

Meeting: Regulatory Board
Location: Zoom call
Date: 20 May 2021, 2.15pm – 4.30pm

PRESENT:

The Chair (Lucy Winskell), Richard Cooper, Sharon Critchlow, Bill Matthews, Nora Nanayakkara, Geoffrey Podger, Suzy Walton and Dinusha Weerawardane.

IN ATTENDANCE:

Executive Director – Strategy and Governance (Maggie McGhee), Director – Practice Regulation (Sundeep Takwani), Director – Professional Conduct (Joe Johnson) and Standards Manager (Laura Murphy).

1. MINUTES

The Board approved the minutes of the meeting held on 11 February 2021.

2. APOLOGIES FOR ABSENCE

There were no apologies for absence.

3. CONFLICTS OF INTEREST

The Board noted that there were two potential risks of a perception of a conflict of interest in relation to item 7, in that Geoffrey Podger was a salaried Chair with a shareholding of a small unlisted commercial company that might be impacted by the future of audit proposals, and also the Chair of the Board of the Government Actuaries Department that is considering the proposals for the future regulation of actuaries contained in Chapter 11.2 of the consultation document. This was noted but it was concluded that the Board member could participate in the discussions as the impact was considered remote.

There were no other potential conflicts of interest and/or duty notified to ACCA following the distribution of the meeting papers.

4. WORK PLAN FOR 2020-2021 COUNCIL YEAR

The Board considered the work plan for the 2020-21 Council year. In particular, the Board noted that:

- the paper exploring the pros and cons of an accountancy sector Ombudsman had been deferred again due to the need to prioritise more urgent matters. This item was requested by the Board, however there is currently no government proposal for an Ombudsman within the profession.
- in the section on Rules, Regulations and Codes the approval of ACCA Rulebook changes should include “as required”

and

- the consideration of key and emerging risks, cyber-security and data security at the next meeting in September was welcomed, as protection from cyber-security threats is vital.

5. CHAIR'S REPORT

The Chair confirmed that the Board's Annual Report to Council 2020 was presented at the Council meeting on 13 March 2021 and thanked the Board for their input.

The Chair advised that she had attended the Standards Board meeting on 6 May 2021 and extended an offer to attend other Sub-board meetings.

Finally, the Chair informed members of the Board that they were invited to attend a meeting to discuss ACCA's proposals for academic membership on 18 June 2021, and also an ACCA webinar with Sir Jon Thompson (CEO of the FRC) on the future of audit proposals on 26 May 2021.

6. PRESENTATION FROM THE EXECUTIVE DIRECTOR – STRATEGY AND GOVERNANCE

The Board noted a presentation from the Executive Director – Strategy and Governance, which focused on the following areas:

- strategic performance update, including end of year results for 2020-21, and critical areas of strategic focus and targets for 2021-22

and

- changes to the Governance directorate and staffing, including the role of the directorate and team structures (still subject to implementation).

7. FUTURE OF AUDIT

The Board received a presentation on the future of audit consultation including:

- the background, objectives and overview of the previous reviews
- an overview of the consultation document
- the key areas of focus for ACCA in the proposed feedback

and

- input from the Board and next steps.

The Board discussed the key proposals and agreed to:

- hold a workshop to consider the key proposals in more detail and provide input to the consultation response

and

- if appropriate, submit a separate Regulatory Board response to the consultation on selected areas of interest highlighted by ACCA.

8. DRAFT 2021 PUBLIC REPORT ON REGULATION

The Board approved the draft 2021 Public Report on Regulation, subject to the following amendments:

- include biographies and photographs of Board members
- reference the future of audit consultation within the Chair and Executive Director statements
- update the highlights of the work undertaken by Appointments Board
and
- update the sections on Lead regulator oversight to reflect positive recommendations for improvement from FRC and IAASA.

9. PERFORMANCE DATA AND STRATEGIC CONTEXT

The Board noted the performance data and strategic context papers and in particular the inspection reports from lead regulators and the key risks to ACCA's regulatory operations. The Board agreed that a cyber-security risk, in particular for remote invigilation, currently included within ACCA's Corporate Risks register, should also be reflected in the Regulatory Risks register.

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 as set out in the draft Regulatory Plan 2021-22.

The Board also noted the draft Regulatory Plan 2021-22 and the continued improvements to the Plan.

10. REPORTS FROM THE APPOINTMENTS, QUALIFICATIONS AND STANDARDS BOARDS

i. Reports from Chairs

The Board received reports from the Chairs of the Appointments, Qualifications and Standards Boards. The Board noted that the Sub-boards continue to work on the main areas of their activity and there are no significant issues or areas of concern.

ii. Regulation changes for the ACCA Rulebook

The Board approved the proposed amendments to Regulation 3(d) of the Membership Regulations, as recommended by the Standards Board.

11. SUCCESSION PLANNING FOR BOARD MEMBERS

The Board noted the lay members whose contracts are due to end on 30 November 2021 and received an overview of the selection process and the skills criteria for lay members.

The Board suggested the following Chairs of the Sub-boards from December 2021 and the individuals were invited to consider the proposed appointments and follow up with the ACCA Executive outside of the meeting:

- Appointments Board – Bill Matthews
- Qualifications Board – Nora Nanayakkara
- Standards Board – Richard Cooper.

12. DATES OF NEXT MEETINGS

The Board noted the dates of the remaining meetings for the 2020-21 Council Year and the plans to hold the November meeting in London subject to Covid-19 restrictions permitting:

9 September 2021 (pm) (virtual)
10 November 2021 (pm)

The Board also noted the additional meeting to discuss academic membership (18 June 2021) and the workshop on the future of audit consultation (subsequently arranged for 18 June 2021).