

minutes



Meeting: Regulatory Board

Location: Reading Room, 29 Lincoln's Inn Fields, London, WC2A 3EE

Date: 11 February 2014, 13.30 – 16.30

PRESENT:

The Chairman (Katrina Wingfield), Peter Cadman, Christine Fraser, Raphael Joseph, Robert Stenhouse, Antony Townsend, Anthony Tyen, Frances Walker and Rosalind Wright.

IN ATTENDANCE:

Executive Director – Governance (Peter Large), Director – Practice Monitoring (Sha Ali Khan), Director – Regulation (Sundeep Takwani), Investigations Manager (Sheelagh Wilson) and Regulation Officer (Catriona Spedding).

APOLOGIES:

Apologies were received from David Thomas.

1. MINUTES

The Board approved the minutes of the meeting held on 20 November 2013.

2. ACTIONS NOTE

The Board noted a report on follow-up to actions from the last meeting.

3. PRESENTATION FROM THE EXECUTIVE DIRECTOR - GOVERNANCE

The Board noted a presentation from the Executive Director – Governance on recent development.

The Board was concerned to learn that the Financial Reporting Council (FRC) had notified ACCA that it proposes to give it a direction notice, which requires ACCA to develop and implement a plan to identify any cases where the practising certificate with audit qualification (PCAQ) has been awarded incorrectly since 1 January 2013, and to set out steps it will take to correct the position. The Board noted that:

- ACCA was surprised by the notice, particularly as the deadline for ACCA to make comments on the first draft of the report of the 2013 RSB inspection had not yet passed

- ACCA was concerned with the absence of any process in respect of the FRC's consideration of the matter
- and
- ACCA has written to the FRC outlining its concerns and suggesting that the notice be withdrawn until at least such time as the deadline for ACCA to make comments on the first draft of the RSB report has passed and the second draft of the report has been issued in line with the schedule previously agreed with the Professional Oversight Team (POT).

The Board were concerned that this matter had arisen and agreed that:

- if any members of the Board have any points of detail then these should be raised with the Director – Regulation
 - it should be provided with an update on the matter at the May meeting
- and
- ACCA should review the FRC public report, which covers all RSBs/RQB, to identify any areas of concern and review its own processes in these areas.

4. FILE REVIEW

The Board noted a report from the Chairman on her review of files relating to complaints, licensing, monitoring and complaints about ACCA's handling of these matters and an accompanying commentary from ACCA.

The Board agreed that it would like to receive a demonstration of the i-casework system with a particular focus on its various reporting functions.

5. ANNUAL REPORT OF THE REGULATORY BOARD TO ACCA'S COUNCIL

The Board considered the annual report of the Regulatory Board to ACCA's Council and agreed that:

- the draft report should be updated to incorporate the amendments identified at the meeting
- the draft report should explain how ACCA is addressing the issues identified in respect of the listing of cases
- the draft report should refer to the changing environment, particularly the increased scrutiny from regulators

- if the Board has any further points then these should be emailed to ACCA by 28 February 2014
 - a working party, comprising of Katrina Wingfield, Chris Fraser and Antony Townsend, should review and approve the final draft report
- and
- this working party should also consider the draft public report before it is presented to the Board at its meeting in May 2014.

The Board noted the geographical breakdown of annual statistics for the last five years.

6. EXTERNAL DEFERRAL CASES

The Board noted a report on those cases placed on external deferral. The Board agreed:

- that the policy for putting cases on external deferral should be updated to incorporate the amendments identified at the meeting
 - that the reasoning for putting cases on external deferral should be better articulated
 - timelines should be built in when further complaints are received
- and
- an update should be brought to the May 2014 meeting.

7. LEAD REGULATOR UPDATE

The Board noted an update on ACCA's interactions with its lead regulators.

8. REPORT FROM THE APPOINTMENTS SUB-COMMITTEE

The Board noted a report from the Chairman of the Appointments Sub-committee following its meeting on 29 January 2014.

9. REPORT FROM THE REGULATIONS REVIEW SUB-COMMITTEE

The Board noted a report from the Chairman of the Regulations Review Sub-committee following its meeting on 11 February 2014.

10. BREAKDOWN OF CASES UNDER INVESTIGATION BY AGE OF COMPLAINT

The Board noted an up-to-date breakdown of the number of cases under investigation by age of complaint.

11. REGULATORY BOARD WORK PLAN

The Board approved the work plan (as amended), set out at Appendix 1 to these minutes.

12. AGGREGATED SUMMARY OF COMMITTEE DECISIONS OF DISCIPLINARY AND REGULATORY HEARINGS AND REPORTS OF OTHER MEETINGS

The Board noted:

- an aggregated summary of decisions of disciplinary and regulatory hearings covering the period between 1 October to 20 December 2013
- and
- the draft minutes of the Disciplinary Assessor meeting held on 29 November 2013.

13. DATES OF FUTURE MEETINGS

The Board noted the remaining dates of Regulatory Board meetings in the 2013 – 14 Council year.

14. REGULATORY BOARD EVENT

The Board noted a paper from Robert Stenhouse setting out initial thoughts on the scope of the next Regulatory Board event. The Board agreed that any feedback on the proposed scope should be circulated by 28 February 2014.

Chairman



Appendix 1

REGULATORY BOARD WORK PLAN FOR THE 2013-2014 COUNCIL YEAR

1. The following provides a general narrative schedule for the items of business to be addressed by the Board at its meetings during the Council year. The work plan is ordered to reflect the Council, not calendar year, and each bulleted item is cross-referenced to the Board's Terms of Reference. It is noted that the list is not exhaustive and that agenda items might be introduced at any time, within the overall Terms of Reference.

February

- ~~note geographical statistics for the last five years~~ [2.4]
- ~~approve 2013 annual report to Council~~ [3.2]
- ~~receive a report on those cases placed on external deferral~~ [2.1]

May

- update on the FRC's proposed direction notice and the process changes implemented to guard against errors in audit qualification awards [2.5]
- approve 2014 annual report to Governance Design Committee [3.2]
- approve 2014 public Report on Regulation [3.2]
- receive an update on those cases placed on external deferral [2.1]
- receive an update on the progression of cases where the complaint was received before 2007 [2.4]
- discuss a new Regulatory Event [6.9]
- Blue-skies thinking session
[not specifically within Board's Terms of Reference]
- receive an update on how the FRC Accountancy Scheme has been operated
[not specifically within Board's Terms of Reference]

September

- approve work plan for 2014-2015 Council year [2.1]
- _____ receive a report from the Regulations Review Sub-committee on proposed changes to the 2015 Rulebook [2.3]
- review listing times and consider the appropriateness of the current listing target [2.1]
- review investigation times and receive a report on the number of changes that have been implemented to address the delays in investigating times [2.1]
- receive a report on licensing, monitoring and complaints and disciplinary activities and highlight matters which are likely to be of concern to FRC-POT [2.1]