

# minutes



**Meeting:** Regulatory Board

**Location:** Chartered Institute of Arbitrators, 12 Bloomsbury Square,  
London WC1A 2LP

**Date:** 1 December 2009

---

## **PRESENT:**

The Chairman of the Board (Miss Wingfield), Messrs Barrow, Cadman, Cushing, Mrs Duffner, Ms Fraser, Messrs Joseph, Kershaw, Lock and Stenhouse.

## **IN ATTENDANCE:**

Executive Director – Governance (Mr Large), Director – Regulation (Mr Takwani), Director – Practice Monitoring (Mr Ali Khan), Head of Planning (Mrs Pinner), Case Presenter (Mr Grey – present for item 16 only) and Planning Officer (Miss Clarke).

### **1. APOLOGIES**

There were no apologies for absence.

### **2. MINUTES OF THE LAST MEETING**

The Board agreed the minutes of the meeting held on 21 September 2009.

### **3. ACTIONS NOTE**

The Board noted a paper providing a summary of the actions taken since the last meeting.

The Board also noted an update from the Chairman of the Regulatory Board on the results of her approaches to other bodies to see if they would be interested in carrying out comparative studies.

### **4. STANDING ORDERS**

The Board agreed to endorse its Standing Orders for the coming year set out at Appendix 1 to these minutes.



## **5. SUB-COMMITTEE MEMBERSHIP AND TERMS OF REFERENCE**

The Board agreed to confirm:

- the terms of reference and membership of the Appointments Sub-committee for the coming year (as amended), set out at Appendix 2 to these minutes and
- the terms of reference and membership of the Regulations Review Sub-committee for the coming year (as amended), set out at Appendix 3 to these minutes.

## **6. REPORT FROM THE EXECUTIVE DIRECTOR – GOVERNANCE**

The Board noted a presentation on recent developments at ACCA from Peter Large, Executive Director - Governance.

The Board agreed that it would welcome presentations from the ACCA Chief Executive and Executive Directors in 2010.

## **7. ANNUAL REPORT OF THE REGULATORY BOARD**

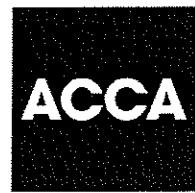
The Board discussed the content and format of the 2009 annual report of the Regulatory Board to ACCA's Council and agreed that an updated draft, incorporating the changes identified at the meeting, should be circulated to the Board for consideration before its next meeting.

## **8. REVISED REQUIREMENTS FOR AUDIT RE-QUALIFICATION**

The Board considered a paper revising the requirements for members to regain the audit qualification subsequent to its withdrawal for regulatory reasons and agreed to approve the amendments to the Guidance for Regulatory Orders to reflect the changes proposed in the paper, set out at Appendix 4 to these minutes.

## **9. COLLECTION OF FINES AND COSTS**

The Board considered a paper on the collection of fines and costs and agreed to endorse the policy statement (as amended).



## **10. LEAD REGULATOR UPDATE**

The Board noted a paper providing an update on ACCA's interaction with its lead regulators.

## **11. REPORT FROM THE APPOINTMENTS SUB-COMMITTEE**

The Board noted:

- a report from the Chairman of the Appointments Sub-committee, following its meeting on 3 November 2009
- the minutes of the Sub-committee's meeting held on 7 September 2009  
and
- a paper on the proposals for implementing a practical approach to observations.

The Board also noted a paper on the recruitment of members of ACCA's disciplinary and regulatory committees and agreed to endorse the appointments of the recommended candidates, subject to the receipt of satisfactory references.

## **12. REPORT FROM THE REGULATIONS REVIEW SUB-COMMITTEE**

The Board noted the minutes of the Regulations Review Sub-committee meetings held on 26 June and 14 July 2009.

## **13. REPORT FROM THE LISTING TIMES WORKING PARTY**

The Board noted:

- a report from the Chairman of the Listing Times Working Party, following its first meeting on 20 October 2009
- the draft minutes of the meeting held on 20 October 2009  
and
- the overall objective of the working party.



#### **14. REGULATORY BOARD WORK PLAN**

The Board agreed to approve the work plan set out at Appendix 5 to these minutes.

The Board also agreed that an updated work plan, incorporating the changes identified at the meeting, should be provided for consideration at its next meeting.

#### **15. AGGREGATED SUMMARY OF 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 25 August to 29 October 2009.

The Board agreed that the Listing Times Working Party should look at the aggregated summary in more detail, specifically for cases where there was a long delay between the date the complaint was originally received and the date of the hearing, and provide the Board with recommendations on how this information should be presented in the future.

The Board also noted:

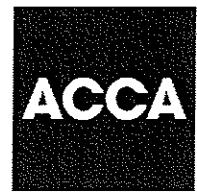
- the draft minutes of the Meeting of Chairmen and Deputy Chairmen held on 16 September 2009
- the agenda and accompanying papers for the meeting of Disciplinary Assessors held on 20 November 2009

and

- the training day information sheet for the Regulatory Assessors informal training and discussion session held on 21 October 2009.

#### **16. PROFESSIONAL CONDUCT DIRECTORATE BENCHMARKING STUDY**

The Board noted a paper on the Professional Conduct Directorate's benchmarking study.



## **17. DATES OF FUTURE MEETINGS**

The Board noted the dates of meetings in 2010 and agreed that its next meeting should start at 9.30am.

## **18. MATTERS TO BE CONSIDERED AT FUTURE MEETINGS**

It was agreed that if Board members would like to see any matters included in future meeting agendas, they should e-mail the appropriate details to Hannah Clarke, Planning Officer.

K Wingfield  
Chairman

A handwritten signature in black ink that reads 'K Wingfield'. The signature is written in a cursive, flowing style.

## ACCA REGULATORY BOARD - STANDING ORDERS

### 1. Status

- 1.1 The ACCA Regulatory Board is established pursuant to ACCA bye-laws 12 and 28 ("the Bye-laws"). The composition and principal functions of the Board are specified in regulations made by Council under the Bye-laws, known as the Chartered Certified Accountants' Regulatory Board and Committee Regulations 2008 ("the Regulations").
- 1.2 In accordance with the Bye-laws and Regulations, the Board shall comprise a Lay Chairman, six further lay members and three members of the ACCA Council. All members are appointed and removed on such terms as Council, in its absolute discretion, deems appropriate.
- 1.2 The Board shall determine its own procedures, which are set out in these Standing Orders ("the Standing Orders"). In the event of any conflict between the Bye-laws and the Regulations and these Standing Orders, the Bye-laws shall take precedence over both the Regulations and Standing Orders and the Regulations shall take precedence over the Standing Orders.

### 2. Role of the Regulatory Board

- 2.1 The Regulatory Board shall, working with the Lay Chairman, carry out general oversight of ACCA's regulatory and disciplinary arrangements, including the resourcing and overall performance of the Governance Directorate (but excluding issues relating to the performance of individual members of staff in the Directorate, which shall be a matter for the Executive Director - Governance).
- 2.2 The Regulatory Board shall assist the Lay Chairman, as he deems appropriate, in his monitoring of the fairness, impartiality and integrity of ACCA's complaints, licensing and practice monitoring processes as set out in Standing Order 3.
- 2.3 ***The Regulatory Board shall receive minutes and/or reports of all meetings of:***
  - ***Appeal Committee***
  - ***Admissions and Licensing Committee***
  - ***Disciplinary Committee***

- *Chairmen and Deputy Chairmen*
- *committee panel members*
- *Assessors*
- *Regulatory Assessors*
- Appointments Sub-committee
- Regulations Sub-committee
- working parties it has created.

2.4 The Regulatory Board shall also receive regular reports as follows:

- from the Executive Director - Governance on recent issues
- on the operation of ACCA's investigative processes, licensing arrangements and practice monitoring activities.

2.5 The Regulatory Board shall receive reports of inspections of ACCA's operations by its lead regulators and shall advise Council on any matters likely to affect the proper discharge of ACCA's statutory recognitions.

2.6 The Regulatory Board may develop and adopt policy statements in respect of non-operational regulatory and disciplinary matters as may arise from time to time.

2.7 All Board policy statements shall be subject to review and revision by the Board at any time as the Board, in its absolute discretion, sees fit, subject to each policy statement being reviewed by the Board at intervals not greater than five years.

**3. Role of the Chairman of the Regulatory Board**

3.1 The Lay Chairman shall monitor the fairness, impartiality and integrity of ACCA's complaints, licensing and practice monitoring processes, through:

- attending, as he sees fit, hearings of the Association's Appeal, Disciplinary and Admissions and Licensing Committees and retiring with the committees when they withdraw to make decisions

- observing, as he sees fit, work undertaken by Assessors and Regulatory Assessors
- attending, as he sees fit, interviews conducted by the Appointments Sub-committee for the appointment of disciplinary and regulatory committee members and Assessors and Regulatory Assessors
- inspecting, on such occasions as he sees fit, whether by way of random reviews or otherwise, such files or other documents held by the ACCA Governance Directorate as he considers necessary or desirable
- inspecting the ACCA Governance Directorate's log of complaints about the exercise of its functions
- observing other operational activities, such as monitoring visits, on such occasions as he sees fit.

3.2 ***The Lay Chairman shall report to Council on the above work and that of the Regulatory Board not less than once a year.***

3.3 The Lay Chairman may provide advice to Council, as necessary, on measures designed to improve the fairness, impartiality and integrity of ACCA's complaints, licensing and practice monitoring processes.

3.4 The Lay Chairman may report to Council on any urgent regulatory or disciplinary matter at any time as he sees fit.

3.5 The Lay Chairman shall chair meetings of the Regulatory Board.

**4. Meetings of the Regulatory Board**

4.1 The Regulatory Board shall meet a minimum of three times each year, normally in January/February, June/July and September/October.

4.2 ***The quorum for meetings, and therefore for decisions of the Board to be valid, is a minimum of six Board members present.***

4.3 The location of meetings shall be London. Best endeavours will be used to enable members so wishing to participate in meetings by telephone or video conference. Board members participating by telephone or video conference shall count towards the quorum.

- 4.4 The Lay Chairman of the Board shall chair meetings. In the absence of the Lay Chairman from a meeting, a chairman for that meeting shall be elected from among those Board members present.
- 4.5 All matters requiring decisions shall be determined by a majority of the votes of the Board members present, every board member having one vote save that in the event of an equality of votes the meeting chairman shall have a second or casting vote.
- 4.6 The Executive Director - Governance or his nominee may attend all meetings of the Board and its Sub-committees and working parties. Other members of staff may attend meetings as agreed between the Executive Director - Governance and the Lay Chairman.
- 4.7 Staff attending meetings may participate in discussions but may not vote.

## **5. Minutes of Board meetings**

- 5.1 Minutes of the proceedings of all meetings of the Regulatory Board and of the attendance of Board members thereat shall be recorded in a format prescribed by Council.
- 5.2 The minutes shall be supplied to Council, save that any references relating to individual ACCA members, student or firms involved in cases shall be redacted.
- 5.3 Minutes of Board meetings shall be published on the ACCA website when approved by the Board, save that any references to individual members, students or firms involved in cases shall be redacted.

## **6. Appointment of Sub-committees**

- 6.1 *The Regulatory Board shall annually appoint an Appointments Sub-committee and a Regulations Review Sub-committee.*
- 6.2 The Regulatory Board shall determine the numbers of members to be appointed to each Sub-committee, subject to the provisions of Standing Order 6.5 and each Sub-committee consisting of not less than three members. The quorum for meetings of the Sub-committees shall be fifty-one percent, rounded-up as necessary, of the appointed members.
- 6.3 The Regulatory Board shall appoint, from among those it has appointed to the Sub-committees, Chairmen who shall serve for a maximum of three years in succession subject to annual re-appointment. The Chairmen of Sub-committees shall each be provided with a letter from

ACCA setting out the duration and any other terms of their appointments.

- 6.4 The Lay Chairman shall be an ex officio member of all Sub-committees and working parties and may attend and vote at all meetings.
- 6.5 *Membership of the Appointments Sub-committee shall be restricted to lay members of the Board and other lay persons appointed by the Board from time to time on such terms as the Regulatory Board determines.*
- 6.6 The Regulatory Board shall agree annually terms of reference for the Sub-committees.
- 6.7 *In the case of the Appointments Sub-committee, the terms of reference shall be designed to ensure that it fulfils its obligations under the Regulations to appoint and appraise committee members, assessors and regulatory assessors. In the case of the Regulations Review Sub-committee, the terms of reference shall be designed to ensure that it fulfils its obligations under the Regulations to review and make recommendations to the Board for changes to ACCA's Rulebook.*
- 6.8 Where necessary and appropriate, the respective Chairmen of the Sub-committees may take decisions between meetings which cannot reasonably or safely be held over to the next following meetings, in consultation, as necessary, with the Executive Director - Governance . Such decisions shall be reported to the next following meetings.
- 6.9 The Regulatory Board may also appoint task-related working parties from time to time on such terms as it determines.
- 6.10 The Executive Director - Governance or his nominee may attend all meetings of Sub-committees and working parties. Other members of staff may attend meetings of Sub-committees and working parties as agreed between the Executive Director – Governance and the Lay Chairman.
- 6.11 Minutes of the proceedings of all meetings of the Sub-committees (and any working parties formed) and of the attendance of members thereof shall be recorded in a format prescribed by Council. Such minutes shall be supplied to Board.

## 7. Code of conduct

- 7.1 Lay members of the Board and any non-Board individuals appointed to the Appointments Sub-committee or any working party created by the

Board shall agree to abide by to Council's Code of Conduct for Non-member Committee Appointees, as attached to these Standing Orders.

- 7.2 Council members of the Board shall remain subject to the Code of Practice for Council Members, contained in the Council Standing Orders, in the course of carrying out their duties as members of the Board.

ooOoo

[N.B. Sections set out in ***bold/italics*** are requirements of the Regulations.]

# Appointments Sub-committee

## Terms of Reference



### 1. Status

1.1 The Appointments Sub-committee ('the Sub-committee') is established by the Regulatory Board in accordance with the Chartered Certified Accountants' Regulatory Board and Committee Regulations 2008.

### 2 Objective of the Sub-committee

2.1 The objective of the Sub-committee is to safeguard the integrity of the disciplinary and regulatory processes by:

- ensuring there is an appropriate number of experienced panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors available at all times, providing an appropriate type and level of experience and being as diverse as possible
- monitoring the performance of panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors
- promoting consistency in the performance of panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors
- identifying training and support needs of all panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors
- developing and keeping under review a code of conduct for panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors, and ensuring that appropriate procedures are in place to support the application of that code
- encouraging and promoting best practice.

### 3. Role of the Sub-committee

3.1 The functions of the Sub-committee shall include the following.

3.2 Appointment of panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors

To appoint panel members, including chairmen and deputy chairmen, as and when required, so that there is an appropriate number of experienced panel members, including chairmen and deputy chairmen, available to sit on committees at all times.



To appoint disciplinary assessors and regulatory assessors, as and when required, ensuring that there is an appropriate number of experienced disciplinary assessors and regulatory assessors available at all times.

3.3 Appraisal of the performance of chairmen and deputy chairmen and panel members at committee hearings

To observe the performance of panel members, including chairmen and deputy chairmen, at committee hearings in line with the observation policy and to subsequently prepare a report of the observation.

3.4 Review of reasons produced by chairmen and deputy chairmen

To review a selection of reasons for decisions in line with the review of reasons policy and to subsequently prepare a report of the review.

3.5 Appraisal of disciplinary and regulatory assessors

To review a selection of cases referred to disciplinary and regulatory assessors in line with the review policy and to subsequently provide a report of the review.

3.6 Renewal of panel member, chairmen and deputy chairmen, disciplinary assessor and regulatory assessor contracts

To decide on the renewal of contracts of panel members (including chairmen and deputy chairmen) and disciplinary and regulatory assessors.

Appointments are made for an initial term of up to five years, renewable for a further term of up to five years if both the appointee and the Sub-committee so agree.

3.7 Review of standing information

To review standing information provided by ACCA and to address any issues raised.

3.8 Breaches of Code of Conduct

To deal with referrals concerning breach of code of conduct for panel members and disciplinary and regulatory assessors and to make appropriate decisions.



3.9 Production of ad-hoc reports, memoranda and notes

To issue reports, memoranda and notes to the chairmen and deputy chairmen, panel members, disciplinary assessors and/or regulatory assessors on ad-hoc issues that have arisen such as:

- changes to the appraisal process
- panel member conduct at committee hearings
- the responsibilities of chairmen and deputy chairmen.

3.10 To issue an annual report to panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors, concerning the work of the Sub-committee, such as:

- summarising the performance of panel members and disciplinary and regulatory assessors
- identifying areas of particularly good practice
- highlighting issues which should be addressed.

3.11 Decisions between meetings

To ratify decisions made by the Chairman of the Sub-committee, in consultation with the Executive Director – Governance, between meetings which cannot reasonably or safely be held over to the next following meeting.

3.12 Reports to the Regulatory Board

To provide a report of Sub-Committee meetings and its activities to the Regulatory Board at its next meeting.

3.13 Review of terms of reference

To review, from time to time, the Sub-committee's terms of reference to ensure they remain fit for purpose.

# Appointments Sub-committee Membership



The membership of the Appointments Sub-committee is as follows:

Barbara Duffner (Chairman)

Steve Barrow

Peter Cadman

Christine Fraser

Alan Kershaw

David Lock

Katrina Wingfield

# Regulations Review Sub-committee

## Terms of Reference



### 1. Status

1.1 The Regulations Review Sub-committee ('the Sub-committee') is established by the Regulatory Board in accordance with the Chartered Certified Accountants' Regulatory Board and Committee Regulations 2008.

### 2 Objective of the Sub-committee

2.1 The objective of the Sub-committee is to ensure that ACCA's *Rulebook* is compliant with ACCA's statutory obligations, Privy Council and rule-change decisions by Council.

### 3. Role of the Sub-committee

3.1 The Sub-committee shall have the following terms of reference.

#### 3.2 Review of regulation changes

To provide detailed scrutiny and due diligence to the proposed changes to ACCA's rules, regulation and code of ethics and conduct necessitated by

- policy decisions by Council
- legislation and requirements of lead regulators, in particular the Professional Oversight Board
- considerations of public interest, public policy and best practice
- court judgments and interpretations
- the requirement to eliminate uncertainties, conflicts and other drafting issues.

#### 3.3 Recommendations to the Regulatory Board

To make recommendations to the Regulatory Board for changes to ACCA's *Rulebook* concerning ACCA's rules, regulations and code of ethics and conduct.

#### 3.4 Decisions between meetings

To ratify decisions made by the Chairman of the Sub-committee, in consultation with the Executive Director – Governance, between meetings which cannot reasonably or safely be held over to the next following meeting.



### 3.5 Review of terms of reference

To review, from time to time, the Sub-committee's terms of reference to ensure they remain fit for purpose.

# Regulations Review Sub-committee Membership



The membership of the Regulations Review Sub-committee is as follows:

Christine Fraser (Chairman)

Peter Cadman

Tony Cushing

Raphael Joseph

Robert Stenhouse

Katrina Wingfield

## Appendix 4

### REVISED REQUIREMENTS FOR AUDIT RE-QUALIFICATION

#### AMENDMENT TO A&LC ORDER

The Committee made an order pursuant to Authorisation Regulation 5(1)(f) that:

- i M XX's practising certificate with audit qualification and the firm's auditing certificate be withdrawn and he be issued with a practising certificate  
and
- ii any future re-application for audit registration by M XX, or by a firm in which he is a principal, must be referred to the Admissions and Licensing Committee, which will not consider the application until he has attended a practical audit course, approved by ACCA and, following the date of this order, passed paper P7, Advanced Audit and Assurance, of ACCA's professional examinations.

## REGULATORY BOARD ROLLING WORK PLAN

The Board is asked to note that, now a full annual cycle of business has been completed, this version of the work plan is in a revised format showing:

- routine business to be transacted at all meetings as a separate note, rather than repeated under each meeting heading
- which substantive business is annually recurring business
- the dates of Board meetings which generated items of business which are neither routine nor annually recurring.

The Board is invited to approve the revised work plan.

### All meetings

#### *Routine business*

- Approve minutes of previous meeting
- Review actions taken since the last meeting
- Consider new policy statements and revise extant statements, as necessary
- Receive an update on recent developments and/or operational issues from the Executive Director-Governance and/or other Directors
- Approve a revised version of the rolling work plan
- Receive an update on lead regulator matters
- Receive and note minutes of Appointments and Regulations Review Sub-committee meetings (if any)
- Receive and note an aggregated report of disciplinary and regulatory hearings
- Receive and note minutes of meetings of assessors, the panel and chairs/deputy chairs (if any).

## **1 December 2009**

### *Substantive business*

- Review the proposed content and format of the 2009 annual report to ACCA's Council, including statistics (annually recurring business)
- Endorse membership and terms of reference of the Appointments and Regulations Review Sub-committees for the coming year (annually recurring business)
- Endorse Standing Orders for the coming year (annually recurring business)
- Review current policy statement on the collection of fines and costs (from 22 May 2009 Board meeting)
- Receive an update from the Listing Times Working Party, following its first meeting (from 21 September 2009 Board meeting).

## **January 2010 meeting**

### *Substantive business*

- Approve 2009 annual report to Council (annually recurring business)
- Receive a further update from the Listing Times Working Party, following its second and third meetings (from 21 September 2009 Board meeting).

## **March 2010 meeting**

### *Substantive business*

- Approve the 2010 public *ACCA Report on Regulation* (annually recurring business)
- Receive a report from the Listing Times Working Party, setting out its recommendations following its final meeting (from 21 September 2009 Board meeting).

## **July 2010 meeting**

### *Substantive business*

- Receive a report from the Regulation Review Sub-committee on whether regulation changes are required in respect of the timing of the issue of press releases (from 14 July 2009 Board meeting)
- Receive a report from the Regulation Review Sub-committee on what detail in respect of the Board's functions should sit in the Regulatory Board and Committee Regulations and what should be in the Board's Standing Orders (from 22 May 2009 Board meeting)
- Receive a report from the Regulations Review Sub-committee on other proposed changes to the ACCA Rulebook (annually recurring business)
- Approve dates of Board meetings in 2011 (annually recurring business).

## **September 2010 meeting**

### *Substantive business*

- No follow-up business currently identified.

## **November 2010 meeting**

### *Substantive business*

- Review the proposed content and format of the 2010 annual report to ACCA's Council, including statistics (annually recurring business)
- Endorse membership and terms of reference of the Appointments and Regulations Review Sub-committees for the coming year (annually recurring business)
- Endorse Standing Orders for the coming year (annually recurring business).

## **Meetings in 2011**

(Dates of meetings and allocation of business to specific meetings to be agreed in due course)

*Substantive business*

- Review the geographical annual statistics for the last five years to determine whether it would be beneficial to receive such information in the future (from 14 July 2009 Board meeting)
- Review the publication of reasons (from 14 July 2009 Board meeting)
- Strategic review of the role and functions of the Regulatory Board (from 22 May 2009 Board meeting).

*Annually recurring business*

- The items identified above as annually recurring business between January and November 2010 will repeat at roughly similar intervals in 2011.

Hannah Clarke  
Planning Officer  
[hannah.clarke@accaglobal.com](mailto:hannah.clarke@accaglobal.com)  
+44 (0)20 7059 5878

ooOoo