

# minutes

**Meeting:** Regulatory Board

**Location:** Council Chamber, 29 Lincoln's Inn Fields, London, WC2A 3EE

**Date:** 18 November 2015, 14.15 – 16.45

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## **PRESENT:**

The Chairman (Antony Townsend), David Lock, Ronnie Patton, David Thomas, Frances Walker, Suzy Walton and Rosalind Wright.

## **IN ATTENDANCE:**

Executive Director – Governance (Peter Large), Director – Regulation (Sundeep Takwani), Head of Adjudication (Adrianna McDonnell, present for item 10 only), Head of Standards (Ian Waters) and Regulation Officer (Catriona Spedding).

## **APOLOGIES:**

Apologies were received from John Cullen.

### **1. MINUTES**

The Board approved the minutes of the meeting held on 16 September 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. TERMS OF REFERENCE AND OTHER BOARD ARRANGEMENTS**

The Board noted a report on the Board's Terms of Reference and other Board arrangements and approved its work plan.

The Board also noted a paper setting out the process for approving changes to its Terms of Reference. The Board discussed the proposed changes to the Board's Terms of Reference in relation to the additional wording to the first paragraph, in which it was proposed that it should explicitly state that the Board is not responsible for the operational delivery of regulatory functions. The Board noted concerns about including this wording as it did not accord with ACCA's standard terms of reference. The Board agreed that proposed wording should be re-drafted and circulated to the Board for approval.

The Board also discussed whether the Qualifications Board's Terms of Reference should include an explicit reference to its public interest function. ACCA confirmed that the public

interest is at the heart of everything ACCA does and that working in the public interest is implied in all of ACCA's Council committees' Terms of Reference. It was suggested that by including an explicit reference in the Qualifications Board Terms of Reference it may inadvertently imply that the public interest is not an essential function for all the other Council committees. The Board therefore agreed not to include an explicit reference to the public interest.

#### **4. APPOINTMENT OF CHAIRMEN TO APPOINTMENTS, QUALIFICATIONS AND STANDARDS BOARDS**

The Board agreed that:

- Ros Wright should be reappointed as Chairman of the Appointments Board
- David Lock should be reappointed as Chairman of the Qualifications Board  
and
- John Cullen should be reappointed as Chairman of the Standards Board.

#### **5. CHAIRMAN'S REPORT**

The Board received a report from the Chairman of the Regulatory Board and noted that:

- he attended the Meeting of Chairmen and Legal Advisers on 21 September 2015
- a proforma for written reasons for decisions has been circulated to five sounding board volunteers for comments, as part of the initiative to involve panellists in the reform programme
- the majority of individual Board appraisals have now been completed  
and
- a note on the key strands arising out of the appraisals will be drafted and circulated to the Board for comment.

## 6. PRESENTATION FROM THE EXECUTIVE DIRECTOR – GOVERNANCE

The Board noted a presentation from the Executive Director – Governance on the future regulatory landscape.

## 7. THE FUTURE REGULATORY LANDSCAPE

The Board discussed a paper which sets out the key areas ACCA needs to consider when developing the framework for the future regulation of its members and students. As part of its long-term project to review the fitness for purpose of the regulatory regime, the Board discussed the environment in which ACCA operates, both globally and in a UK/Irish context, and the current challenges it faces. In particular the Board noted:

- the diverse nature of ACCA's membership globally
  - the various geographical jurisdictions that ACCA operates in with varying regulatory frameworks
- and
- that ACCA's global assurance is necessarily a patchwork of arrangements rather than a one-size-fits-all arrangement and is focussed on need or where there are large number of members (taking a risk-based approach).

It was acknowledged that this is the start of the process and it will take time for the issues to be worked through. As a starting point, the Board agreed that:

- the Chairman, David Lock and Ros Wright should meet with the Director – Regulatory Development to understand the regulatory frameworks within each geographical jurisdiction, including the number of members in each area, identify whether there are any gaps, and develop a programme for further work
- and
- ACCA should wait for further announcements on the new UK audit regime before tackling the regulation of UK/Irish practising certificate holders.

To keep Council abreast of the work being undertaken, the Board agreed that its annual report to Council should map out the terrain on matters that need to be considered.

## 8. EVALUATION OF REGULATORY BOARD EFFECTIVENESS

The Board approved the proposed questionnaire and process to be used for evaluating the effectiveness of the Board and agreed that:

- the questionnaire should be circulated to Board members for completion
- and
- the responses should be evaluated and incorporated into a final report, which should be presented to the Board at its next meeting.

## 9. REPORTS FROM THE CHAIRMEN OF THE APPOINTMENTS, QUALIFICATIONS AND STANDARDS BOARDS

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

- the Appointments Board is currently recruiting seven chairmen
- the Appointments Board is currently dealing with two conduct issues but has observed an improvement in the performance of panel members overall
- and
- the Qualifications Board held its first meeting in the new exam session cycle to ratify the September examination results.

The Board also noted:

- the minutes of the Appointments Board and Qualifications Board meetings during October 2015
- and
- that no meetings of the Standards Board have taken place since the last Board meeting.

## 10. HEARINGS PROJECT

The Board received an update on the hearings project and noted that:

- listing times are continuing to stabilise
  - a significant amount of work has taken place and that the project is on target for achieving its objectives, although there were some continuing challenges in recruiting the staff required
- and
- a pilot project was in place for Adjudication to take cases post-assessor, utilising a 'trial ready, early case management' approach.

## 11. PERFORMANCE DATA

The Board noted the performance data.

The Board also considered a paper setting out the strategic context for ACCA's regulatory activities. It was questioned whether the lower-scale risks should also be reviewed and these will be circulated for the Board's information. The Board agreed that the current control for Risk GRAd1 'failure to conclude hearing of cases on a timely basis' should include the process changes currently taking place.

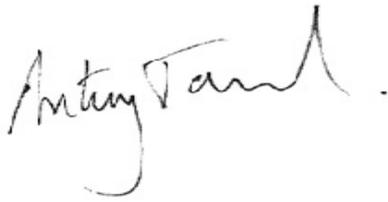
## 12. LEAD REGULATOR UPDATE

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

- IAASA and FRC carried out a joint review of ACCA's arrangements for audit qualification awards during the week commencing 21 September 2015 to assess the effectiveness of the measures ACCA has put in place
  - the detailed comments from both IAASA and FRC have been received and are being worked through but, overall, both regulators are happy with the effectiveness of the measures that ACCA has put in place
- and
- ACCA met with IAASA for a review meeting on 17 November 2015 to discuss progress on implementing the recommendations following the 2014 inspection visit.

**13. DATES OF FUTURE MEETINGS**

The Board noted the remaining dates of Regulatory Board meetings in the 2015-16 Council Year.

A handwritten signature in black ink, appearing to read 'Antony Tarrant', with a period at the end.

Chairman