

Code of Practice for Professional Managers

Case Study

J, an Affiliate Member of the CMI, operated an Institute Approved Centre, delivering courses of study leading to a CMI qualification.

S, a CMI Member, started studying for a Management Diploma at this particular Centre, agreeing to pay for the course in instalments. The final payment was made to the company some three months later. The payment was received and acknowledged shortly afterwards by J.

S contacted J by phone a month later, becoming somewhat suspicious that the company's website had suddenly become unavailable. Further attempts to contact J then proved fruitless, and it became apparent that the company had ceased trading. Neither S nor the Institute itself had been informed of the situation.

After considering possible options available, S formally complained to the CMI identifying clauses within the *Code of Practice for Professional Managers* that may have been breached. The grounds for the complaint were that J took payments from S for the provision of management training when J would have known that the company was about to cease operations. That particular payment should not have been accepted. It turned out that S had suffered significant financial loss through the failure of the company to deliver on the contracted course of study.

The formal investigation revealed that further students had been placed in difficulty by the company ceasing to trade, and that the company was under notice to be struck off the companies' register by Companies House. Attempts by the CMI to contact J brought no effective response. The investigation report, setting out the issues, detailing the evidence compiled, and relating these to the Code of Conduct, was presented to the Professional Standards Committee (PSC). The recommendation in the report was that there was a 'case to be heard'. The report was accepted by the PSC and a hearing was arranged, with due notice given to all parties.

Further investigation in the run up to the hearing indicated that in all likelihood the company had been in financial difficulty since before S applied to follow his course of study at the Centre.

J, who did not attend the hearing, was found to have breached five clauses of the *Code of Practice for Professional Managers*. The breaches related to:

- Remaining accountable for one's actions
- Establishing, maintaining and developing business relationships based on mutual confidence and trust
- Being honest, open and truthful in all external communications.

The Hearing Panel's recommendation, that J should be dismissed from membership of the Institute, was approved by the Board. J submitted no appeal against the judgement.

Lessons from this case for CMI members

- If you are in business to provide others with goods or services, and you come to recognise that you cannot guarantee your commitments to them, it is better to acknowledge the difficulties up front and work with your customers in an attempt to find a solution.
- Members have a responsibility, set out in the Code, to comply with reasonable requests and queries made by the Institute, for example in relation to assisting an investigation. Failure to respond or to cooperate does not help an individual's cause.