

minutes

Meeting: Regulatory Board

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

Date: 19 May 2015, 13.30 – 16.00

PRESENT:

The Chairman (Antony Townsend), John Cullen, Raphael Joseph, David Lock, David Thomas, Suzy Walton and Rosalind Wright.

IN ATTENDANCE:

Executive Director – Governance (Peter Large), Director – Regulation (Sundeep Takwani), Head of Adjudication (Adrianna McDonnell, present for item 8 only), Head of Standards (Ian Waters) and Regulation Officer (Catriona Spedding).

APOLOGIES:

Apologies were received from Frances Walker.

1. MINUTES

The Board approved the minutes of the meeting held on 10 February 2015.

2. CONFLICTS OF INTEREST

The Board noted that no potential conflicts of interest were notified to ACCA following the distribution of the meeting papers.

3. PRESENTATION FROM THE EXECUTIVE DIRECTOR – GOVERNANCE

The Board received a presentation from the Executive Director – Governance on ACCA's risk management and mitigation process and on recent developments.

The Board discussed how it could contribute to ACCA's risk management and mitigation processes and noted that:

- it should seek to identify where risks crystallise
- it has a role for ensuring that policies and projects are aligned to the risk management process

and

- it could contribute to the development of ACCA's vision statements.

The Board agreed that, based on the overview provided of ACCA's risk management and mitigation process, it has a high level of confidence that ACCA should be able to identify appropriate areas of risk within its strategic context.

4. CHAIRMAN'S REPORT

The Board received a report from the Chairman of the Regulatory Board and noted that the Chairman attended the Standards Board meeting on 8 May 2015. The Chairman commented that good progress had been made on all the key strands of work identified by the Board at its initial meetings, and that these were covered in the remaining parts of the agenda.

5. REGULATORY BOARD WORK PROGRAMME

The Board considered the Work Programme in conjunction with its work plan.

The Board agreed:

- to approve its Work Programme for 2015-2017, attached at Appendix 1
 - that the Chairman of the Board and ACCA should carry out some initial work on prioritising the longer-term matters set out in the Work Programme – this should include scoping out the priorities, intensity, dependencies and inter-relationships with ACCA Strategy and the individual sub-Boards' work programmes
 - that the Chairman of the Board and Suzy Walton should consider the framework for how the Board should appraise its performance over the year – this should include drawing up a list of the pros and cons of each proposed framework
- and
- that the proposed framework should be shared with the Board before its next meeting in September 2015.

6. PERFORMANCE DATA

The Board considered the performance data to be received by the Board at its meetings and noted that:

- ACCA needs to consider further trend data and analysis
and
- ACCA will continue to work with the statistician to improve the presentation of information.

The Board agreed:

- that a glide path should be included in the hearings section to illustrate whether ACCA is on course for the targets it has set itself
- that regulatory action should be sub-categorised into the different types of regulatory action
and
- to approve the dataset of performance information to be provided at Board meetings, subject to the incorporation of the changes identified above.

The Board noted that the FRC has asked all of the bodies to look at audit quality and that further work is being carried out. The Board agreed that the executive should report back on this work as and when appropriate.

7. REPORTS FROM APPOINTMENTS, QUALIFICATIONS AND STANDARDS BOARDS

The Board received reports from the Chairmen of the Appointments, Qualifications and Standards Boards. The key points were noted:

- that the Appointments Board has been carrying out interviews and is intending to appoint six new disciplinary assessors
- that the Appointments Board has also agreed that statistics should be collated to enable it to determine how many chairmen should be recruited
- that the Qualifications Board will be considering its public interest role
- that the Qualifications Board will also be focussing on Continual Professional Development (CPD) at its next meeting, and that it has agreed the timetable for its reporting obligations to Ofqual

- that the Standards Board is considering changes to the regulations to include the use of consent orders
and
- that the Standards Board also discussed options for promoting standards and regulation within ACCA, to the profession and beyond.

The Board also noted the draft minutes of the Appointments and Standards Boards' meetings.

8. HEARING PROJECT

The Board received an update on the hearings project.

The Board agreed that:

- the working group should meet with the Head of Adjudication to agree a work programme for the longer-term initiatives which had been identified
and
- an update on the outcomes of the project should be communicated to the chairmen, panel members, legal advisers and assessors.

9. REGULATORY BOARD'S REPORT TO COUNCIL

The Board approved the Regulatory Board's report to Council.

10. 2015 PUBLIC REPORT ON REGULATION

The Board approved the 2015 public Report on Regulation, subject to the incorporation of the amendments identified at the meeting.

11. 2015 ANNUAL REPORT TO GOVERNANCE DESIGN COMMITTEE

The Board agreed that an updated report on the performance of the Board in 2014-15 for submission to the Governance Design Committee should be circulated by email following the Qualifications Board meeting on 23 July 2015 for approval.

12. LEAD REGULATOR UPDATE

The Board noted an update on ACCA's interactions with its lead regulators, in particular that:

- the final FRC RSB inspection report has been revised to take on ACCA's comments
 - ACCA is on track for implementing the recommendations of the external review of ACCA's arrangements for audit qualification awards
- and
- the Insolvency Service is carrying out a follow-up inspection visit on 21 and 22 May 2015 to review the implementation of the recommendations in the 2014 report.

13. REGULATORY BOARD'S WORK PLAN FOR THE COUNCIL YEAR 2014-15

The Board agreed the work plan for the Council year 2014-15 (as amended).

14. DATES OF FUTURE MEETINGS

The Board noted the date of the remaining Regulatory Board meeting in the 2014-15 Council Year.

Chairman