

minutes



Meeting: Regulatory Board

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

Date: 22 May 2009

PRESENT:

The Chairman of the Board (Miss Wingfield, present for items 1 – 4 only), Messrs Barrow, Cadman, Cushing, Mrs Duffner, Ms Fraser (in the chair for items 5 – 18), Messrs Joseph, Kershaw (present for items 1 – 15 only) and Lock.

IN ATTENDANCE:

Executive Director – Governance (Mr Large), Director – Practice Monitoring (Mr Ali Khan), Director – Professional Conduct (Ms Ziman), Director – Regulation (Mr Takwani) and Planning Officer (Miss Clarke).

1. APOLOGIES

There were no apologies for absence.

The Board noted that Mr Ebinum had ceased to be a member of Council and so had also ceased to be a member of the Board. The Board agreed to place on record its thanks to Mr Ebinum for his contribution to its deliberations.

2. MINUTES OF THE LAST MEETING

The Board agreed the minutes of the meeting held on 10 February 2009.

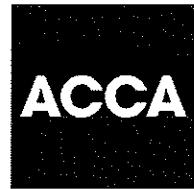
3. ACTIONS NOTE

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

The Board also noted that the Regulations Review Sub-committee will now be provided with statistics on adjournment requests at its meeting of 26 June 2009.

4. REPORT FROM THE EXECUTIVE DIRECTOR – GOVERNANCE

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



The Board expressed its concerns regarding the potential impact of ACCA's recruitment freeze on disciplinary committee listing times.

5. REVIEW OF STANDING ORDERS AND WIDER STRATEGIC REVIEW

The Board agreed:

- amendments to Standing Orders 2.1, 2.4, 3.1, 4.6, 6.8 and 6.10
- to the inclusion of a new Standing Order 5.3, to read "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"
- that, at present, it does not feel that there are any other aspects of the Standing Orders which require review at future meetings
- that it would like to receive an example of an aggregated summary of decisions of disciplinary and regulatory committees, together with full reports in their current format, for consideration and comparison at its meeting of 14 July 2009
- that it is content to see a wide interpretation placed on what other materials it receives
- that it is content with the current mix of operational reports
- that it is content to delete the third bullet of Standing Order 2.4 and bring the Professional Standards complaints log within the inspection activity provided for in Standing Order 3.1
- that it wishes to launch a full strategic review of the role and function of the Board at the end of three years from its inception

and

- that a review of what detail in respect of the Board's functions should reside in the Regulatory Board and Committee Regulations and what detail should sit in the Board's Standing Orders should be built into the Regulations Review Sub-committee's work plan.

Revised Standing Orders, in the form agreed by the Board, are attached as appendix 1 to these minutes.



6. FILE INSPECTIONS

The Board agreed to adjourn this item for consideration at its meeting of 14 July 2009.

7. ACCA REPORT ON REGULATION 2009

The Board agreed to approve the 2009 Annual Report on Regulation, subject to the implementation of a number of amendments identified at the meeting.

8. EXTANT POLICY STATEMENTS

The Board agreed that extant policy statements should each be reviewed every five years, unless it is identified that they require attention sooner.

The Board also agreed that the revised policy statement on non-compliance with auditing standards should be further revised and re-submitted for consideration at its meeting of 14 July 2009.

9. ELECTRONIC DOCUMENT SHARING

The Board agreed that ACCA should provide a follow-up paper with further information on *ACCA Discuss* for consideration at its meeting of 14 July 2009.

10. LEAD REGULATOR UPDATE

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

The Board expressed its concerns regarding the potential impact on its effectiveness of ACCA's limited ability to produce data as a result of restricted IT system enhancements.

11. AMENDMENTS TO THE ACCOUNTANCY AND ACTUARIAL DISCIPLINE BOARD (AADB) SCHEME

The Board noted a paper outlining amendments to the AADB scheme.

The Board agreed that a more detailed paper with a copy of the draft revised scheme should be submitted for consideration at its meeting of 14 July 2009.



12. REPORT FROM THE APPOINTMENTS SUB-COMMITTEE

The Board noted:

- a report from the Chairman of the Appointments Sub-committee, following its meeting on 2 April 2009
and
- the minutes of the meetings held on 26 January and 2 April 2009.

13. REPORT FROM THE REGULATIONS REVIEW SUB-COMMITTEE

The Board noted that the Regulations Review Sub-committee meeting of 22 May 2009 has been postponed until 26 June 2009.

14. DATA SECURITY

The Board noted a paper on the data security risks faced by Professional Standards.

The Board agreed that:

- ACCA should consider encrypting flash drives and BlackBerrys
and
- a data security policy for Board members should be developed.

15. REGULATORY BOARD WORK PLAN

The Board agreed that a revised work plan should be provided for consideration at its meeting of 14 July 2009.

16. REPORTS OF COMMITTEES / OTHER MEETINGS

The Board noted the following reports of disciplinary and regulatory committees:

- Admissions and Licensing Committee, 15 January 2009
- Appeal Committee, 20 January 2009
- Disciplinary Committee, 22 January 2009
- Admissions and Licensing Committee, 27 January 2009
- Disciplinary Committee, 29 January 2009
- Appeal Committee, 5 February 2009



- Disciplinary Committee, 10 February 2009
- Disciplinary Committee, 12 February 2009
- Appeal Committee, 17 February 2009
- Disciplinary Committee, 19 February 2009
- Admissions and Licensing Committee, 24 February 2009
- Disciplinary Committee, 26 February 2009
- Disciplinary Committee, 3 and 4 March 2009
- Disciplinary Committee, 5 March 2009
- Disciplinary Committee, 10 March 2009
- Admissions and Licensing Committee, 12 March 2009
- Appeal Committee, 17 March 2009
- Disciplinary Committee, 18 March 2009
- Disciplinary Committee, 19 March 2009
- Admissions and Licensing Committee, 14 April 2009
- Appeal Committee, 16 April 2009
- Disciplinary Committee, 20 April 2009
- Admissions and Licensing Committee, 20 April 2009
- Disciplinary Committee, 21 April 2009
- Appeal Committee, 21 April 2009.

The Board also noted the minutes of the Meeting of Chairmen and Deputy Chairmen held on 26 March 2009 and the Assessors' Meeting held on 20 March 2009.

17. DATES OF FUTURE MEETINGS

The Board noted the dates for the remaining meetings of 2009.

The Board also noted that it will meet in January 2010 to review a draft of its 2009 annual report to Council.

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 the Professional Standards team.

K Wingfield
Chairman, items 1 – 4

A handwritten signature in black ink, appearing to read "K Wingfield".



Christine Fraser

C Fraser
Acting Chairman, items 5 – 18

ACCA REGULATORY BOARD - STANDING ORDERS

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

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 Professional Standards 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 ~~of Governance~~). **Deleted:** for Professional Standards
- 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.

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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.~~

Deleted: <#>on the Professional Standards Directorate's log of complaints about the exercise of its functions.¶

2.6 The Regulatory Board shall review and develop existing policy statements in respect of:

- guideline disciplinary sanctions
- licence removals following unsatisfactory monitoring outcomes
- re-admission to membership/the student register of individuals excluded for disciplinary reasons
- collection of fines and costs.

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

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 Professional Standards Directorate as he considers necessary or desirable
- inspecting the ACCA Professional Standards 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.

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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.~~

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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 therat 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 Sub-committee.*

6.2 The Regulatory Board shall determine the numbers of members to be appointed to each Sub-committee, subject 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 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.

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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 for Professional Standards and the Lay Chairman.

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6.11 Minutes of the proceedings of all meetings of the Sub-committees (and any working parties formed) and of the attendance of members thereat 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.

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Revised at the Regulatory Board's meeting on 22 May 2009

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