked to provide further receipts, other supporting documentation, clarification and approvals. The Engagement Partner was also contacted, and they provided verification to queries raised by the IFI Team, regarding costs which were not in accordance with the Expenses Policy. Firm A confirmed that only a fraction of these expenses had been allowed by the business due to urgent client engagement disruption and deadlines.
28. Firm A confirmed the IFI's conclusion that there had been a clear breach of Firm A's Expenses Policy by Mr Dograyan; what were described by Firm A as the most egregious breaches related to Mr Dograyan's significant personal expenses which he had charged to Firm A, without a reasonable explanation.

The recommendation was for a formal disciplinary hearing to be conducted by the Employee Relations Investigations Team (ERTI).

29. Firm A stated that a 'Final Schedule of Expenses' was sent to Mr Dograyan, on 17 December 2019, together with a request for repayment of those expenses which Mr Dograyan was required to reimburse to Firm A. Mr Dograyan accepted that the sum of £14,545.05 was to be repaid to Firm A.
30. During Firm A's disciplinary proceedings, Mr Dograyan informed Firm A that he questioned complying with Firm A's UK Expenses Policy when he had been given an expense budget allocated by Firm A Chicago which he stated did not limit them like Firm A UK's Expenses Policy. However, the Committee was satisfied that the UK Expenses Policy applied to Mr Dograyan. Furthermore, the Committee accepted Firm A's evidence, and found that, enquiries having been made, no expenses budget was allocated to Mr Dograyan by Firm A Chicago, nor did Mr Dograyan seek authorisation, nor was prior approval sought or given for the expenses.
31. The Committee accepted Firm A's conclusions as follows, "*the claims analysed covered the period from 02/12/18 to 27/09/19. A total of 105 claims were reviewed which covered 1040 individual lines, totalling £23,651.13. This was made up of £6,394.72 in Out of Pocket (OOP) claims and £17,256.41 of transactions on his corporate Amex. Of the £23,651.13 claimed, £3,617.61 relates to breaches of the Expenses Policy and £10,927.44 personal benefit. These costs should be reimbursed to Firm A.*"
32. In particular, the Committee noted the information set out at section 2 of the investigation report which highlighted the illegitimate expenses which Mr Dograyan had claimed. This included improper use of the firm's Amex card and out-of-pocket expenses. Examples of improper claims included: [PRIVATE]; costs relating to football matches, and duty-free purchases. This amounted to £10,927.44.

33. There were also numerous claims for meals, public transport, and exam fees which were improperly claimed.
34. Mr Dograyan had initially suggested that all such, "*expenses are paid for by Firm A Chicago; I submit a quarterly report and they approve commute and meals expenses; so there is no impact on Firm A UK*". When questioned further he stated, "*this is my fault as well, I should have asked someone in the firm for approval but have not done previously*".
35. Following a disciplinary hearing on 24 February 2020, Mr Dograyan was summarily dismissed for gross misconduct, having been found to have committed serious breaches of the Expenses Policy.
36. On 10 August 2021, the matter having been referred by Firm A, ACCA wrote to Mr Dograyan, setting out details of the complaint and the allegations against him and asked him a series of questions.
37. On 17 November 2021, Mr Dograyan replied to ACCA.
38. In response to the question of whether he claimed £14,545 from his employers, Mr Dograyan stated, "*Yes, I can confirm that I claimed £14,545 from my employer. Part of the amount was related to Overtime dinner expenses while I was working from home and also overtime commute expenses because of long hours. Were working 60-70 hours a week in the Audit department and were not able to charge our real hours due to budget pressure from Partners/management. [PRIVATE].*" (sic)
39. It was put to Mr Dograyan that "*Firm A say these were personal expenses, relating to personal costs in respect of meals, public transport, taxis and exam entry fees/tuition fees.*" Mr Dograyan was then asked whether he accepted this. Mr Dograyan stated, "*That's correct, I accept that I claimed meals, commute, taxis etc. and as I have mentioned above some of them due to overtime related which they did not accept but yes I accept other personal expenses like exam fees etc. this is because they did not accept to bear the cost compared to the*

new graduates it was a discrimination i.e. they support ACA exam cost for the new graduates who are UK citizens and on ACA route but they don't support other senior people like they recruit from overseas as SM which don't have ACA route. I raised this a couple of times with Firm A and they did not accept."(sic)

40. Mr Dograyan was asked why he submitted the expenses amounting to £14,545.05 as business costs. He replied, *"There are various reasons. [PRIVATE] and I was [PRIVATE] from the Partner that I had worked with which I couldn't evidence because there wasn't anything written and plus the 60-70 hour a week working hours including weekend and I did claim some of the expenses intentionally against their mobbing and strained long hours policy. I know this is not true and fair but Firm A is also guilty of getting me into this position if I am honest. I don't support what I have done but I am trying to explain [PRIVATE]"*.
41. Mr Dograyan was afforded an opportunity to provide an explanation of his actions, his thoughts about them at the time and what he thought about them as at the time of the response and in hindsight. He stated, *"Of course I regret and I wish I had raised these [PRIVATE] directly to the whistleblower line but I was feeling alone. Also the same feeling on long hours including weekdays which topped [PRIVATE]"*.
42. Mr Dograyan was asked whether he disputed the accuracy of the complaint and supporting documentation and if he did, to explain why. He stated, *"I only dispute their policy. They don't accept expenses when I was working late at home and commute expenses as well. Other than that I don't have any dispute and [PRIVATE]"*.
43. Mr Dograyan was asked to confirm whether he had re-paid the sum of £14,545.05 to Firm A and to provide documentary evidence of this. Mr Dograyan explained, *"I repaid £5,000 which they deducted from my bonuses before they dismissed me and also I pay monthly amounts but due to Covid I asked for a pay holiday because I found myself unemployed in the middle of*

Covid lockdown". He further explained that he had paid back £7,556.62 and still owed £6,988.38 to Firm A and had a payment plan in place to them.

44. Firm A subsequently informed ACCA of the following regarding the payment of the sum of £14,545.05 that was to be re-paid by Mr Dograyan to Firm A:

"Please note the following regarding Cihan Dograyan.

Total amount owed to Firm A £14,545.05

Total sum of payments received to-date £7,556.62

Total debt currently standing with Firm A £6,988.43

The agreed repayment plan between Firm A and Cihan Dograyan was effective from 31 August 2020 and ended 30th April 2022. The deadline for repayments has passed and Cihan currently has an outstanding repayment figure of £6,988.43. The firm are in the process of contacting Cihan Dograyan regarding the outstanding amount owed to the firm" .

45. Finally Mr Dograyan was asked whether he wished to provide any further representations and/or documentation that he felt would assist in the investigation of this matter. Mr Dograyan stated that he regretted what he had done and then made various allegations against Firm A and its conduct. He concluded by saying, "*[PRIVATE]* and in the middle of Covid lockdown. They dismissed me at the end of February 2020...

Of course this does not match with integrity principles and professional behaviour but I love my job and I want to keep my ACCA student status which I want to get my ACCA accreditation."

46. On 07 September 2022, Mr Dograyan provided further information regarding the amount outstanding to Firm A which was consistent with Firm A's figures

as set out above. He also suggested that there needed to be greater clarity in relation to the different expenses policies operated by Firm A.

47. On 13 September 2022, Mr Dograyan provided further explanation regarding his alleged treatment by a partner at Firm A which affected him and also the difficult time that he and his family had experienced in 2020. However, he accepted the debt owed to Firm A and that he would pay it. He stated, *"Could we please end this correspondence. I also accept any penalty from ACCA including dismissal myself from that organisation as well."*
48. On the basis of its findings, together with the admissions made by Mr Dograyan, the Committee was satisfied that, in the period 02 December 2018 and 27 September 2019, while employed by Firm A, he improperly claimed personal expenses amounting to £14,545.05, in breach of Firm A's Expenses Policy.
49. Consequently, the Committee found Allegation 1 proved.

Allegations 2(a)

50. The Committee relied upon its findings of fact under allegations 1 above.
51. The Committee had found that Mr Dograyan knew that, in the period from 02 December 2018 to 27 September 2019, he had claimed a substantial cumulative sum in respect of a considerable number of expenses to which he was not entitled and which were for his personal benefit.
52. Furthermore, the Committee found that the reasons provided by Mr Dograyan in an attempt to explain his actions did not justify his systematic abuse of the Expenses Policy. Indeed, certain of his explanations were misleading, such as reference to his suggestion that the claims were justified under Firm A's Chicago policy. In respect of other allegations he had made, he had not provided any evidence in support.

53. The Committee was satisfied that, by the standards of ordinary decent people, such conduct would be considered to be dishonest.
54. Consequently, the Committee found allegation 2(a) proved.

Allegation 2(b)

55. On the basis that this allegation was pleaded in the alternative to allegation 2(a), the Committee made no finding in respect of it.

Allegations 3

56. Taking account of its findings that Mr Dograyan had acted dishonestly, the Committee was satisfied that he was guilty of misconduct. Such conduct fell far below the standards expected of an accountant and member of ACCA and could properly be described as deplorable. In the Committee's judgement, it brought discredit to Mr Dograyan, the Association, and the accountancy profession.
57. The Committee found allegation 3 proved.

SANCTION AND REASONS

58. 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 listened to submissions from Ms Skittrell, and to legal advice from the Legal Adviser, which it accepted.
59. 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.
60. 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.

61. The Committee considered whether any mitigating or aggravating factors featured in this case.
62. The Committee accepted that there were no previous findings against Mr Dograyan. There was no evidence of any other mitigating factors in this case. The Committee had not heard from Mr Dograyan nor had it received any references or testimonials.
63. As for aggravating features, on the basis of the Committee's findings, it had been established that Mr Dograyan's behaviour had been dishonest and the steps Mr Dograyan had taken involved a level of sophistication and premeditation. His actions had also taken place over a significant length of time and involved claiming expenses for costs incurred which could not possibly have been related to his work. The claims were also significant in number. The Committee was entirely satisfied that his behaviour would undermine confidence in the profession and put at risk the reputation of ACCA.
64. Whilst the Committee noted that Mr Dograyan had accepted that he had made improper expenses claims, he then attempted to deflect a level of responsibility to Firm A and individuals within the firm. First, the Committee did not consider that the improper claims could be linked in any way to the allegations made by Mr Dograyan and, secondly, he had provided no evidence to support the allegations he made. Thirdly, having considered the Expenses Policy, it is clear and easy to understand. These factors illustrated a lack of remorse and insight on the part of Mr Dograyan into the seriousness of his conduct. The Committee was also concerned that Mr Dograyan's dishonest conduct was to enable him to derive a benefit for himself and [PRIVATE].
65. Finally, Mr Dograyan held the position of Senior Manager within Firm A and his behaviour represented a serious breach of trust.

66. The Committee concluded that neither an admonishment nor a reprimand would adequately reflect the seriousness of the Committee's findings.
67. 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.
68. Mr Dograyan had been found to have acted dishonestly in his conduct. It was also a persistent and deliberate course of conduct extending over a number of months.
69. In the Committee's judgement, Mr Dograyan's overall conduct was fundamentally incompatible with being a student member of ACCA and risked undermining the integrity of ACCA membership. The Committee adopted the Guidance which stated that the reputation of ACCA and the accountancy profession was built upon the public being able to rely on a member, including a student member, to do the right thing in difficult circumstances. It noted this was a cornerstone of the public value which an accountant brings.
70. The Committee had considered whether there were any reasons which were so exceptional or remarkable that it would not be necessary to exclude Mr Dograyan as a member of ACCA but could find none.
71. The Committee concluded that the only appropriate, proportionate and sufficient sanction was to order that Mr Dograyan shall be removed from ACCA's student register.

COSTS AND REASONS

72. The Committee had been provided with a bundle containing a cost schedule and information relating to Mr Dograyan's means (pages 1 to 36).

73. The Committee concluded that ACCA was entitled to be awarded costs against Mr Dograyan, all allegations, including dishonesty, having been found proved. The amount of costs for which ACCA applied was £5,054. Taking account of the nature of the case, the Committee did not consider that the costs incurred were unreasonable.
74. Mr Dograyan had provided the Committee with details of his means. The information indicated that he was in receipt of a net monthly income of [PRIVATE]. Whilst he provided a list of outgoings, the Committee concluded that Mr Dograyan was able to pay ACCA's costs.
75. However, the Committee noted that the amount of estimated time claimed in respect of today's hearing was greater than the time the hearing had actually taken.
76. In all the circumstances, the Committee exercised its discretion when determining the amount Mr Dograyan should be expected to pay. Taking account of what had been said by Ms Skittrell, the Committee considered that it was reasonable and proportionate to award ACCA costs in the reduced amount of £4,700.

EFFECTIVE DATE OF ORDER

77. Taking into account all the circumstances, and on the application of Ms Skittrell, the Committee decided that it was necessary, and in the interests of the public, for this order to take immediate effect.
78. In reaching its decision, the Committee took account of the fact that Mr Dograyan had acted dishonestly and had failed to illustrate sufficient insight and remorse. In the circumstances, being able to hold himself out as a student member, the Committee considered that Mr Dograyan continues to represent an ongoing risk to the reputation of ACCA.

79. Therefore, as stated, the Committee concluded that it was in the interests of the public for the order to take immediate effect.

Mr Maurice Cohen
Chair
19 December 2023