

The ACCA logo is a red square with the letters 'ACCA' in white, bold, sans-serif font.An aerial photograph of a large lettuce field. The rows of green lettuce plants are separated by brown soil paths. In the center of the field, a person wearing a blue shirt is seen from above, holding a tablet computer. A semi-transparent white rectangular box is overlaid on the field, containing the title text.

# REPORT ON REGULATION 2022

Think Ahead

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## ABOUT ACCA

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of **233,000** members and **536,000** future members based in **178** countries and regions, who work across a wide range of sectors and industries\*. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. In December 2020, we made commitments to the UN Sustainable Development Goals which we are measuring and will report on in our annual integrated report. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation.

Find out more at [accaglobal.com](https://accaglobal.com)

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\* Updated numbers will be provided in the ACCA Integrated Report for the year ended March 2022 due to be published in August 2022.

## INTRODUCTION

This Report on Regulation demonstrates how ACCA sets out to achieve its purpose through a robust regulatory framework.

With many professional accountants working in positions of strategic or functional leadership for businesses and governments worldwide, accountants and their professional bodies have a central role in protecting the public interest and delivering public value.

ACCA supports its members in delivering public value not only by satisfying the needs of individual clients or employers, but also by considering the wider impact of their professional activities on society as a whole. The public at large, through access to high quality accountants, are the ultimate beneficiaries of everything ACCA does to promote ethics and professionalism.

Regulation is integral to ACCA's brand promise of global quality. ACCA's reputation, in turn, enhances the value of membership. Public value is, therefore, embedded in ACCA's regulatory system.

### **GLOBAL STANDARDS, REGULATION AND MONITORING**

ACCA regulates all of its members, wherever they practise in the world, to check that they meet, and adhere to, the high standards which it sets. All members are required to:

- pass rigorous examinations, set globally, and to obtain practical experience to qualify
- maintain their competence through mandatory continuing professional development
- adhere to the ACCA Code of Ethics and Conduct and to accept that appropriate disciplinary action may follow any breaches.

ACCA promotes compliance through a combination of measures, including: quality assurance of ACCA examinations; direct monitoring of practice in the UK and Ireland; working with other accountancy regulators across the world to identify and respond to poor practice; and investigating reports suggesting poor practice.

In addition, those members of ACCA who are in public practice (ie in firms of accountants providing services to clients) must hold practising certificates/licences from either ACCA or, in most instances, a national regulatory authority, and most are subject to varying additional requirements and the monitoring of those requirements, as applicable in each jurisdiction. ACCA does not seek to duplicate regulation of members in public practice who are already subject to appropriate regulation by a national regulatory authority outside the UK and Ireland.

## REGULATORY FUNCTIONS OF ACCA

This report also describes and reflects on ACCA's regulatory activities during 2021 and looks forward to its plans for 2022. ACCA's regulatory activities comprise:

- **Professional qualifications** – managing the ongoing relevance, integrity, rigour, recognition and global standards of ACCA's qualifications and examinations
- **Continuing professional development** – monitoring compliance with the continuing professional development (CPD) requirements
- **Licensing** – issuing certificates and licences to members involved in certain types of work, including audit work, so long as they meet ACCA's standards for authorisation, including relevant qualifications and experience
- **Monitoring** – monitoring compliance with standards, rules and regulations and providing monitoring services to other regulators
- **Investigation and discipline** – receiving and assessing complaints, identifying those that are suitable for conciliation, investigating alleged misconduct by members, future members and firms, and taking appropriate cases to independent Committees
- **Regulatory governance** – developing the *ACCA Rulebook* and professional and ethical standards.

ACCA's regulatory structures and activities are kept under review, in order to respond effectively to developments in society and the regulatory environment. ACCA's qualifications, ethical standards, licensing, continuing professional development, monitoring and disciplinary processes are key to reassuring the public and regulators that high standards are being promoted and enforced.

## INDEPENDENT REGULATORY OVERSIGHT

The Regulatory Board provides robust and independent oversight of ACCA's regulatory and disciplinary framework. The Board also has responsibility for overseeing ACCA examinations and other matters in relation to the integrity of the qualifications process. The majority of the Board's members are non-accountants. Full details of the Board's regulatory policies and activities, including minutes of Board meetings, are available at [accaglobal.com](https://accaglobal.com)

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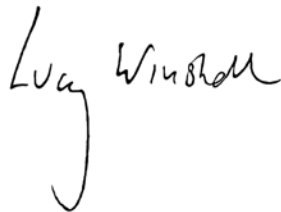
## REGULATORY BOARD CHAIR STATEMENT

We live in very unusual and challenging times where the regulatory landscape is fast moving and ever evolving. The uncertainties and complexities have been compounded by the continued impact of the Covid-19 pandemic and the severe geopolitical tensions and conflict in a number of markets in which ACCA operates, most recently in Ukraine, creating new challenges.

The Regulatory Board - supported by the Appointments, Qualifications and Standards Boards - is tasked with providing general oversight over ACCA's regulatory arrangements. The public interest oversight arrangements in place, including the substantial level of lay (ie non-accountant) involvement is a key differentiator and a real strength in demonstrating that impartiality and public interest are at the fore. The Board, therefore, plays a critical role in safeguarding the public interest and in delivering public value.

The Board takes very seriously its role to oversee ACCA's regulatory activities. The Board, therefore, keeps abreast of key developments in the wider global environment, not least as a consequence of the Covid-19 pandemic, the geopolitical tensions and conflicts, and the ever evolving regulatory landscape. This allows the Board to understand the emerging risks and issues ACCA faces and to take a strategic view of the regulatory risks and actions ACCA is taking to mitigate those risks.

I and the Board are committed to ensuring that we play our part in ensuring ACCA's regulatory arrangements are robust, transparent and proportionate to meet the challenges that lie ahead.

A handwritten signature in black ink that reads "Lucy Winskell". The signature is written in a cursive style with a large, sweeping initial 'L'.

**Lucy Winskell**  
Chair, Regulatory Board

## EXECUTIVE DIRECTOR STATEMENT

As outlined in the Chair's statement, this Report on Regulation is set against a backdrop of complex and turbulent times. In such times, the importance of acting in the public interest is never more important. Trust and ethics in the accountancy profession is critical. Accountancy is the cornerstone profession of society that supports businesses, governments and the wider society to build strong, sustainable economies.

We have emphasised our commitment to this since our inception in 1904. Being a force for public good has been embedded in our purpose and powers everything that we do. ACCA is committed to shaping the future of our profession and the regulatory environment that underpins it.

ACCA has continued to grow during 2021 and reached 236,827 members and 446,232 future members globally. It is through our global community that we can deliver for the public good by acting in the public interest, promoting ethical business practices and supporting economic growth.

Our commitment to education and ensuring that our future members and members develop and maintain up to date professional and technical skills supports the standing of the ACCA accountant globally. A critical area of strategic focus in 2021 was exam delivery and innovation. ACCA continued to run exams globally and utilised remote invigilated exams where exam centres could not be used. This approach maintained the rigour and integrity of the exams whilst ensuring that, as far as possible, future members continued to progress their journey to membership.

We set high ethical standards for our members and future members – to which all must adhere. These are outlined in the ACCA Code of Ethics and Conduct, and we ensure that appropriate disciplinary action will be taken when breaches are identified.

Our regulatory activities continually evolve to ensure that we meet our statutory responsibilities and protect the public. The innovation during the pandemic has provided the opportunity to look at new and improved ways of working. And we work closely with our regulators to ensure that all changes are robust and rigorous. The disruption has impacted on some KPIs and we continue to work to ensure that these are fully addressed in 2022.

During the year, ACCA proactively addressed the implications of the UK's exit from the EU on recognition and changes in the regulatory landscape, in particular ongoing developments in the UK audit regulatory framework and proposals emanating from the BEIS consultation on the future of audit. The publication of the Government response to this Consultation in May 2022 will be a key area of focus for our regulatory activities in 2022. We are committed to supporting these reforms. Audit quality is fundamental to investor and public confidence. We will work to ensure that the reforms achieve their maximum impact.

ACCA's commitment to regulatory excellence is global and we support other professional bodies and regulators to strengthen systems of regulation for accountants across the many markets in which we operate. During 2021, ACCA provided regulatory support to other professional bodies and regulators in Ethiopia, China, Malaysia, UAE and Ukraine.

The Regulatory Board plays a critical role in overseeing our regulatory activities and in providing oversight and challenge to support our work. Their contribution has been pivotal in ensuring that we fulfil our responsibilities in a proportionate and effective way and protect the public interest. I look forward to working with the Board to ensure that we meet the challenges and opportunities presented in 2022.



**Maggie McGhee**  
Executive Director, Strategy and Governance



# ACCA REGULATION IN NUMBERS 2021<sup>1</sup>

**236,827**

members

**446,232**

students

**670,439**

examinations taken

**12,492**

practising certificate holders

**1,607**

audit firms in UK and Ireland

**170**

desktop rule compliance reviews

**182**

on-site audit monitoring visits in UK and Ireland

**317**

AML compliance reviews in UK and Ireland

**2,932**

approved training offices in UK and Ireland

**5,524**

CPD records reviewed globally

**7,610**

global Approved Employers

**294**

disciplinary and regulatory hearings

<sup>1</sup> These figures represent ACCA's activities in 2021 and therefore they have been impacted by the Covid-19 pandemic. In 2021, most on-site visits have been replaced by remote monitoring due to Covid-19 restrictions.

## ACCA REGULATORY BOARD

The Regulatory Board's public interest role sits at the heart of ACCA's oversight structure. The Board provides oversight over all of ACCA's public interest functions – setting qualifications and assuring their delivery, setting professional standards, and maintaining the licensing and disciplinary system.

The Board supports ACCA in discharging its public interest responsibilities. It comprises an independent lay (ie non accountant) Chair, five lay members and two Council members. The overarching remit of the Board is to provide independent oversight of ACCA's regulatory and disciplinary activities, and to report to ACCA's Council on the fairness, impartiality and integrity of those activities. This includes oversight of ACCA's regulatory and disciplinary committees and of ACCA examinations and other matters relating to the integrity of the qualifications process.

To an extent, the Board provides oversight of these activities through its three sub-boards. Each sub-Board has a clear programme of work, directed at strengthening the public interest elements of ACCA's activities. Key responsibilities of the sub-Boards, including particular highlights of the work undertaken during the year are:

- **Appointments Board** – responsible for the appointment, assessment and removal of panel members (including chair), disciplinary assessors, regulatory assessors and legal advisers, who are required for a robust disciplinary and regulatory process.

Key highlights include undertaking a campaign to recruit disciplinary assessors in the latter half of 2021. It has carried out a high-level review of the Core Competency Framework, Code of Conduct and guidance to ensure consistency and that it was still fit for purpose. The Board has continued to address performance issues arising mainly from poor engagement with the Core Competency Framework. It also ensured effective communication with stakeholders.

- **Qualifications Board** – responsible for general oversight of ACCA's education and learning framework and examination arrangements. This includes ratification of the examination results and other matters relating to the integrity of the qualifications process.

Key highlights include continuing to assure the quality of the examinations with expert advice and using a broader data set to monitor trends over a longer time period. In particular, it has considered issues related to remote invigilated examinations. It also received an update on the impact of Brexit on the recognition of the ACCA Qualification.

- **Standards Board** – responsible for ensuring the *ACCA Rulebook* is compliant with ACCA's statutory obligations, Privy Council requirements and rule change decisions by Council, by providing the detailed scrutiny and due diligence to the proposed changes to ACCA's rules, regulations and the Code of Ethics and Conduct.

Key highlights include undertaking detailed work on necessary amendments to the *ACCA Rulebook* and continuing its work on promoting standards.

Minutes of Regulatory Board and sub-Board meetings are published at [accaglobal.com](https://www.accaglobal.com)

## REGULATORY BOARD ACTIVITIES IN 2021

### Board effectiveness

The Board conducted a further review of its effectiveness at the end of 2020. The opportunities identified will enable the Board to work more effectively and efficiently in carrying out its public interest remit. In 2021, the Board undertook further work to improve access to Board packs and the information and insights that the Board receives. For example, further enhancements have been made to the Board papers, including the actions log, work plan and the performance datasets reported to the Board. Consideration was also given to determining the right length and frequency of Board meetings and using virtual meetings in a cost efficient, effective and engaging way. In 2022, the Board will incorporate additional opportunities for improvement when it moves to a blended approach for meetings.

As recorded in last year's report, it was reported that the Board had considered the published outcomes of the Financial Reporting Council (FRC) Governance review and that these had fed into the Board's own effectiveness review. The FRC had suggested that more could be done to raise the profile of lay members of the Board in protecting the public interest. An action plan for promoting lay involvement in ACCA's governance processes was developed and the Board received a progress update at its meeting in September 2021. In particular, the Board was pleased to note the revamp of the Regulatory Board area of the website to include more information on the Board and the other Public Interest Oversight Boards (PIOBs).

### Future regulatory landscape

During the course of the year, the Board considered a number of broad presentations, including an update on the impact of Brexit, ACCA's commitments to the UN Sustainable Development Goals (SDGs) and exam innovation with regards to remote invigilation and the impact on regulatory areas. The Board was also invited to attend a meeting to discuss ACCA's proposals for academic membership on 18 June 2021.

Throughout the year the Board considered regulatory developments, including the proposed transition of the FRC to the Audit, Reporting and Governance Authority (ARGA), the future of audit debate and the regulatory implications of the UK's exit from the European Union (EU). An area of focus for the Board throughout 2021 was the future of audit debate. The Board considered the BEIS consultation and participated in a workshop to consider the key proposals in more detail and inform a separate response to the consultation on selected areas of interest. The UK Government has announced the publication of a draft Bill to revamp the UK's audit and corporate reporting regime, including the creation of ARGA in 2023/24. The Board will keep this under review in 2022.

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The Board continued to critically assess regulatory performance data and the strategic context underpinning this data at each meeting, including feedback from regulators on ACCA's discharge of its statutory responsibilities. In particular, the Board has worked with ACCA to enhance the Report on Regulation and provide more transparency in its regulatory reporting information. The Board will continue to monitor the transparency of regulatory reporting information in 2022.

### Global trends

One of actions to come out of the effectiveness review was for a broader agenda allowing the Board to use a breadth of thinking to help ensure that ACCA was evolving in line with, or where appropriate ahead of, the wider world of accountancy, audit and differing challenges of regulator and government thinking. The Board received a presentation on the accelerating global trends which have the greatest potential to cause disruption to ACCA. The Board discussed the potential impact of these global trends on ACCA and its community and provided insights on additional trends that ACCA should explore in more depth.

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### Practising arrangements

The Board considered the changes to ACCA's practising arrangements, which seek to enable members who have gained experience in employers that are registered under the Practising Certificate Development stream of approval to obtain an exemption from completing a detailed Practising Certificate Experience Form. These changes are needed for agility in ACCA's processes. The Board supported the proposal, subject to the risks being monitored. Amendments to the Rulebook were made (effective 1 January 2022) to enable this change and these were approved by the Standards Board and Regulatory Board.

One of the Board's terms of reference is to adopt Policy Statements in respect of such non-operational regulatory and disciplinary matters as may arise from time to time. This year the Board considered changes to the Guidance for Regulatory Orders (GROs) to remove waivers that are no longer applicable and add guidance about new types of waiver applications that ACCA is receiving. The Board agreed the more straightforward changes but had some concerns about the waivers relating to those firms that are unable to obtain Professional Indemnity Insurance (PII) cover for claims relating to tax mitigation work. The updated GROs (with the changes relating to PII waivers removed) were subsequently approved and published on the ACCA website and the PII cover elements will be reconsidered by the Board as part of a wider review of the PII market in 2022.

### Alternative dispute resolution

The Board spent some time looking at the policies and processes relating to alternative dispute resolution (ADR) to ensure that they were fit for purpose and in compliance with the ADR Directive. In particular, the Board sought more clarity regarding the scope of ACCA's Conciliation Service and the role of an ombudsman in the accountancy sector. The Board discussed the benefits and disadvantages of an accountancy sector ombudsman, including consideration of whether it is in the public interest. The Board concluded that it agreed with ACCA's position that it would be disproportionate to pursue an accountancy sector ombudsman scheme at this time.

## Risk


Risk continued to remain an important area of consideration for the Board in 2021. The Board's Terms of Reference now include an explicit reference to regulatory risk and matters brought to the Board for consideration highlight any regulatory risk arising. In 2021, the Board discussed the longer-term risk assessment of the impact of Covid-19 on the public interest, including key and emerging risks and the impact on regulatory activities. The Board also explored key and emerging risks, including cyber security (in particular for remote invigilation) and data security relating to undertaking regulatory activities remotely. As a result, an existing corporate risk of Information Security Breaches, which already covers cybersecurity risks from a regulatory perspective, has been added to the Regulatory Risk register. The Board will continue to monitor the regulatory risks closely in 2022.

## Audit regulation in the UK and Ireland

The reforms of audit regulation as a result of the implementation of the EU Statutory Audit Directive and Regulation (EU ADR) in 2016 saw the FRC and the Irish Auditing and Accounting Supervisory Authority (IAASA) designated as the sole competent authority with ultimate responsibility for the performance and oversight of audit regulatory tasks in the UK and in Ireland respectively. The audit reforms fundamentally altered the relationship ACCA has with the FRC and IAASA in that they have powers to rescind/claim back delegated tasks and, more generally, to direct audit regulation (in the UK and in Ireland respectively). ACCA is continuing to work constructively with the FRC and IAASA within the new regulatory arrangements for audit and identify opportunities for improvement. The Board continues to provide assurance to the oversight regulators about its role in safeguarding the public interest.

The FRC and IAASA, in their respective jurisdictions, are responsible for audit inspections and investigation and disciplinary matters related to public interest entities (PIEs), with all other (ie non-PIE) tasks being delegated to the professional bodies to the fullest extent possible permitted by the EU ADR (but subject to oversight by the FRC and IAASA respectively).

In 2021, the FRC completed its reviews of ACCA's licensing and CPD arrangements and there were no systemic risks identified across the regulatory functions. It also undertook reviews of registration, monitoring, CPD and enforcement; marking of exams arrangements and the impact of Covid-19 on ACCA's exemptions and practical training policies and procedures; and how climate change is being considered by ACCA.



ACCA is continuing to work constructively with the FRC and IAASA within the new regulatory arrangements for audit and identify opportunities for improvement.

FRC is continuing to review ACCA's governance arrangements, including attendance at PIOB meetings. The Director of Professional Oversight at the FRC attended the Board's meeting in November 2021 and gave a presentation on various matters, including its relationship with ACCA and recent inspection visits. The Board welcomes ongoing engagement with the FRC, and the Director of Professional Oversight will attend further meetings in 2022.

IAASA undertook a review of ACCA's quality assurance activities during 2021. The report identified some recommendations which are being progressed. IAASA also introduced guidelines for the Recognised Accountancy Bodies (RABs), in particular on the regulation, monitoring and enforcement of continuing education for statutory audits. ACCA has communicated the requirements to Irish statutory auditors and updated processes and procedures to comply with the guidelines. ACCA holds regular catch-up meetings with IAASA to keep them informed on ACCA's actions to mitigate the impacts of Covid-19 on ACCA's regulatory activities.

In the UK context, the Board has continued to keep abreast of the implications of the UK's exit from the EU on recognition and changes in the regulatory landscape, in particular ongoing developments in the UK audit regulatory framework and proposals emanating from the BEIS consultation on the future of audit. The Board will continue to monitor developments and the implications for ACCA, in particular the government's proposed reforms to restore trust in audit and corporate governance, the transition from the FRC to the ARGA, and climate change.

ACCA is both a Recognised Supervisory Body (RSB) and Recognised Qualifying Body (RQB) for auditors in the UK and a Recognised Accountancy Body for auditors in Ireland.

### Anti-money laundering

ACCA is a supervisory authority for anti-money laundering (AML) in both the UK and Ireland, with responsibility for ensuring compliance with the relevant requirements of the firms it supervises in both jurisdictions.

The UK regulator for AML – Office for Professional Body Anti-Money Laundering Supervision (OPBAS) – carried out its second inspection visit in July 2021. The assessment findings identified some areas for improvement and ACCA has set out an improvement plan to address the findings. The Board will monitor progress against actions agreed during 2022.

ACCA is committed to playing a leading role in the accountancy profession as part of a coordinated approach to counter the threat of money laundering. It has developed a constructive relationship with OPBAS and scheduled quarterly meetings take place with ACCA. In 2022, the Board will review the effectiveness of the Policy Statement and Regulatory Guidance on AML to ensure that ACCA continues to have an effective, consistently applied regulatory deterrent to poor compliance with AML requirements.

### Legal activities

In 2021, ACCA developed a new route for the regulation of non-contentious probate with CILEx Regulation (CRL) which allows ACCA practitioners to be authorised as a CILEX-ACCA Probate Entity. All ACCA authorisations for probate activities ceased on 31 December 2021. ACCA worked closely with the Legal Services Board (LSB) on the transfer of regulation and the revocation of regulatory arrangements for probate. ACCA has therefore submitted an application to relinquish its status as an approved regulator for probate in England and Wales to the LSB and the Board will continue to monitor the situation closely.

## ACCA PERFORMANCE AND PROGRESS IN 2021

### IMPACT OF COVID-19

The coronavirus pandemic has presented unprecedented challenges since 2020 and these continued to impact in 2021 with an ever-changing situation and different national approaches. Throughout the pandemic, ACCA's priority has been to work with partners to support members and future members, and to safeguard the health and wellbeing of employees. ACCA's resilience and flexibility have enabled it to move quickly to innovate, mitigate risks and manage expectations, driven by the need to continue to regulate effectively and in the public interest. As a result, ACCA has continued to develop and operate effectively and efficiently while the impacts of the Covid-19 outbreak are felt.

As part of its response to Covid-19, ACCA has assessed its regulatory activities and implemented remote procedures as far as possible, such as remote monitoring visits (audit, anti-money laundering, approved employers, etc.) and remote hearings. However, some of its regulatory activities cannot be completed remotely and have been deferred. ACCA has continued to engage proactively with its regulators to discuss its approach to regulatory activities. All regulators have been supportive and have modified their approach to oversight during this challenging period.

The coronavirus pandemic has had a notable impact on ACCA's operations, in particular on the examinations process, with examination sessions in many markets having been cancelled or deferred. In July 2020, ACCA introduced remote invigilated exams (RIE) in response to the severe disruption to exam centre testing for both on-demand and session-based exams. Assessment is delivered consistently by online computer-based examinations (CBE) to students sitting anywhere in the world, whether attending an exam centre or by remote invigilation.

Exam delivery and innovation remained a critical area of strategic focus for 2021/22. ACCA sought to run exams wherever this was feasible and utilised RIE where exam centres could not be used. This approach maintained the rigour and integrity of the exams whilst ensuring that, as far as possible, future members continued to progress their journey to membership.

Covid-19 impacted on KPI compliance in 2021, in particular on audit monitoring and AML visits where a backlog developed. The Board has been monitoring the situation closely, receiving regular updates through its performance data. ACCA is focused on meeting its statutory requirements, engaging with regulators and anticipates that the backlog will clear by July 2022.

In 2021, the Board considered further the longer impact that the changes to ACCA's regulatory activities arising from Covid-19 may have on the public interest. The Board is therefore confident that there is no significant impact on ACCA's ability to meet statutory requirements and maintain regulatory standards. The persistent impact of the pandemic will require the Board's continued attention in 2022.

## PROFESSIONAL QUALIFICATIONS

### Overview

The ACCA Qualification has been designed to provide all the competences required of professional accountants, including auditors. In accordance with modern practice, ACCA takes the view that regulators and employers demand that professional accountants, including auditors, apply a wide business and global perspective to their work. This is reflected in the ACCA Qualification in relation to developments in technology where the ACCA Qualification has continued to embed current topics such as big data, cloud computing, robotic process engineering, artificial intelligence, machine learning, cryptocurrencies and blockchain. Sustainability is also central to changes to the ACCA Qualification with emphasis placed on the importance of sustainability reporting and the consideration of Environmental, Social and Governance factors in relation to strategy formulation, investment decision-making, performance measurement and the conduct of sustainability audits. ACCA is also developing a new Performance Objective (PO) focused on sustainability for its Practical Experience Requirement (PER).

The ACCA Qualification focuses on three key value propositions comprising examinations, ethics and practical experience. ACCA, with its worldwide network of people, approved learning partners and employers, supports students and members to develop successful careers by providing opportunities for learning and development.

The ACCA Qualification is structured to provide development and progression from the Foundation-level qualifications through to the Applied Knowledge, Applied Skills and Strategic Professional examinations. It not only develops technical expertise but also incorporates the professional skills required of modern professional accountants.

Ensuring ACCA students receive the highest quality education support is of utmost importance to ACCA. The Approved Learning Partner programme was introduced to give formal recognition to tuition providers who have demonstrated their success in providing students with quality tuition support. The tuition providers are assessed on one set of global accreditation standards. Exemption accreditation enables ACCA to award a specific level of exemption to graduates of an educational programme following a full assessment of the programme's regulations, syllabus and assessments. ACCA also supports universities through the ACCA Education Hub, an online support toolkit developed to provide easy access to tools and resources universities need to better support ACCA students around the world.

ACCA continues to partner with Oxford Brookes University in the UK to offer a BSc (Hons) in Applied Accounting, which centres on the needs of employers for practical and professional accounting. In addition, the University of London, in partnership with ACCA, continues to offer an MSc in Professional Accountancy. This is an integrated programme which enables affiliates and members to gain accredited prior learning from their professional qualification to contribute credit towards their masters qualification.

Organisations globally partner with ACCA through the ACCA Approved Employer programme. The ACCA Approved Employer programme recognises employers' high standards of staff training, accountancy resources and staff development. ACCA Approved Employers comprise organisations from varying sectors which include the Big 4 accounting firms of Deloitte, EY, KPMG and PwC.

In keeping with ACCA's commitment to lifelong learning, it also has a range of further qualifications and a leading edge CPD scheme. These programmes are designed to suit the needs of accountants, finance professionals and non-finance professionals with financial responsibility, at all stages of their careers.



The ACCA Career Navigator is an online, interactive tool which ACCA launched in 2021. It contains all the capabilities a professional accountant needs and is set at three levels – Proficient, Expert and Leader. It explains the knowledge and skills gained from the ACCA Qualification and links these to the fundamental capabilities. It is a valuable tool to help ACCA's stakeholders to understand the core capabilities needed for different stages of a career and to map potential career destinations. It is also an excellent career development tool for ACCA students and members providing links to ACCA Careers and access to a wide range of learning opportunities to enable further development of technical expertise and professional skills.

### Progress against key regulatory priorities for 2021/22

KEY PRIORITY	UPDATE
Complete the implementation of Strategic Professional computer-based exams	June 2021 was the last exam session where ACCA still provided a paper-based examination for Strategic Professional which was sat by a small number of students. All Strategic Professional examinations since then have been computer-based.
Continue to make remote invigilation available to students impacted by Covid-19 to support their continued progress	<p>Due to the ongoing Covid-19 pandemic and differing restrictions enforced by local governments globally, some centre-based exams were cancelled prior to the exam session. For the majority of these countries ACCA was able to offer the remote invigilated exam contingency option.</p> <p>ACCA is working on the implementation of remote invigilated exams as a permanent option for students alongside its established centre-based offering.</p> <p>ACCA also introduced a new examination panel, the Irregular Results Panel, to review irregular results or unusual patterns or results, identified in the moderation process in September 2021. Updates have also been made to ACCA's Terms and Conditions which students sign up for when booking an exam to reflect the new process and policy.</p>

### Qualifications Board

General oversight of ACCA's education and learning framework and examination arrangements is carried out by the Regulatory Board through its Qualifications Board. The Qualifications Board achieves this by monitoring the integrity of ACCA's examinations process and ratifying the results for release.

### Lead regulator oversight

During 2021, the FRC carried out monitoring to understand the marking of exam arrangements and consider the impact of Covid-19 on ACCA's exemptions and practical training policies and procedures. It also followed up on the recommendation in relation to ACCA's governance arrangements and observed the Qualifications Board meeting on 15 October 2021. The FRC recently reported its findings and was satisfied with the changes made by ACCA in response to the impact of Covid-19 on its regulated activities. Two prior year recommendations in relation to ACCA's governance arrangements were closed, and one low priority recommendation was made in relation to the rotation of members on Boards and Committees. The outcome confirmed that ACCA continues to meet its statutory obligations as an RQB for auditors.

## Outputs – Number of examination sittings and papers tested

EXAMINATION SITTING	CANDIDATES	PAPERS ENTERED
March 2019	96,355 (incl 49,487 session CBEs)	117,395 (incl 61,038 session CBEs)
June 2019	125,060 (incl 64,886 session CBEs)	159,820 (incl 83,881 session CBEs)
September 2019	99,388 (incl 58,078 session CBEs)	123,054 (incl 73,257 session CBEs)
December 2019	137,040 (incl 77,018 session CBEs)	173,578 (incl 98,959 session CBEs)
March 2020	68,247 (incl 39,005 session CBEs)	79,214 (incl 45,213 session CBEs)
July 2020	32,494 (incl 22,151 session CBEs)	47,585 (incl 32,529 session CBEs)
September 2020	103,229 (incl 73,642 session CBEs)	135,320 (incl 96,963 session CBEs)
December 2020	119,956 (incl 89,506 session CBEs)	152,877 (incl 113,881 session CBEs)
March 2021	92,453 (incl 79,325 session CBEs)	111,953 (incl 96,419 session CBEs)
June 2021	103,069 (incl 100,614 session CBEs)	127,922 (incl 124,797 session CBEs)
September 2021	93,635 (incl 93,574 session CBEs)	117,693 (incl 117,627 session CBEs)
December 2021	119,688 (incl 119,613 session CBEs)	145,692 (incl 145,610 session CBEs)

### Analysis of outputs

ACCA operates four examination sessions per year across all markets. This provides all students, employers and learning providers with increased flexibility to manage examination studies for the ACCA examinations. The four examination sessions generally take place in March, June, September and December and are offered globally.

In 2021, ACCA completed its roll out of session-based CBEs for Strategic Professional exams. ACCA has employed a full test security model across the globe for its Applied Skills exams for many years. The model ensures different CBE sessions are available throughout the day, meaning that not all students get the same examination. This protects the security, and therefore the integrity, of the examinations across the time zones, avoiding over-exposure of any questions in certain parts of the world. A similar model is used for Strategic Professional exams.

Covid-19 is continuing to have an impact on exam sessions as Governments take different approaches in different parts of the world as situations change and settle at different times. This can lead to variability in the mix of students sitting exams from session to session and can have an impact on pass rates.

In the March 2021 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams remained the same as for the last session at 47%. The average pass rate for the Applied Skills exams was 50%, which was the same as the previous session. The average pass rate for the Strategic Professional exams increased by 1% to 43%.

In the June 2021 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams remained the same as for the last session at 47%. The average pass rate for the Applied Skills exams was 51%, which was an increase of 1% on the previous session. The average pass rate for the Strategic Professional exams decreased by 3% to 40%.

In the September 2021 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams saw a decrease of 1% to 46%. The average pass rate for the Applied Skills exams was 50%, which was a decrease of 1% on the previous session. The average pass rate for the Strategic Professional exams increased by 1% to 41%.

In the December 2021 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams saw an increase of 1% to 47%. The average pass rate for the Applied Skills exams was 50%, which was the same as the previous session. The average pass rate for the Strategic Professional exams increased by 1% to 42%.

Pass rates for Applied Knowledge exams are obtained from 100% CBE on-demand exams. These exams, test knowledge and comprehension rather than more detailed application and analysis. Pass rates for these exams are now aligned to pre-pandemic levels as expected.

The Applied Skills pass rates remain very stable across the three-year period.

Strategic Professional pass rates have continued to improve as a result of the extensive support put in place by ACCA for the changes previously made to the Strategic Professional Essentials examinations in 2018 (Strategic Business Leader and Strategic Business Reporting). A wide range of support across Applied Skills and Strategic Professional exams is made available to students and tuition providers to help students prepare effectively for the exams they are sitting.

## CONTINUING PROFESSIONAL DEVELOPMENT

### Overview

ACCA's CPD regulations stipulate that all members regardless of their role must maintain competence in professional ethics and keep their business and finance knowledge up to date.

In addition, those members holding practising certificates, audit certificates, legal activities certificates and/or carrying on exempt regulated activities in the relevant period must maintain competence in the specialised areas of their practice and obtain an appropriate proportion of CPD units in those areas.

Participation in CPD may be achieved:

- by being employed by an ACCA Approved Employer – professional development stream;
- via the unit route (including the unit route – part time/semi-retired); or
- by meeting the CPD requirements of another International Federation of Accountants (IFAC) body where ACCA members are also full members of other IFAC bodies, and their CPD requirements comply with IES 7 – Continuing Professional Development.

If members follow the full unit route, they must complete at least 40 relevant units of CPD each year, where one unit is equal to one hour of development. At least 21 of the 40 units must be verifiable. Members must obtain their CPD in areas relevant to their work. Regardless of their role they must maintain competence in professional ethics and keep their business and finance knowledge up to date.

All members carrying on public practice must maintain competence in the specialist areas of their practice and obtain an appropriate proportion of CPD in those areas. Members holding a practising certificate and audit qualification (PCAQ) are advised that they must undertake audit related CPD on an annual basis even if they are currently not undertaking any audit work. There are no prescribed learning activities; members should choose those that are best suited to their needs, mindful of any constraints.

If members are eligible to follow the unit route – part-time/semi-retired, they must complete at least 19 units of non-verifiable CPD per year and set their own level of verifiable CPD. They are required to ensure that they complete an appropriate level of CPD for their role.

Verifiable CPD is where:

- the learning activity is relevant to the career of the member; and
- the member can explain how they applied the learning; and
- the member can provide evidence the learning activity was undertaken.

If members complete more than 21 verifiable units a year, they may carry forward an excess of up to 21 units as a credit into the following year. Members must keep evidence of their CPD activity for three years, with the exception of member and non-member statutory auditors in firms holding an ACCA Irish firm's auditing certificate who are required to keep evidence for six years, and provide this to ACCA when requested.

All members are required to submit an annual declaration, either confirming that they have met the CPD requirements via one of the acceptable routes – unit routes, ACCA Approved Employer or other IFAC body route – or stating that they have not been able to complete the CPD requirement. From 2022 onwards, non-member statutory auditors in firms holding an ACCA Irish firms auditing certificate will also be required to submit an annual CPD declaration to ACCA. The CPD declaration includes confirmation that they have maintained or developed, as appropriate, their competence in professional ethics. Members holding practising certificates are also required to confirm they have complied with the CPD requirements when submitting their annual practising certificate renewal application.

If members, and non-member Irish statutory auditors, state that they have not been able to meet the CPD requirement on their declaration, they are given increased support and guidance to rectify any shortfall. They are then required to make a replacement declaration once they have made good the shortfall. Failure to comply with the CPD requirements may lead to removal from the register of members and/or removal of statutory auditor status.

### **CPD reviews**

Professional Development annually selects a statistically representative sample of members to review their CPD records for sufficiency and relevance, checking that they have maintained competence in relation to their technical specialisms including audit.

In addition, Professional Development selects members from additional risk groups, such as practising members, audit engagement partners, follow ups to a previous unsatisfactory review, referrals from regulatory or Approved Employer monitoring and members with missing CPD declarations. From 2018, ACCA implemented checks on the compliance of PCAQ holders with the International Education Standard (IES) 8 - Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised).

In addition to the CPD reviews undertaken by Professional Development, the CPD records of members are reviewed by senior compliance officers during an audit firm's monitoring visit, and by licensing compliance officers during an ACCA Approved Employer monitoring visit. In 2021, the basis of referral to Professional Development was changed to ensure the expectations of senior compliance officers were consistent with the Professional Development team and licensing compliance officers. This had led to a reduction in the number of referrals.

Members found to have unsatisfactory CPD records are given advice on how to rectify their CPD. They are subject to an early follow-up review to confirm that they have taken appropriate action. Failure to comply with the CPD review process or to act on advice on how to rectify their CPD may lead to removal from the register of members.

## Progress against key regulatory priorities for 2021/22

KEY PRIORITY	UPDATE
Continue to manage impact of the Covid-19 pandemic through enhanced support and guidance to members	<p>ACCA has continued to support members during the Covid-19 pandemic through access to online CPD and the provision of FAQs and tailored guidance.</p> <p>ACCA Learning was launched in 2021 to support members with their professional development needs and their career ambitions. ACCA Learning is a curated portfolio of continuous learning solutions (CPD courses, webinars, certificates and diplomas) for ACCA members, future members and all other finance professionals which enhances their skills and employability for career success.</p> <p>Members can also use the new online ACCA Career Navigator resource to support the planning and sourcing of their CPD.</p>

### Qualifications Board

General oversight of ACCA's continuing professional development arrangements is carried out by the Regulatory Board through its Qualifications Board. The Qualifications Board achieves this by monitoring reports on CPD compliance against the KPIs – the percentage of members submitting declarations and the percentage removed for non-compliance – and the number of CPD reviews undertaken. The Board noted ACCA's Covid-19 response to lengthen the time between registering non-compliance and removal of the person from the register. This approach was judged to be fair and it was noted that the actual number of members removed was small. The Board was also content that appropriate support is given to try to mitigate removal.

From 2022, quarterly updates on CPD compliance have also been provided to the Regulatory Board.

### Lead regulator oversight

During 2021, the FRC reviewed the delegated audit regulatory task of CPD. It also followed up on the recommendation in relation to CPD compliance testing. The FRC recently reported on its findings. One prior year recommendation was closed, and three recommendations were made. The three new recommendations relate to the procedure for removal of PCAQ holders, a review of training materials for staff conducting CPD reviews, and providing constructive feedback to PCAQ holders following a CPD review. ACCA has responded to the recommendations and is taking appropriate action. As a result, FRC has confirmed that ACCA continues to meet its statutory obligations as an RSB for auditors.

IAASA has introduced guidelines for the RABs on the regulation, monitoring and enforcement of continuing education for statutory audits, effective from 1 January 2022. ACCA has taken appropriate steps to communicate the requirements to Irish statutory auditors and to update processes and procedures to comply with the guidelines. This includes requiring non-ACCA member statutory auditors in firms holding an ACCA Irish firm's auditing certificate to make an annual CPD declaration to ACCA. They will also be subject to ACCA monitoring and enforcement and will be included in reporting to the Board in 2023.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2021	TARGET	ACTUAL
% of membership completing CPD declarations within time <sup>2</sup>	98%	97.57%
% of membership removed for CPD default	0.5%	0.34%

OUTPUTS	2021	2020
Members required to confirm compliance with CPD requirements	211,559	199,688
Members that confirmed compliance with CPD requirements	111,156	194,834
Total CPD records reviewed	5,524	3,837

<sup>2</sup> 2020 CPD declarations submitted up to 1 April 2022

### Analysis of outputs

As at 1 April 2022 the percentage of active members who had submitted a CPD declaration for 2020 confirming compliance was 97.57%. The number of members required to submit CPD declarations for 2020 who remain on the active register was 199,688. Of these, 194,834 had submitted CPD declarations for 2020 confirming compliance. ACCA continues to send reminders to members who have not submitted and accepts declarations after the deadline. Members who fail to submit CPD declarations confirming their compliance for two consecutive years are removed.

The percentage of members completing CPD declarations for 2021 confirming they had met the requirements on or before 1 January 2022 – the stated deadline for submission – was 52.54%. Following transfers to the retired register, resignations and other suspensions, the number of members required to submit CPD declarations for 2021 who remain on the active register had reduced to 211,323 as at 1 April 2022. Of these, 183,227 (86.8%) have submitted CPD declarations for 2021 confirming compliance. This is a slight improvement on the comparative figure for 1 April 2021 when 85.3% of active members had submitted CPD declarations for 2020 confirming compliance.

As a result of actions taken to support members during Covid-19, fewer members were selected for CPD review in 2020 and the time between registering non-compliance and removal was lengthened. The reduced CPD review sample focused on members from high-risk groups such as audit engagement partners and those with previous unsatisfactory reviews rather than selection through random sampling. The desktop random reviews resumed in 2021.

## LICENSING

### Overview

ACCA issues practising certificates to eligible members and is also authorised by statute to issue certificates and licences to individuals and firms undertaking work in the areas of audit, investment business, and legal activities. This process helps to meet several objectives:

- members are suitably qualified and experienced to perform the work in question
- consumers and others are better able to identify those who are competent to provide the services they require to high technical and ethical standards
- the authorisation process provides information to ACCA to enable it to assess risk and adopt a proportionate response to monitoring and regulation.

Members in practice must provide ACCA with information on an annual basis. They are required, among other things, to:

- confirm that they remain fit and proper
- demonstrate that they hold adequate professional indemnity insurance cover
- provide details of the arrangements they have in place for practice continuity so that the professional needs of their clients will be dealt with if the practitioner dies or becomes incapacitated
- agree to comply with their continuing professional development obligations
- agree to provide all necessary information to assist ACCA with its monitoring procedures.

### Practising certificates

ACCA's policy in respect of ACCA practising certificates removes the need for a member in practice to hold an ACCA practising certificate unless they are practising in the UK, Ireland or a designated territory, or are otherwise required by local legislation and/or regulatory requirements to hold an ACCA practising certificate. Members not requiring (or choosing to hold) an ACCA practising certificate are required to notify ACCA if they are carrying on public practice, and such practitioners are placed on a register of ACCA practitioners.

### ACCA as a statutory regulator

- **Audit** – An ACCA member wishing to carry out work reserved for statutory auditors in the UK or the Republic of Ireland must hold a practising certificate and audit qualification. Only members who have passed the relevant examination papers and gained the necessary practical experience are eligible for a practising certificate and audit qualification.

Firms that hold, or intend to hold, audit appointments in the UK or Ireland require audit registration from an RSB – a RAB in Ireland – such as ACCA. A firm registered with ACCA for audit purposes must hold a firm’s auditing certificate.

- **Investment business** – ACCA is a Designated Professional Body (DPB) in the UK under the Financial Services and Markets Act 2000. This enables ACCA to regulate firms undertaking a limited range of exempt regulated activities, including insurance distribution. The provision of such services to a client must be incidental to the provision of accountancy services to that client.
- **Legal activities** – ACCA is an approved regulator for the reserved legal activity of probate. From 1 January 2021, ACCA ceased to authorise individuals and firms to carry out non-contentious probate work in England and Wales. All authorised individuals and firms have either transferred to CRL, obtained probate authorisation from another approved regulator, or ceased carrying on probate activities. ACCA has applied to the LSB to cancel its designation as an approved regulator under the Legal Services Act 2007.

All applications for certificates and licences, including applications for renewals, are subject to approval by the Admissions and Licensing Committee, although the routine scrutiny of application forms is delegated to ACCA staff.

### Progress against key regulatory priorities for 2021/22

KEY PRIORITY	UPDATE
Review practising certificate and licensing fees structures to ensure they remain fit for purpose	This activity will now form part of a wider review incorporating AML fees in 2022/23.
Engage with and support the digital transformation programme in relation to the PCEF moving online, the decoupling of the PCAQ and future proofing our processes	Whilst the digital transformation programme was paused, preparatory work on ACCA’s future desired processes for practising certificates has continued.  During 2021 ACCA carried out a review of the process to obtain a practising certificate (PC). This resulted in the development of a new Practising Certificate Experience Form (PCEF) ‘exemption’ policy ready for launch on 1 January 2022. The PCEF exemption includes a new ‘confirmation form’, together with supporting guidance, for members employed in firms that are registered under ACCA’s practising certificate development stream to record their practical training, rather than completing a full PCEF.
Continue to monitor Approved Employers effectively and adapt processes appropriately as Covid-19 restrictions change	ACCA continued to monitor Approved Employers having adapted its processes as a result of the Covid-19 pandemic.
Lead on the review of the AE Practising Certificate Development workstream as part of the wider Approved Employer scheme review	ACCA plans to undertake a review of the programme in the coming months.

### Lead regulator oversight

During 2021, the FRC reviewed the delegated audit regulatory task of registration. It also followed up on previous recommendations. The FRC recently reported on its findings. Five prior year recommendations were closed, one prior year recommendation remains open, and one recommendation was made relating to the review of communication with internal stakeholders. The inspection outcome confirmed that ACCA continues to meet its statutory obligations as an RSB for auditors.

In March 2020, IAASA conducted an inspection of ACCA's licensing arrangements for Irish statutory auditors and audit firms. Their report confirmed ACCA was meeting its statutory obligations as a RAB.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2021	TARGET	ACTUAL
Processing Practising Certificate with Audit Qualification (PCA)	80% completion of initial assessment feedback within 60 working days	81% completion of initial assessment feedback within 60 working days
PCA applications (quality assurance)	100% no incorrectly awarded PCAs	100% no incorrectly awarded PCAs
Processing Practising Certificate General (PCG)	80% completion of initial assessment feedback within 60 working days	54% completion of initial assessment feedback within 60 working days

OUTPUTS	2021	2020
Practising certificate holders	12,492	12,255
Audit qualification holders	3,143	3,299
Audit firms in the UK and Ireland	1,607	1,701
Firms holding DPB registration in the UK	853	890
Legal activities firms – probate (England and Wales)	78	52
Anti-money laundering supervised firms	2,337	2,406
Anti-money laundering supervised sole practitioners	4,762	4,912

### Analysis of outputs

The number of members holding a practising certificate has risen to 12,492 (2020: 12,255) due to members making an application to obtain their certificates to ensure that they have them in place for future use, rather than waiting for a partnership offer or promotion and applying at that point. There are currently 2,303 members on the register of practitioners.

At the end of 2021, the number of members holding a practising certificate and audit qualification decreased by 156 members. This decrease may, in part, be explained by the reduction in firms engaging in audit as noted below, which means a Principal is not required to hold a practising certificate and audit qualification.

The number of firms holding audit registration also decreased by 94. The steady decline in firms holding audit registration over the past few years can be attributed to the rise in audit thresholds. Many of the small and medium-sized practices which remain authorised have very few audits, and rising compliance costs and increased regulatory burdens could force more firms to withdraw from audit and seek new forms of work.



Authorisation continues to meet its targets in respect of statutory audit registration. However, the processing of PCG applications continued to take longer than usual. Additional resource was deployed during the year and ACCA will revert to the previous 30 working day KPI with effect from 1 July 2022.

## MONITORING

### Overview

A key mechanism in any system of regulation of practising accountants is a programme of monitoring visits designed to examine compliance with relevant rules, regulations, standards and best practice.

### UK and Ireland

ACCA's statutory recognition in the UK and Ireland as a licensing and supervisory authority for auditors, and those performing incidental investment activities in the UK, requires it to undertake a comprehensive programme of monitoring visits to licensed firms, audit training firms and individuals on a defined cyclical basis. In addition, ACCA supervises its firms for compliance with anti-money laundering requirements in both the UK and Ireland. This work is undertaken by ACCA's Compliance team.

The Regulatory Board oversees any changes to ACCA's policies concerning monitoring arising out of inspections by lead regulators or other drivers for improvement.

### Global monitoring activities

In many countries, ACCA members and firms are required by local legislation to register with a national professional body or regulator. Where that body or regulator has a monitoring programme in place, ACCA aims to avoid duplication.

In 2021, ACCA had active contracts with eight other professional bodies and regulators to undertake audit monitoring on their behalf, adapting and using the audit monitoring methodology it applies in the UK and Ireland. ACCA also had a separate contract with the national professional body of Cyprus to undertake AML monitoring on its behalf, which also included verifying compliance with its other key regulations.

In addition to those practising members who are covered by the arrangements described above, there are a very small number of ACCA members who practise in countries that do not have, and are unlikely to implement, a programme of monitoring. These members are licensed to practise by the government authorities of these countries, which are responsible for regulating them.

### Monitoring methodology

Key features of ACCA's monitoring methodology are set out below:

- the recruitment of specialist staff with extensive experience in their specialism, who undergo practical training in the application of ACCA's monitoring methodology before being allowed to undertake monitoring reviews
- a holistic approach to monitoring, taking into account the characteristics of the member, the firm, their clients and the nature of the professional services they provide to the public
- a risk-based approach which enables ACCA to target certificate holders identified as posing a higher risk for more frequent monitoring reviews
- an examination of the licence holder's procedures, processes and quality controls, which is supplemented by an inspection of audits, cases and transactions to ensure that they are applied effectively

- a highly developed assessment process to consider the seriousness of any instances of non-compliance identified, prior to concluding whether the monitoring review has a satisfactory or unsatisfactory outcome overall
- a focus on assisting firms or individuals to improve the quality of their work, using regulatory processes only where they are required in the interests of the clients and the public
- forms of reporting, appropriate to the professional services provided by the firm or individual, that communicate clearly the results of the monitoring review, and assist in rectifying any breaches or deficiencies for the future
- an internal quality control system to ensure that all monitoring reviews are conducted in accordance with ACCA's requirements. This provides assurance that the overall outcome of a monitoring review has been determined in accordance with ACCA's basis of assessment, and that the report issued is clear and will assist the licence holder. As part of the quality control process, a sample of audit monitoring reviews that are not subject to regulatory action are subjected to oversight by an Audit Monitoring Committee (AMC). This oversight takes place once the firm has supplied its action plan and any other outstanding matters have been cleared.

Monitoring reviews are generally undertaken on a cyclical basis which varies in length, depending upon the type of review. However, firms previously found to be non-compliant or considered higher risk are scheduled for an early follow-up review. For this reason, and because some firms hold licences but do not undertake any regulated activities, the number of reviews undertaken as a proportion of the number of firms licensed can vary from year to year.

#### **Admissions and Licensing Committee**

The monitoring of ACCA practitioners and firms is performed with the objective of protecting the public. Where work performed fails to reach the required standard, the measures available to ACCA include referral to a regulatory assessor or to the Admissions and Licensing Committee. Although an assessor may impose conditions on a certificate, only the Committee may remove a certificate or licence. The Admissions and Licensing Committee is independent of ACCA and is chosen from a panel of committee members appointed by the Appointments Board in accordance with ACCA's Regulatory Board and Committee Regulations. Hearings of the Admissions and Licensing Committee are held in public and the Committee has a lay majority.

The procedures followed by the Admissions and Licensing Committee are set out in ACCA's Authorisation Regulations and, in respect of audit and anti-money laundering cases, the applicable Regulatory Board Policy Statement and Regulatory Guidance, which are available on the ACCA website. The Policy Statements and Regulatory Guidance provide guidance on the range of options available to regulatory assessors and the Admissions and Licensing Committee when considering what orders to impose upon an individual or firm. They also provide transparency, so that members and others are aware of the range of orders available. The Guidance also helps to ensure that orders made are consistent and proportionate.

Notices of hearings of the Admissions and Licensing Committee are published on the ACCA website. The decisions of the regulatory assessor and the Committee are also published on the website, naming the member.

Following a hearing, the Committee's written reasons for its decision are provided to the member, who may then apply for permission to appeal.

### Audit Monitoring Committee

The first AMC meeting took place in March 2019. The purpose of the AMC is to oversee audit monitoring and ensure consistency of process and of outcomes. The AMC has limited powers and is not able to make regulatory and disciplinary orders in the same way as the other regulatory and disciplinary committees, although it does determine the outcome of a proportion of monitoring reviews and the timing of the follow-up review. AMC meetings normally take place once a month.

### Progress against key regulatory priorities for 2021/22

KEY PRIORITY	UPDATE
Continue to meet ACCA's regulatory obligations in respect of monitoring in the face of the challenges posed by the impact of the Covid-19 pandemic, particularly the inability to conduct on-site inspections	ACCA continued to undertake a programme of monitoring activity despite the restrictions imposed by the Covid-19 pandemic. During the year, where safe to do so and in line with government guidance, ACCA recommenced a small number of in person monitoring reviews.
Aim to improve standards of compliance by expanding the range of support for practitioners in addition to undertaking monitoring reviews	<p>Whilst no additional support was produced during the year, ACCA intends to circulate summary findings of key audit weaknesses to all audit firms in 2022/23.</p> <p>The AML Supervisory Team updated a number of technical factsheets for the UK Technical Advisory Team to raise awareness of AML supervision and requirements. It also developed and delivered a webinar for Irish members to raise awareness of AML supervision and the requirements of members.</p> <p>The AML Supervisory Team published its first annual report on detailing ACCA's AML supervisory activity in the UK and Ireland covering the period April 2020 to April 2021.</p>
Complete the digital transformation of Monitoring processes	The digital transformation programme was paused and therefore no further activity was undertaken in the year.

### Lead regulator oversight

During 2021, the FRC reviewed the delegated audit regulatory task of monitoring. It continued its policy of shadowing a sample of audit monitoring visits and also followed up on previous recommendations. The FRC recently reported on its findings. Three prior year recommendations remain open, and two recommendations were made relating to meeting the statutory visit cycle and guidance for senior compliance officers. The inspection outcome confirmed that ACCA continues to meet its statutory obligations as an RSB for auditors.

In 2021, IAASA conducted a review of ACCA's quality assurance system and reported on its findings and recommendations which ACCA is in the process of implementing.

OPBAS reviewed the effectiveness of ACCA's supervisory approach to AML in 2021. It has submitted its supervisory assessment findings to ACCA and is content with ACCA's responses. ACCA has set out an improvement plan to address the findings.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2021	TARGET	ACTUAL
Number of monitoring reviews due in 2021 of firms holding audit registration in the UK and Ireland	508	360
Number of anti-money laundering compliance reviews of supervised firms in the UK and Ireland in 2021/22	320	347

## Outputs – Number of reviews

VISIT TYPE	2021	2020
Audit – UK and Republic of Ireland – audit work	182	113
Rule compliance – UK and Republic of Ireland	383	364
Audit – UK and Republic of Ireland – training auditors	609	467
Audit – Global	197	163
Investment business – UK	104	72
AML reviews – UK and Ireland	317	87
AML reviews – Cyprus	130	86

### Analysis of outputs

In the UK and Ireland, audit monitoring reviews are split into two component parts: audit work, and eligibility for audit registration together with compliance with the *ACCA Rulebook*. In 147 cases reported above, the monitoring review encompassed both an inspection of the firm's audit work and an assessment of the firm's compliance with the *ACCA Rulebook* (including eligibility for audit registration).

Where a firm does not hold audit registration in the UK and Republic of Ireland, or it holds audit registration but has confirmed it has no audit appointments, the monitoring of compliance with the *ACCA Rulebook* and eligibility for audit registration, where applicable, is usually carried out remotely by a separate team; 418 such reviews were carried out in 2021.

The scope of audit monitoring visits undertaken on behalf of national professional bodies or regulators outside the UK and Ireland entails verifying firms' compliance with International Standard on Quality Control 1 (ISQC 1) and International Standards on Auditing (ISAs) in the conduct of audit work, and compliance with the IESBA Code of Ethics for Professional Accountants including International Independence Standards 2018 Edition (2018 Code of Ethics) directly relevant to the audit of annual financial statements. From March 2020, audit monitoring reviews have been carried out remotely due to the Covid-19 pandemic. A return to on-site visits in certain circumstances was introduced towards the end of 2021. Under this blended approach to monitoring, higher risk firms are visited on-site and low risk reviews are likely to be undertaken remotely.

ACCA requires action plans, including a root cause analysis, from all firms required to make improvements in the standard of their audit work. These action plans assist and encourage firms to make the necessary improvements. ACCA assesses whether the action plan is likely to be effective and requires the firm to amend the plan, if appropriate. Follow-up monitoring will include assessment of the effectiveness of the action plan.

ACCA conducts on-site and desk-based AML compliance reviews of firms in the UK and Ireland. From March 2020, all monitoring has been conducted remotely due to Covid-19 restrictions. The reviews comprehensively assess the controls a firm has in place to ensure compliance with the AML requirements. Following the AML compliance review, the firm is issued with a report detailing any findings. The firm will be provided with a time frame to implement the required action and provide evidence to ACCA, which will then assess if the improvements meet the requirements.

## INVESTIGATION AND DISCIPLINE

### Overview

ACCA deals with complaints about its members and students, including allegations of misconduct. Complaints are received from a variety of sources including dissatisfied clients, employers of members, other practitioners, members of the public and referrals from departments within ACCA. Complainants can lodge a complaint by completing a complaint form, which is easily accessible on the ACCA website. ACCA's responsibilities encompass conciliation, investigation and discipline. In doing this, ACCA acts in the public interest and in accordance with the principles of better regulation. It strives to take effective and proportionate disciplinary action, where appropriate, while carrying out procedures that are fair, consistent and transparent.

ACCA is a global regulator and applies the same standards to all its members, affiliates and students worldwide. ACCA is concerned to act, and be seen to act, proportionately and robustly when its members or students fail to meet those standards.

ACCA's conciliation service provides conciliation where disagreements involving ACCA members are appropriate for such resolution, and where the public interest does not require disciplinary action. This is achieved by finding a solution that is acceptable to both parties, while ensuring that any need for disciplinary action is also further investigated. ACCA members can also utilise mediation and arbitration as alternative means of dispute resolution where they are in dispute with clients or other parties. The ACCA Mediation Scheme and The ACCA Arbitration Scheme are administered independently by the Chartered Institute of Arbitrators.

### Disciplinary Committee

If an investigation suggests that there may be a case to answer, a report will usually be prepared for consideration by an independent assessor. If ACCA's investigation suggests that a matter should be closed or should rest on the relevant person's file, the complainant may request a review of that decision by an assessor. This ensures that the process of determining which matters should be brought before the Disciplinary Committee is, and is seen to be, thorough and objective.

The Disciplinary Committee itself is independent of ACCA and is chosen from the same panel of committee members as the Admissions and Licensing Committee and the Appeal Committee. All panel members are appointed by the independent Appointments Board. As with the Admissions and Licensing Committee, hearings of the Disciplinary Committee are (other than in exceptional circumstances) open to the public and the Committee has a lay majority. The procedures to be followed at disciplinary hearings are set out in the Complaints and Disciplinary Regulations and in the Guidance for Disciplinary Sanctions. Both the Regulations and the Guidance clearly set out the framework for decision-making and the wide range of sanctions available to the Disciplinary Committee.

ACCA may also dispose of a complaint by way of consent order. The consent order regime allows ACCA to dispose of a complaint where the relevant person accepts responsibility for any failings and/or breaches being investigated. It has the benefit of being a formal disciplinary order, without the need for a full disciplinary hearing. Consent order decisions are usually publicised naming the relevant person. There is no right of appeal against a consent order.

Pre-hearing notifications are published on the ACCA website, notifying the general public of the cases that are to be heard. Following a hearing, the Committee's written reasons for its decision are provided to the member or future member. If there has been a finding against that person, the Committee's reasons for decisions are usually publicised on the ACCA website.

However, the Committee has discretion to limit publicity in exceptional circumstances. Publicity will be on the ACCA website and, for members and future members in the UK and Ireland, is also sent to a newspaper local to the member's area of practice or the future member's town of residence.

Progress against key regulatory priorities for 2021/22

KEY PRIORITY	UPDATE
<p>Uphold ACCA's reputation through the delivery of effective and efficient disciplinary and regulatory processes which are proportionate in balancing the public interest with that of our members</p>	<p>ACCA has continued to deliver a robust and resilient investigative and disciplinary service notwithstanding the challenges posed by the Covid-19 pandemic.</p> <p>In April 2021, ACCA implemented changes to the Professional Conduct Department structure (including additional resourcing) to ensure that ACCA's investigative and disciplinary service continues to be resilient and adequately resourced and to enable ACCA to deliver its strategy to 2025 and beyond.</p> <p>ACCA continues to focus on ensuring that its processes are proportionate, particularly in relation to new case types (eg those that relate to remote invigilation).</p>
<p>Ensure disciplinary and regulatory processes operate in a cost-effective manner whilst maintaining high standards of integrity and independence</p>	<p>ACCA continues to operate remote hearings using paperless (electronic) bundles. It considers that remote hearings are fair and efficient and anticipates that most hearings will continue to be operated in this way. However, as the world emerges from the Covid-19 restrictions, ACCA has developed a policy to enable face-to-face hearings to be conducted on an exceptional basis and in the interests of fairness.</p> <p>Where appropriate, ACCA continues to identify cases that are suitable for closure by consent order process. This ensures that cases are concluded efficiently and proportionally whilst protecting the public interest.</p> <p>The changes that have been implemented to the departmental structure were designed to ensure that ACCA's resource is appropriately focused.</p> <p>ACCA continues to seek to identify process changes and technical solutions which, once implemented, improve efficiency whilst maintaining high standards of integrity and independence.</p>
<p>Play a critical role in ACCA's UN SDG commitments, specifically UN SDG 16 (Promote and adhere to the highest standards of professionalism, integrity and ethics) by championing its ethos, including through the provision of robust, proportionate disciplinary and regulatory oversight and feedback</p>	<p>UN SDG 16 is at the heart of ACCA's investigative and disciplinary service. ACCA strives to ensure that the investigative and disciplinary service it delivers is demonstrably professional and that it promotes high standards of integrity and ethics.</p> <p>ACCA continues to promote sustainability through the use of remote hearings and paperless bundles where possible.</p> <p>ACCA has provided training and other collateral to organisations in the Caribbean and Asia aimed at promoting frameworks for strong, credible, and high-quality professional accountancy organisations.</p> <p>ACCA has sought to identify opportunities to provide information to members and future members to help them better understand potential 'ethical pitfalls' and how to avoid them. This has included a podcast aimed at future members at exam stage and magazine articles. In addition, ACCA has developed materials to enable it to provide practical insight on the application of ethical principles to university students.</p>

Lead regulator oversight

In 2021, the FRC remotely reviewed a sample of ACCA's enforcement case files. The FRC recently reported its findings and was satisfied that ACCA continues to meet the Conditions of Delegation relating to enforcement. There were no requirements or recommendations in relation to this work.

In March 2020, IAASA conducted a follow-up review of ACCA's complaints and disciplinary system. Their report was issued in late 2020 and IAASA made some further recommendations and identified other matters for consideration which ACCA has responded to, and it will continue to liaise with IAASA throughout the year in order to progress outstanding matters.

The Chartered Trading Standards Institute (CTSI) conducted a biennial review of ACCA's ADR scheme in October 2021. Following the review, CTSI issued guidance on amendments to the scheme rules

relating to the medium through which the outcome of the ADR procedure is communicated to the parties and an explanation as to the grounds on which the outcome is based. ACCA actioned this within the stipulated deadline.

IAASA has introduced guidelines for the RABs when performing Investigation and Disciplinary Functions, effective 1 January 2022. ACCA believes that its rules and regulations are in line with the expectations expressed by IAASA in the guidelines.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2021	TARGET	ACTUAL
<b>Average time taken to deal with a complaint in the Assessment and Investigations Departments</b> (from the date allocated to an investigations officer or 14 days from the date that the complaint is received by the Professional Conduct Department (whichever is sooner) to the date investigation concluded, minus external deferral periods)	6 months	5.6 months
<b>Average listing time for all hearings</b> (from the date of independent assessor decision to the date of Disciplinary Committee hearing)	6 months	7.86 months

OUTPUTS – COMPLAINTS	2021	2020
Complaints in hand at the start of the year	507 <sup>3</sup>	508 <sup>3</sup>
Complaints received during the year	1,063	557
Complaints closed after initial review	273	126
Complaints closed following conciliation	48	84
Complaints closed following an investigation	283	198
Complaints closed by consent order	37	43
Complaints closed following assessor review	18	19
Complaints closed following withdrawal by Adjudication team	1	0
Complaints closed following a disciplinary hearing	60 <sup>4</sup>	73
Complaints closed following appeal application and/or appeal hearing	8	6
Complaints closed following Health Committee	1	1
Complaints in hand at the end of the year	841 <sup>5</sup>	515
Average time to conclude an investigation	5.6 months	4.5 months

3 Includes administrative adjustments made following reconciliation exercises throughout the year.

4 This figure is lower than previous years partially due to the Interim Orders (and review) hearings that were required for the PER breach cases that were referred to the Adjudication team at the end of 2020 and start of 2021.

5 251 of these cases relate to remote invigilated exams.

OUTPUTS – HEARINGS <sup>6</sup>	2021	2020
Disciplinary Committee hearings	84	115
Disciplinary Case Management meetings <sup>7</sup>	13	6
Admissions and Licensing Committee hearings	65	59
Appeal Committee hearings	1	3
Permission to Appeal Committee hearings	0	0
Consent Order hearings	37	45
Interim Orders hearings	61 <sup>8</sup>	31
Health Committee hearings	6	2
Regulatory Assessor Committee meetings <sup>9</sup>	15	6
Audit Monitoring Committee meetings	12	11
<b>Total number of hearings</b>	<b>294</b>	<b>278</b>
Cases concluded by Disciplinary Committee	60	87
Disciplinary Case Management meetings concluded <sup>7</sup>	9	4
Cases concluded by Admissions and Licensing Committee	61	51
Cases concluded by Appeal Committee	1	2
Cases concluded by Permission to Appeal Committee	0	0
Cases concluded by Consent Order	37	45
Cases concluded by Health Committee	5	2
Regulatory Assessor Committee meetings concluded <sup>9</sup>	15	6
Cases concluded by Interim Orders Committee	59	29
Audit Monitoring Committee cases considered	36	34
<b>Total number of cases concluded</b>	<b>283</b>	<b>260</b>
Average listing time for all hearings at 31 December	7.86 months	10.2 months

### Analysis of outputs

The total number of complaints received by ACCA increased in 2021, with 1,063 received compared to 557 in 2020. The average time to conclude an investigation increased but remains under six months. ACCA concluded its investigation within six months in 69% of cases (the target KPI is 75%). The KPI targets in respect of investigations concluded within 12 months and those concluded in excess of 12 months were both exceeded by 5%.

The average listing time for all hearings decreased in 2021 but remains above the six-month KPI including 10 cases with a lead time over 12 months.

ACCA remains committed to continuous improvement and, on an ongoing basis, will continue to review and improve the efficiency of the complaints handling process, mindful of its regulatory obligations and its target KPIs.

6 Where a case has been scheduled for two or more days, this counts as one hearing.

7 The Outputs – Hearings table now includes the number of Disciplinary Case Management meetings that have been conducted and concluded in 2021 and 2020.

8 The large number of Interim Orders Committees (and reviews) in 2021 relates to the PER alleged breach cases that were referred to the Adjudication team at the end of 2020 and start of 2021.

9 Regulatory Assessor (RA) meetings were facilitated by the Professional Conduct Department from March 2020 and the Outputs – Hearings table now includes the number of RA meetings and cases considered by the RA in 2020 and 2021.



## REGULATORY GOVERNANCE

### Overview

ACCA's governance arrangements for regulation and discipline and the integrity of the examination process allow these functions to operate with appropriate independence from other activities. Its regulatory oversight structure ensures autonomous oversight of ACCA's governance arrangements. This includes supporting the work of the PIOBs and the operation of ACCA's disciplinary and regulatory committees.

ACCA oversees the update of the *ACCA Rulebook* and the promulgation of other standards. It also promotes ethics and engages with members, standard-setters and other bodies on ethical matters.

ACCA maintains effective relationships with lead regulators and others, including the provision of reports and other information; implementing recommendations in line with requirements and ensuring compliance; and engaging with regulatory developments to help shape regulatory policy in the public interest. This includes providing support to markets, other professional bodies and regulators on regulatory development and building the profession activities.

### ACCA Rulebook

The *ACCA Rulebook* consists of ACCA's Royal Charter, bye-laws, regulations and Code of Ethics and Conduct. All members and future members of ACCA are bound by its bye-laws, regulations and Code of Ethics and Conduct, and failure to adhere to these renders them liable to disciplinary action. The Rulebook is updated regularly, in line with regulatory developments and policy requirements.

### Other regulatory standards

Members are not only required to adhere to ACCA's rules and standards, they are also required to comply with standards issued by national and international standard-setting bodies. ACCA provides information and guidance to ensure that its members are aware of these other regulatory standards, including the Practice Information Handbook; CCAB and CCAB-I guidance on ethics and anti-money laundering; useful factsheets covering the application of rules and standards; and signposting to auditing and accounting standards on the websites of national and international standard-setters.

### Regulatory development

ACCA supports other professional bodies and regulators to strengthen systems of regulation for accountants in other jurisdictions. The support may take the form of donor funded consulting assignments, the provision of guidance on regulatory matters, participation in working parties and responses to consultations on regulatory reform. During 2021, ACCA provided regulatory support to other professional bodies and regulators in Ethiopia, China, Malaysia, UAE and Ukraine.

Progress against key regulatory priorities for 2021/22

KEY PRIORITY	UPDATE
<p>Lead ACCA's response to the Future of Audit consultation and resulting regulatory change</p>	<p>In July 2021, ACCA responded to the consultation on the Government's proposals for restoring trust in audit and corporate governance and its aim to improve the wider financial reporting ecosystem as a whole. The ACCA Global Forum for Audit and Assurance considered the matters raised and their views were represented in ACCA's response. It also reflected the views of ACCA members obtained during the consultation period.</p>
<p>Act as super-connector in supporting government-to-government and regulator-to-regulator engagement, with a focus on mutual recognition post the UK exit from the EU</p>	<p>ACCA has continued to support government-to-government and regulator-to-regulator engagement through efforts to maximise recognition opportunities, including facilitating communications between competent authorities and liaising directly with decision makers.</p>
<p>Play a critical role in ACCA's UN SDG commitments, specifically UN SDG 16 (Promote and adhere to the highest standards of professionalism, integrity and ethics) through robust, proportionate regulatory and disciplinary oversight and feedback</p>	<p>ACCA continues to facilitate the activities of its regulatory oversight structure in line with requirements to ensure autonomous oversight of ACCA's governance arrangements. ACCA also continued to maintain an effective and experienced Committee of Panel members who make independent decisions relating to disciplinary and regulatory matters. In 2021, a campaign was undertaken to recruit disciplinary assessors.</p> <p>In October 2021, ACCA completed work to increase the visibility of information about regulatory governance arrangements on the ACCA website. The updated webpages provide clearer information about all the PIOBs and regulatory reporting lines, including Board member profiles, the register of interests for Board members, terms of reference, meeting dates, and minutes.</p> <p>ACCA engages with lead regulators and others to help shape regulatory policy in diverse areas in the public interest. In particular, ACCA has continued to engage with the reviews of the Future of Audit in the UK, including the BEIS consultation.</p> <p>In 2021/22, ACCA also responded to a number of consultations in order to influence regulatory change in the key areas of anti-money laundering, insolvency and ethics.</p> <p>In addition, ACCA responded to lead regulator thematic reviews, and consultations on guidelines and procedures in relation to regulatory functions.</p> <p>ACCA's regulatory processes and required standards of professional and ethical behaviour on the ACCA website were reviewed and updated during 2021/22. ACCA also promoted ethics and engaged with members, standard-setters and other bodies on ethical matters through ACCA's Global Forum for Ethics and the CCAB Ethics Group.</p>

Lead regulator oversight

In 2021, the FRC continued its review of the governance of ACCA's regulatory activities. It observed meetings of the Qualifications Board, the Regulatory Board and the Admissions and Licensing Committee. The FRC recently reported its findings and was satisfied that ACCA continues to provide effective risk-based governance over its regulatory responsibilities. Two prior year recommendations were closed. There were no further requirements or recommendations in relation to this work.

## ACCA PLANS FOR 2022

For the past two years, the ACCA community – and the world – has faced unprecedented disruption from the coronavirus pandemic. ACCA adapted swiftly and decisively, working to a critical strategic focus to ensure it continues to deliver what its community and the world needs in a challenging environment.

Covid-19 has demonstrated that ACCA's strategy to 2025 has both the robustness and flexibility to enable it to withstand highly testing conditions. ACCA's focus on agility and innovation in its operations enabled it to divert resources to more digital services and support for all its stakeholders and accelerate its plans for remote exam supervision.

The impact of the coronavirus pandemic and the UK's exit from the EU continue to be felt across all areas of ACCA's business, and severe geopolitical tensions and conflict in a number of markets in which ACCA operates, most recently in Ukraine, are creating new challenges.

The increased uncertainty and challenges arising from rapid and accelerating change and disruption across ACCA's markets are expected to continue in the coming year. In 2022, ACCA will shift from having a 'critical strategic focus' to move boldly forward, recognising that it is no longer operating in crisis mode but pursuing its purpose in a world that has fundamentally changed.

ACCA will continue to monitor developments in 2022 and engage with the Board and regulators should further challenges arise requiring changes to its regulatory activities.

## KEY REGULATORY PRIORITIES FOR 2022/23 <sup>10</sup>

### PROFESSIONAL QUALIFICATIONS

- Manage the build up to, and introduction of, professional skills marks into the Strategic Professional Options exams from the September 2022 exam year
- Conduct a full review of the Approved Learning Partner programme with recommendations
- Conduct a full review of the Approved Employer programme with recommendations

### CONTINUING PROFESSIONAL DEVELOPMENT

- Manage and maintain ACCA's CPD policy
- Implement the recommendations arising from lead regulator inspections

### LICENSING

- Review practising certificate and licensing fees structures to ensure they remain fit for purpose
- Engage with and support the digital transformation programme including the decoupling of the PCAQ and future proofing our processes
- Continue to monitor Approved Employers effectively and prepare for full engagement with the digital transformation programme
- Lead on the review of the AE Practising Certificate Development workstream as part of the wider Approved Employer scheme review

### MONITORING

- Continue to meet ACCA's regulatory obligations in respect of monitoring and adopt a digital first approach
- Aim to improve standards of compliance by expanding the range of support for practitioners in addition to undertaking monitoring reviews
- Re-commence the digital transformation of monitoring processes

### INVESTIGATION AND DISCIPLINE

- Ensure timely delivery of agile, effective, efficient and transparent disciplinary and regulatory processes which are proportionate in balancing the public interest with that of our members and maintain high standards of fairness, independence and integrity
- Improve and align regulatory and internal reporting to achieve efficiencies, maximise effectiveness and ensure that it is fit for purpose
- Identify innovative solutions to the work that we do. Where appropriate, highlight alternative solutions to colleagues in other teams that we work with to contribute to improvements to the overall efficiency of ACCA's end to end processes and support change

### REGULATORY GOVERNANCE

- Ensure effective governance by implementing consistent processes across all Council, PIOB and Executive Team meetings
- Embed a new approach to all meeting arrangements post-Covid, embracing new technology and aligning to ACCA's wider commitments to the UN SDGs and financial sustainability
- Ensure Boards and Committees with regulatory responsibilities have access to climate change and sustainability information and expertise, and consider climate change and sustainability as part of their remit

<sup>10</sup> The key priorities reflect key areas of focus for Q1 and Q2 of 2022/23 and all are due to be completed by 2023 unless otherwise specified.

## BIOGRAPHIES OF BOARD MEMBERS

The Regulatory Board is responsible for general oversight over ACCA's regulatory functions and aims to ensure that ACCA's regulatory arrangements operate in the public interest. The Board has a lay majority and comprises an independent lay (ie non-accountant) chair, five lay members and two Council members.

The members of the Board are:



**Lucy Winskell** (Lay chair of the Regulatory Board)

Lucy has been pro vice-chancellor (employability and partnerships) at Northumbria University since 2022, a full-time role where she has led the development of Northumbria's relationships with local government and public bodies, shaping its contribution to regional economic, cultural and social development and graduate employment and establishing its Amsterdam campus as part of Northumbria's Internationalisation Strategy. She steps down from that role at the end of August 2022, having been appointed Her Majesty's Lord Lieutenant of Tyne and Wear, but will continue her non-executive roles.

Prior to joining Northumbria University in 2010, Lucy was a litigation lawyer for 28 years. During that time as a lawyer Lucy gained a very deep and rich experience of membership organisations and the regulation of professionals, sitting on the Council of the Law Society of England and Wales and on the board of the Solicitors Regulation Authority and as president of Newcastle Law Society.

She has extensive non-executive director experience. Appointments have included Government Office North East, Darlington Building Society, the British Chambers of Commerce, the North East Industrial Development Board and the Arts and Humanities Research Council, the last two being Ministerial appointments.

Currently she is chair of the North East Local Enterprise Partnership and a non-executive director of North East Access to Finance.

Lucy has international experience as a former UK president of the Union Internationale des Avocats and served as UK chair of the British-American Project, the think-tank and international network for Anglo-US business and cultural relations.

She is chairman of Live Theatre and a trustee of Live Theatre and International Centre for Life, both in Newcastle upon Tyne, and became chairman of the Heritage Lottery Fund North East Committee in June 2017. She is deputy chair of The Community Foundation, Tyne and Wear and Northumberland.

Lucy was awarded an OBE in the Queen's Birthday 2014 Honours List in recognition for her services to higher education and the regional economy in the North East. She was appointed as Deputy Lieutenant of Tyne and Wear in 2014, and subsequently Lord Lieutenant in May 2022 and was High Sheriff of Tyne and Wear 2015/16.



**Richard Cooper** (Lay member of the Regulatory Board and chair of the Standards Board)

Richard Cooper has extensive experience of leading business transformation and operating at board level within complex organisations.

He worked with BT for more than 10 years, leading business transformation and engaging in face-to-face dealings with the UK telecoms regulator and other communication providers.

Since leaving BT (in March 2018) he has taken up roles including:

Member of the NHS Pay Review Body – The NHSPRB provides independent recommendations on the remuneration of all staff paid under Agenda for Change employed in the NHS. The NHSPRB’s recommendations apply to all staff in the NHS, with the exception of doctors, dentists and very senior managers. The remit group accounts for just under 1.5 million NHS staff (paybill c. £43bn).

Non-executive director and Audit Committee chair, Health Research Authority – The HRA is an arm’s-length body in the Department of Health and Social Care that protects and promotes the interests of patients and the public in health and social care research.

Chair of West Suffolk Council Remuneration Panel – the independent Remuneration Panel plays an important role in advising the Council on the remuneration and expenses of its councillors.

Non-executive director at Cambridgeshire Community Services NHS Trust (stood down February 2019).



**Sharon Critchlow** (Council member of the Regulatory Board)

Sharon has been an ACCA member since 1996 and was elected to Council in 2016. After eight years as a public practice accountant, Sharon held the role of operations and compliance director with regulatory responsibilities in the financial services sector for 17 years. She is a chartered member of the Chartered Institute of Securities and Investments and a chartered financial planner.

In her commercial life Sharon has a business which specialises in governance and cyber security, and a second enterprise which focuses on workplace culture strategies and wellbeing. She has an interest in environmental social governance, is a frequent speaker on diversity and inclusion and advocates for better mental health awareness in the construction sector.



**Amin Dawuda** (Lay member of the Regulatory Board)

Amin is an experienced executive operating at board level in the private and public sectors.

He has held a number of senior leadership roles in financial services organisations, with over 20 years at London Stock Exchange Group.

This included guiding customer facing technology and operations teams, managing risk, compliance and change management in highly regulated capital markets. He also chaired a steering committee that oversaw the performance of LSE Plc’s technology supplier, reporting to the Board and industry regulator.

Amin is vice chair of governors at a primary school, and vice secretary at a youth football club that serve his local community. He is committed to providing development pathways for young people and improving diversity and inclusion, particularly at senior levels within the workforce.



**Bill Matthews** (Lay member of the Regulatory Board and chair of the Appointments Board)

Bill is a chartered engineer who began his career as a test engineer with Motorola in Scotland, before spending a number of years running technology businesses. He subsequently developed a portfolio of non-executive interests in a variety of areas, including seven years as chair of the BBC Pension Fund.

Bill's current roles include chairmanship of the Scottish Criminal Cases Review Commission and sitting as a lay panellist for the Nursing and Midwifery Council on fitness to practise hearings. He is a member of the British Transport Police Authority and sits on the board of the Scottish Futures Trust – an infrastructure centre of excellence owned by the Scottish Government. Bill holds an MBA alongside first degrees in electrical engineering, psychology, and humanities with creative writing.



**Nora Nanayakkara** (Lay member of the Regulatory Board and chair of the Qualifications Board)

Nora holds a number of independent governance roles, including chair of the Audit and Risk Committee and non-executive director on the Board of the UK Statistics Authority (UKSA), which oversees the production and regulation of the UK's official statistics system.

Nora's executive career in the private sector included several years of international experience and successfully launching a German digital tech start-up's UK presence. Having achieved an MBA, she then developed a portfolio of governance roles with her appointment as a non-executive director (NED) to the Board of Nominet, which runs a critical piece of the UK's digital infrastructure, the .uk domain name register. She was subsequently appointed by Nominet as senior independent trustee and chair of the Audit Committee to the board of its corporate social investment foundation, Nominet Trust, which awarded multimillion pound funding to entrepreneurial organisations with innovative technology-enabled missions. She has also served as a NED and Audit Committee member on the Board of the UK trading fund, The IPO, which is responsible for the UK's intellectual property rights.

As well as her cross-sectoral non-executive portfolio and governance roles, Nora brings valuable experience of professional regulation through her role as a lay fitness to practise chair at the General Dental Council (GDC), as a lay panellist and chair at the General Osteopathic Council (GOsC), and an independent member of the Bar Council's audit committee. Nora holds a Ministerial NED appointment in Ireland on the Board of the Digital Hub in Dublin, which provides incubator space and support to international tech start-ups. She is also a member of the Pay Review Body on Doctors' and Dentists' Remuneration (DDRB) and holds a Diploma in Legal Medicine (DLM).



**Den Surfraz** (Council member of the Regulatory Board)

Den has been an ACCA member since 2009 and was elected to Council in 2020. He is head of compliance at Butterfield Mauritius Limited.

He is a certified fraud examiner with more than 30 years' experience in financial crime investigation, risk management and compliance.

His previous position was with Citco in global operation control. He has also worked as an investigator at the Financial Intelligence Unit and as a police officer mainly with the Anti Drugs and Smuggling Unit in Mauritius.

Den chairs the ACCA Mauritius Network Panel. He is also a board member of Mauritius Institute of Professional Accountants (MIPA) and the Financial Reporting Council (FRC).

He is married with two children and enjoys playing football, watching English football especially Manchester United and trail running.



**Tom Spender** (Lay member of the Regulatory Board)

Tom Spender is currently the General Counsel for the Retail Bank of Lloyds Banking Group plc.

In his career, Tom has held senior positions at both regulated financial services firms and also at the UK financial services regulator. He has a legal background with over 20 years' experience in consumer protection, litigation, risk management, the use of data and regulation.

Prior to joining, Lloyds Bank in 2016, Tom held various senior roles at the UK Financial Conduct Authority and its predecessors for over 13 years, including senior policy, enforcement and supervision roles.

Tom is a qualified solicitor and has worked in litigation and capital markets in international law firms in the UK and in Australia.





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Think Ahead