

minutes

Meeting: Regulatory Board

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

Date: 16 September 2015, 13.30 – 15.30

PRESENT:

The Chairman (Antony Townsend), John Cullen, Raphael Joseph, 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 7 only), Head of Standards (Ian Waters) and Regulation Officer (Catriona Spedding).

APOLOGIES:

Apologies were received from David Lock and David Thomas.

1. MINUTES

The Board approved the minutes of the meeting held on 19 May 2015, subject to the inclusion of an additional bullet point in Minute 7 as follows:

“that the Qualifications Board will be considering its public interest role”.

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 recent developments, in particular:

- the ministerial statement on 20 July 2015 announcing that the Financial Reporting Council (FRC) is to be the sole competent authority, but that there will be no gold-plating and no regulation of accountancy to be mixed in
- that the Department of Business, Innovation and Skills (BIS) is hoping to issue a consultation document on the implementation of the Directive into UK legislation around the middle of October 2015

- the decline in audit and the uncertain future relationship with FRC in light of the audit regulatory reforms
- ACCA is developing its vision statements for non-statutory UK practice regulatory arrangements and global non-statutory practice regulatory arrangements, and it is intended that initial drafts will be brought to the Board at its November 2015 meeting
- ACCA held its first September exam session, which was piloted in several markets
and
- ACCA has successfully achieved accreditation as an approved Alternative Dispute Resolution (ADR) body.

4. CHAIRMAN'S REPORT

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

- the Chairman presented the Board's annual Report to Council at its meeting in June 2015 – this was well received and Council supported the direction that the Board is taking
- the Chairman is due to attend the Meeting of Chairmen and Legal Advisers on 21 September 2015 in order to provide an update on the progress being made to improve the throughput of hearings
and
- all key strands of work were covered in the remaining parts of the agenda.

5. REPORTS FROM THE APPOINTMENTS, QUALIFICATIONS AND STANDARDS BOARD

i. Regulation changes for the 2016 Rulebook

The Board approved the Regulation changes for the 2016 Rulebook, recommended by the Standards Board.

ii. Public interest role of the Qualifications Board

The Board noted a paper from the Chairman of the Qualifications Board on the Qualifications Board's public interest and the recommendations set out. It was noted

that the public interest role should include ensuring that ACCA's commercial interests do not take precedence over the public interest.

iii. Reports from the Chairmen of the Appointments, Qualifications and Standards Boards

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

- the Standards Board has carried out due diligence of the proposed regulation changes throughout the year and approved the final set of regulations at its last meeting
 - the Appointments Board is currently investigating a chairman and a panel member regarding performance issues
- and
- the Appointments Board is currently recruiting for seven chairmen.

The Board also noted the minutes of:

- Appointments, Qualifications and Standards Board meetings during July 2015
- and
- the Standards Board meeting held in September 2015.

6. REGULATORY BOARD WORK PLAN

i. Regulatory Board work plan for 2015-2016 Council year

The Board agreed its work plan for 2015-2016 Council year.

The Board noted that there were two substantial (and linked) pieces of work to be considered at its meeting in November 2015 and agreed that the Chairman and ACCA should consider how this can be accommodated.

ii. Regulatory Board work programme for longer-term matters

The Board agreed a work programme for longer-term matters.

7. HEARINGS PROJECT

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

- the first phase of recruitment is near completion
 - further work is required for data cleansing and analysis
- and
- a significant amount of work has taken place and that the project is on target for achieving its objectives.

8. PERFORMANCE DATA

The Board noted the performance data and agreed that it was receiving the right level of information. However the paper could be improved by including some narrative around what the statistics are showing, for example if there are any key trends emerging. It was therefore agreed that wraparound narrative should be included in the updated paper to be provided to the Board at its next meeting in November 2015.

The Board also agreed that, while it was correct that data on ACCA's examinations should be kept separate (as a report already goes to Council), a note on ACCA's examinations should be included in the performance data paper.

The Board also considered an updated paper setting out the strategic context for ACCA's regulatory activities and noted:

- more up-to-date regulatory costs
 - the corporate risk register has been updated to reflect the change in the score for the risk CR2 (ACCA's statutory recognition as a qualifying body and regulator in the UK is restricted, made subject to conditions or removed entirely (in circumstances where other bodies retain recognition)), following the ministerial announcement
- and
- the strategic context paper will only be updated if necessary and brought to the Board for its consideration.

9. LEAD REGULATOR UPDATE

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

- the FRC's public annual report is a lot more balanced and less strident than in previous years
 - ACCA is on track for implementing the recommendations of the external review of ACCA's arrangements for audit qualification awards
 - the Irish Audit and Accounting Supervisory Authority and FRC will be carrying 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
- and
- the Board will receive an update on the outcome of this inspection visit at its next meeting in November 2015.

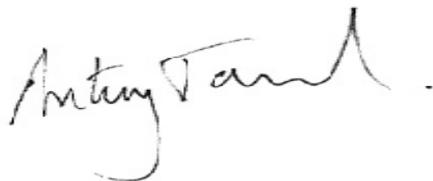
10. PERFORMANCE OF THE REGULATORY BOARD AND SUB-BOARDS

The Board agreed:

- the use of the proposed appraisal form at one-two-one meetings with the Chairman during the remaining months of 2015
- and
- that the Chairman and Suzy Walton should work on producing a proposal for evaluating the effectiveness of the Board, which should be shared with the Board at its meeting in November 2015.

11. DATES OF FUTURE MEETINGS

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

A handwritten signature in black ink, appearing to read 'Antony Tamm', followed by a period.

Chairman