

Meeting: Regulatory Board
Location: Zoom call
Date: 21 May 2020, 9.30am – 12.40pm

PRESENT:

The Chair (Lucy Winskell), Richard Cooper, Sharon Critchlow, Nora Nanayakkara, Ronnie Patton, Geoffrey Podger and Suzy Walton.

IN ATTENDANCE:

Executive Director – Governance (Maggie McGhee), Director – Regulatory Relations (Sundeep Takwani), Director – Corporate Assurance (present for items 9 and 10 only), Head of Monitoring (Andrew Teague, present for items 5, 6 and 7 only), Head of Licensing (Stefan Pegram, present for item 7 only) and Regulation Officer (Catriona Calnan).

OBSERVERS:

Members of the Standards Board – Alastair Cannon, Cristina Gutu and Hilary Mundella.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Bill Matthews.

1. MINUTES

The Board approved the minutes of the meeting held on 13 February 2020.

2. CONFLICTS OF INTEREST

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

3. CHAIR'S REPORT

The Board noted an update from the Chair on developments since the last meeting. In particular, the Board noted that the Chair presented the Board's annual report to Council at its meeting in April 2020. The Chair's presentation was positively received, however, it was noted that with the virtual format of the meeting, it was difficult to gather informal feedback from other Council members. The Chair conveyed her appreciation of ACCA staff efforts in compiling the written report.

The Chair relayed a discussion the Board had had at its pre-meeting with regards to the use of SharePoint to access Board papers. The Board noted that a few members of the Board found Microsoft SharePoint difficult to use and asked ACCA to

investigate alternative ways of providing Board papers. ACCA confirmed that it would consider the Board's request.

4. PRESENTATION FROM THE EXECUTIVE DIRECTOR – GOVERNANCE

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

- Strategic performance for 2019-20
- Strategy to 2025 with a focus on 2020-21
- the impact of Covid-19 on regulatory functions
- Future of Audit update.

The Board agreed that:

- a PDF of 'ACCA's Strategy to 2025 on a Page' should be circulated to the Board
 - ACCA should do more to promote that ACCA hearings are open to the public, and that this would link into the work of raising the profile of the Public Interest Oversight Boards (PIOBs)
 - ACCA should consider carrying out a longer-term risk assessment on the impact of Covid-19 on the public interest and that this should be brought back to the Board for its consideration at a future meeting
 - ACCA should share its draft response to the latest BEIS 'Call for Evidence' with the Board
- and
- ACCA should notify the Board on any future consultations in respect of the Future of Audit and consider whether the Board will need to meet prior to the next Board meeting in September 2020 to consider ACCA's responses to these consultations.

5. PERFORMANCE DATA AND STRATEGIC CONTEXT

The Board noted the performance data and strategic context papers. The Board noted that for Quarter 1 of 2020, ACCA is broadly on track with its performance, but noted the impact that Covid-19 will have on ACCA's performance and KPIs in respect of its regulatory activities from the end of March 2020.

The Board also noted the updates made to the performance data, following the streamlining exercise undertaken in April 2020 and that the Anti-money Laundering (AML) information will change significantly in future as monitoring of firms in the UK and Ireland becomes 'business as usual'.

6. POLICY STATEMENT ON ANTI-MONEY LAUNDERING COMPLIANCE

The Board approved its policy statement on AML compliance, subject to:

- improving the drafting of the wording in paragraph 5.5

and

- ensuring that a reference to define a management role is included in section 6.4.

7. LEARNING SESSION ON PRACTICE REGULATION

The Board received presentations from the Head of Monitoring and the Head of Licensing on Practice Regulation.

8. DRAFT 2020 PUBLIC REPORT ON REGULATION

The Board agreed that:

- any comments on the draft report should be sent to ACCA by email
 - ACCA will liaise with the Chair to finalise report
- and
- the final draft report should be circulated to the Board for final approval.

9. REGULATORY RISKS AND RISK APPETITE

The Board received a workshop from the Director – Corporate Assurance on regulatory risks and risk appetite, which covered the following areas:

- ACCA's approach to risk management
- how risk is linked to ACCA's strategy
- key regulatory risks
- Q&A.

10. BOARD'S GDPR RESPONSIBILITIES

The Board received a presentation from the Director – Corporate Assurance on the Board's GDPR responsibilities.

11. REPORTS FROM THE APPOINTMENTS, QUALIFICATIONS AND STANDARDS BOARDS

Due to insufficient time, the Board agreed that the reports from the Appointments, Qualifications and Standards Board should be circulated to the Board after the meeting.

The Board noted an update on Ofqual's audit of ACCA's systems of control for mitigating the impact of assessment material errors.

12. REGULATORY BOARD WORK PLAN FOR 2019-2020 COUNCIL YEAR

The Board considered the work plan for the 2019-2020 Council year and agreed the following inclusions, which had been suggested at various points throughout the meeting:

- the Board to receive ACCA's longer-term risk assessment on the impact Covid-19 is having on the public interest
- and
- the Board to consider an action plan to raise the profile of the PIOBs at a future meeting.

The Board also agreed that the paper exploring the pros and cons of an accountancy sector Ombudsman and whether it is in the public interest should be allocated to a future meeting when there is an available slot.

13. REGULATORY BOARD'S AND STANDARDS BOARD'S TERMS OF REFERENCE

The Board approved the proposed wording to:

- the Board's terms of reference to reflect its role in considering ACCA's arrangements for the identification and management of regulatory risk
- and
- the Standards Board's terms of reference with regard to its role in considering ACCA's arrangements for the promulgation of the Rulebook.

The Board noted that the proposed wording to its and Standards Board's terms of reference will be referred to the Nominating and Governance Committee for its consideration and that any amendments to the terms of reference is subject to approval by Council. The amended terms of reference, if approved, will take effect for the Council year 2020/21.

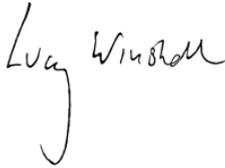
14. AOB

The Chair commented that ACCA's in-house magazine (AB magazine) contained very informative and interesting information on ACCA and the accountancy profession and suggested that Board members be added to the circulation list. ACCA agreed to add Board members to the circulation list and suggested that Board members may also be interested in downloading the app for the magazine and also the Professional Insights app, which provides access to ACCA's research material.

Feedback from the April Council meeting suggests that ACCA could do more to raise the profile of lay members of the Regulatory Board. ACCA indicated that FRC had also provided similar feedback in its inspection report and is something that ACCA is already addressing. ACCA confirmed that it will create an action plan for raising the profile of lay members of the Regulatory Board and it was agreed that this would be shared with the Board at a future meeting.

15. DATES OF FUTURE MEETINGS

The Board noted the remaining dates of Regulatory Board meetings in the 2019-20 Council year and that these will be held as virtual meetings.

A handwritten signature in black ink, appearing to read "Lucy Winslow". The signature is written in a cursive style with a large, looping initial "L".

Chair