

minutes

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Meeting: Regulatory Board

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

Date: 14 September 2011, 11.30am

PRESENT:

The Chairman (Katrina Wingfield), Steve Barrow, Peter Cadman, Barbara Duffner, Christine Fraser, Raphael Joseph, Alan Kershaw and David Lock.

IN ATTENDANCE:

Director – Practice Monitoring (Sha Ali Khan), Director – Professional Conduct (Nicole Ziman), Director – Regulation (Sundeep Takwani) and Planning Officer (Catriona Spedding).

APOLOGIES:

Apologies for absence were received from Rizwan Akhtar and Robert Stenhouse.

1. MINUTES

The Board approved the minutes of the meeting held on 10 June 2011 (as amended) set out at appendix 1 to these minutes.

2. ACTIONS NOTE

The Board noted a paper providing a summary of the actions taken since the last meeting.

3. LEAD REGULATOR UPDATE – PRESENTATION FROM THE DIRECTOR – REGULATION

The Board noted:

- a presentation on lead regulator developments by Sundeep Takwani, Director – Regulation

and

- a paper, which provided an update on ACCA's interactions with its lead regulators.

The Board agreed that ACCA should report to the Board cases where ACCA believes an incorrect decision has been made by the Disciplinary Committee and giving the reasons why.

4. STANDING ORDERS

The Board agreed to endorse its Standing Orders (as amended) for the coming Council year), set out at appendix 2 to these minutes.

5. SUB-COMMITTEE MEMBERSHIP AND STANDING ORDERS

The Board agreed to confirm:

- the Appointments Sub-committee's terms of reference (as amended) set out at appendix 3 to these minutes
- the Appointments Sub-committee's membership
and
- the Regulations Review Sub-committee's terms of reference and membership.

6. REPORT FROM THE REGULATIONS REVIEW SUB-COMMITTEE

The Board agreed to approve the regulation changes for the 2012 Rulebook, recommended by the Regulations Review Sub-committee.

The Board noted:

- the Chairmen and Deputy Chairmen will be provided with the relevant regulation changes that impact on their work at their meeting on 21 September 2011
and
- the minutes of the meetings held on 10 June 2011 and 15 July 2011.

The Board thanked Nicole Ziman, Director – Professional Conduct, Sundeep Takwani, Director – Regulation, Ian Waters, Regulation Policy Manager and Catriona Spedding, Planning Officer for all their hard work in producing the regulation changes.

7. AADB ACCOUNTANCY SCHEME

The Board agreed to approve the amendments to the AADB Accountancy Scheme reflecting the departure of CIMA from the CCAB.

8. REPORT FROM THE APPOINTMENTS SUB-COMMITTEE

The Board noted:

- a presentation by the Chairman of the Appointments Sub-committee following its meeting on 14 July 2011
 - the draft minutes of the meeting held on 14 September 2011
- and
- a presentation by the Chairman of the Overview of Regulatory Procedures Working Party.

9. APPLICATION OF THE GUIDANCE FOR REGULATORY ORDERS

The Board noted a presentation by Sha Ali Khan, Director – Practice Monitoring on concerns regarding the application of the Guidance for Regulatory Orders on monitoring cases.

The Board expressed its concern that the reasons for decisions issued by the Admissions and Licensing Committee did not adequately explain why it had departed from the Guidance for Regulatory Orders (GROs).

The Board noted that the concerns regarding the application of the GROs will be presented to the Chairmen and Deputy Chairmen at their meeting on 21 September 2011. The Board agreed that members of the Board attending that meeting should support a request that departures from the GROs should be adequately explained in the reasons for decisions.

10. IMPLEMENTATION OF THE RECOMMENDATIONS FROM THE LISTING TIMES WORKING PARTY

The Board noted an updated paper summarising the progress of the implementation of the recommendations from the Listing Times Working Party.

11. BREAKDOWN ON THE NUMBER OF CASES UNDER INVESTIGATION BY AGE

The Board noted a current breakdown of the number of cases under investigation by age and a breakdown provided at the June meeting for comparison. The Board agreed that ACCA should consider reviewing any old cases earmarked for disciplinary action, to determine whether it was still in the public interest to take forward given the passage of time.

12. AGGREGATED SUMMARY OF DECISIONS OF DISCIPLINARY AND REGULATORY HEARINGS AND REPORTS OF OTHER MEETINGS

The Board noted an aggregated summary of decisions of disciplinary and regulatory hearings covering the period 10 May to 4 August 2011 and agreed that a record of past audit monitoring visit outcomes for a firm should be included in the admissions and licensing section of the summary.

The Board also noted:

- the draft minutes of the Disciplinary Assessors' meeting held on 28 June 2011 and
- that annual training days for panel members were held on 11 July 2011 and 8 September 2011.

13. REGULATORY BOARD WORK PLAN

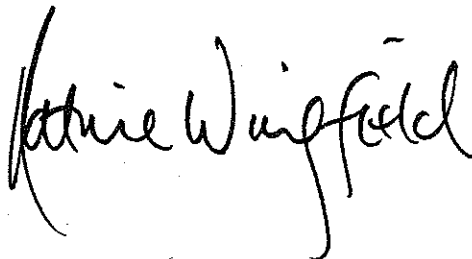
The Board agreed to approve the work plan set out at Appendix 4 to these minutes.

The Board agreed that an updated work plan, incorporating the changes identified at the meeting, should be provided for consideration at its next meeting.

14. DATES OF FUTURE MEETINGS

The Board noted the dates of Regulatory Board meetings in the Council year 2011-2012.

K Wingfield
Chairman



minutes

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Meeting: Regulatory Board

Location: Chartered Institute of Arbitrators, 12 Bloomsbury Square,
London, WC1A 2LP

Date: 10 June 2011, 9.30am

PRESENT:

The Chairman (Katrina Wingfield), Rizwan Akhtar, Steve Barrow, Peter Cadman, Barbara Duffner, Christine Fraser, Raphael Joseph, Alan Kershaw, David Lock and Robert Stenhouse.

IN ATTENDANCE:

Executive Director – Governance (Peter Large), Director – Practice Monitoring (Sha Ali Khan), Director – Professional Conduct (Nicole Ziman), Director – Regulation (Sundeep Takwani), Head of Planning (Rachel Sood) and Planning Officer (Catriona Spedding).

APOLOGIES:

There were no apologies for absence.

1. MINUTES

The Board approved the minutes of the meeting held on 23 March 2011.

2. ACTIONS NOTE

The Board noted a paper providing a summary of the actions taken since the last meeting.

3. UPDATE FROM THE EXECUTIVE DIRECTOR – GOVERNANCE

The Board noted a presentation on recent developments from the Executive Director – Governance.

4. REPORT FROM THE REGULATIONS REVIEW SUB-COMMITTEE

The Board noted a presentation from the Chairman of the Regulations Review Sub-committee on the regulation changes the Sub-committee will be asked to consider at its meeting on 10 June 2011.

The Board agreed to endorse the appointment of the recommended candidate for the position of Senior Assessor.

8. REPORT FROM THE REGULATORY EVENT WORKING PARTY

The Board noted:

- a presentation by the Chairman of the Regulatory Event Working Party following its meeting on 15 March 2011
 - that it is proposed that the Board's Regulatory Event will be held on 20 October 2011
- and
- the draft minutes of the meeting held on 15 March 2011.

The Board agreed that Board members should email the Chairman of the Regulatory Event Working Party with suggestions for potential invitees who are not already on the invitation list.

9. IMPLEMENTATION OF THE RECOMMENDATIONS FROM THE LISTING TIMES WORKING PARTY

The Board noted an updated paper summarising the progress of the implementation of the recommendations from the Listing Times Working Party.

The Board agreed that an updated paper, splitting the recommendations that have been completed and the recommendations still to be completed into two different tables, should be provided for consideration at its next meeting.

10. MAIN CAUSES OF COMPLAINTS

The Board noted a paper setting out the main causes of complaints and agreed that:

- analysis on the causes of complaints should be carried out every year
- and
- a paper on the background of the efforts made by various departments within ACCA to educate members and students about the importance of abiding by

Appendix 2

ACCA REGULATORY BOARD - STANDING ORDERS

1. Status

- 1.1 The ACCA Regulatory Board is established pursuant to ACCA bye-laws 12 and 28 ("the Bye-laws"). The composition and principal functions of the Board are specified in regulations made by Council under the Bye-laws, known as the Chartered Certified Accountants' Regulatory Board and Committee Regulations 2008 ("the Regulations").
- 1.2 In accordance with the Bye-laws and Regulations, the Board shall comprise a Lay Chairman, six further lay members and three members of the ACCA Council. All members are appointed and removed on such terms as Council, in its absolute discretion, deems appropriate.
- 1.2 The Board shall determine its own procedures, which are set out in these Standing Orders ("the Standing Orders"). In the event of any conflict between the Bye-laws and the Regulations and these Standing Orders, the Bye-laws shall take precedence over both the Regulations and Standing Orders and the Regulations shall take precedence over the Standing Orders.

2. Role of the Regulatory Board

- 2.1 The Regulatory Board shall, working with the Lay Chairman, carry out general oversight of ACCA's regulatory and disciplinary arrangements, including the resourcing and overall performance of the Governance Directorate (but excluding issues relating to the performance of individual members of staff in the Directorate, which shall be a matter for the Executive Director - Governance).
- 2.2 The Regulatory Board shall assist the Lay Chairman, as he deems appropriate, in his monitoring of the fairness, impartiality and integrity of ACCA's complaints, licensing and practice monitoring processes as set out in Standing Order 3.
- 2.3 The Regulatory Board shall receive minutes and/or reports of all meetings of:
 - Appeal Committee

- Admissions and Licensing Committee
- Disciplinary Committee
- Chairmen and Deputy Chairmen
- committee panel members
- Assessors
- Regulatory Assessors
- Appointments Sub-committee
- Regulations Sub-committee
- working parties it has created.

2.4 The Regulatory Board shall also receive regular reports as follows:

- from the Executive Director - Governance on recent issues
- on the operation of ACCA's investigative processes, licensing arrangements and practice monitoring activities.

2.5 The Regulatory Board shall receive reports of inspections of ACCA's operations by its lead regulators and shall advise Council on any matters likely to affect the proper discharge of ACCA's statutory recognitions.

2.6 The Regulatory Board may develop and adopt policy statements in respect of non-operational regulatory and disciplinary matters as may arise from time to time.

2.7 All Board policy statements shall be subject to review and revision by the Board at any time as the Board, in its absolute discretion, sees fit, subject to each policy statement being reviewed by the Board at intervals not greater than five years.

3. Role of the Chairman of the Regulatory Board

3.1 The Lay Chairman shall monitor the fairness, impartiality and integrity of ACCA's complaints, licensing and practice monitoring processes, through:

- attending, as he sees fit, hearings of the Association's Appeal, Disciplinary and Admissions and Licensing Committees and retiring with the committees when they withdraw to make decisions
- observing, as he sees fit, work undertaken by Assessors and Regulatory Assessors
- attending, as he sees fit, interviews conducted by the Appointments Sub-committee for the appointment of disciplinary and regulatory committee members and Assessors and Regulatory Assessors
- inspecting, on such occasions as he sees fit, whether by way of random reviews or otherwise, such files or other documents held by the ACCA Governance Directorate as he considers necessary or desirable
- inspecting the ACCA Governance Directorate's log of complaints about the exercise of its functions
- observing other operational activities, such as monitoring visits, on such occasions as he sees fit.

3.2 ***The Lay Chairman shall report to Council on the above work and that of the Regulatory Board not less than once a year.***

3.3 The Lay Chairman may provide advice to Council, as necessary, on measures designed to improve the fairness, impartiality and integrity of ACCA's complaints, licensing and practice monitoring processes.

3.4 The Lay Chairman may report to Council on any urgent regulatory or disciplinary matter at any time as he sees fit.

3.5 The Lay Chairman shall chair meetings of the Regulatory Board.

4. Meetings of the Regulatory Board

4.1 The Regulatory Board shall meet a minimum of three times each year, normally in ~~January/February, June/July and September/October.~~

4.2 ***The quorum for meetings, and therefore for decisions of the Board to be valid, is a minimum of six Board members present.***

4.3 The location of meetings shall be London. Best endeavours will be used to enable members so wishing to participate in meetings by telephone or

video conference. Board members participating by telephone or video conference shall count towards the quorum.

- 4.4 The Lay Chairman of the Board shall chair meetings. In the absence of the Lay Chairman from a meeting, a chairman for that meeting shall be elected from among those Board members present.
- 4.5 All matters requiring decisions shall be determined by a majority of the votes of the Board members present, every board member having one vote save that in the event of an equality of votes the meeting chairman shall have a second or casting vote.
- 4.6 The Executive Director - Governance or his nominee may attend all meetings of the Board and its Sub-committees and working parties. Other members of staff may attend meetings as agreed between the Executive Director - Governance and the Lay Chairman.
- 4.7 Staff attending meetings may participate in discussions but may not vote.

5. Minutes of Board meetings

- 5.1 Minutes of the proceedings of all meetings of the Regulatory Board and of the attendance of Board members thereat shall be recorded in a format prescribed by Council.
- 5.2 The minutes shall be supplied to Council, save that any references relating to individual ACCA members, student or firms involved in cases shall be redacted.
- 5.3 Minutes of Board meetings shall be published on the ACCA website when approved by the Board, save that any references to individual members, students or firms involved in cases shall be redacted.

6. Appointment of Sub-committees

- 6.1 ***The Regulatory Board shall annually ~~appoint~~ establish- an Appointments Sub-committee and a Regulations Review Sub-committee.***
- 6.2 The Regulatory Board shall determine the numbers of members to be appointed to each Sub-committee, subject to the provisions of Standing Order 6.5 and each Sub-committee consisting of not less than three members. The quorum for meetings of the Sub-committees shall be fifty percent, rounded-up as necessary, of the appointed members.

- 6.3 The Regulatory Board shall appoint, from among those it has appointed to the Sub-committees, Chairmen who shall serve for a maximum of three years in succession subject to annual re-appointment. The Chairmen of Sub-committees shall each be provided with a letter from ACCA setting out the duration and any other terms of their appointments.
- 6.4 The Lay Chairman shall be an ex officio member of all Sub-committees and working parties and may attend and vote at all meetings.
- 6.5 ***Membership of the Appointments Sub-committee shall be restricted to lay members of the Board and other lay persons appointed by the Board from time to time on such terms as the Regulatory Board determines.***
- 6.6 The Regulatory Board shall agree annually terms of reference for the Sub-committees.
- 6.7 ***In the case of the Appointments Sub-committee, the terms of reference shall be designed to ensure that it fulfils its obligations under the Regulations to appoint and appraise committee members, assessors and regulatory assessors. In the case of the Regulations Review Sub-committee, the terms of reference shall be designed to ensure that it fulfils its obligations under the Regulations to review and make recommendations to the Board for changes to ACCA's Rulebook.***
- 6.8 Where necessary and appropriate, the respective Chairmen of the Sub-committees may take decisions between meetings which cannot reasonably or safely be held over to the next following meetings, in consultation, as necessary, with the Executive Director - Governance . Such decisions shall be reported to the next following meetings.
- 6.9 The Regulatory Board may also appoint task-related working parties from time to time on such terms as it determines.
- 6.10 The Executive Director - Governance or his nominee may attend all meetings of Sub-committees and working parties. Other members of staff may attend meetings of Sub-committees and working parties as agreed between the Executive Director – Governance and the Lay Chairman.
- 6.11 Minutes of the proceedings of all meetings of the Sub-committees (and any working parties formed) and of the attendance of members thereat shall be recorded in a format prescribed by Council. Such minutes shall be supplied to Board.

7. Code of conduct

- 7.1 Lay members of the Board and any non-Board individuals appointed to the Appointments Sub-committee or any working party created by the Board shall agree to abide by the Council's Code of Conduct for Non-member Committee Appointees, as attached to these Standing Orders.
- 7.2 Council members of the Board shall remain subject to the Code of Practice for Council Members, contained in the Council Standing Orders, in the course of carrying out their duties as members of the Board.

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[N.B. Sections set out in ***bold/italics*** are requirements of the Regulations.]

Appointments Sub-committee

Terms of Reference

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1. Status

- 1.1 The Appointments Sub-committee ('the Sub-committee') is established by the Regulatory Board in accordance with the Chartered Certified Accountants' Regulatory Board and Committee Regulations 2008.

2 Objective of the Sub-committee

- 2.1 The objective of the Sub-committee is to safeguard the integrity of the disciplinary and regulatory processes by:
- ensuring there is an appropriate number of experienced panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors available at all times, providing an appropriate type and level of experience and being as diverse as possible
 - monitoring the performance of panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors
 - promoting consistency in the performance of panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors
 - identifying training and support needs of all panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors
 - developing and keeping under review a code of conduct for panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors, and ensuring that appropriate procedures are in place to support the application of that code
 - encouraging and promoting best practice.

3. Role of the Sub-committee

- 3.1 The functions of the Sub-committee shall include the following.

3.2 Appointment of panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors

To appoint panel members, including chairmen and deputy chairmen, as and when required, so that there is an appropriate number of experienced panel members, including chairmen and deputy chairmen, available to sit on committees at all times.



To appoint disciplinary assessors and regulatory assessors, as and when required, ensuring that there is an appropriate number of experienced disciplinary assessors and regulatory assessors available at all times.

3.3 Appraisal of the performance of chairmen and deputy chairmen and panel members at committee hearings

To observe the performance of panel members, including chairmen and deputy chairmen, at committee hearings in line with the observation policy and to subsequently prepare a report of the observation.

3.4 Review of reasons produced by chairmen and deputy chairmen

To review a selection of reasons for decisions in line with the review of reasons policy and to subsequently prepare a report of the review.

3.5 Appraisal of disciplinary and regulatory assessors

To review a selection of cases referred to disciplinary and regulatory assessors in line with the review policy and to subsequently provide a report of the review.

3.6 Renewal of panel member, chairmen and deputy chairmen, disciplinary assessor and regulatory assessor contracts

To decide on the renewal of contracts of panel members (including chairmen and deputy chairmen) and disciplinary and regulatory assessors.

Appointments are made for an initial term of up to five years, renewable for a further term of up to five years if both the appointee and the Subcommittee so agree.

Appointments can be made for a further term of three years at the Subcommittee's sole discretion.

3.7 Review of standing information

To review standing information provided by ACCA and to address any issues raised.

3.8 Breaches of Code of Conduct

To deal with referrals concerning breach of code of conduct for panel members and disciplinary and regulatory assessors and to make appropriate decisions.

3.9 Production of ad-hoc reports, memoranda and notes

To issue reports, memoranda and notes to the chairmen and deputy chairmen, panel members, disciplinary assessors and/or regulatory assessors on ad-hoc issues that have arisen such as:

- changes to the appraisal process
- panel member conduct at committee hearings
- the responsibilities of chairmen and deputy chairmen.

3.10 To issue ~~an annual~~ reports, as appropriate, to panel members, including chairmen and deputy chairmen, disciplinary assessors and regulatory assessors, concerning the work of the Sub-committee, such as:

- summarising the performance of panel members and disciplinary and regulatory assessors
- identifying areas of particularly good practice
- highlighting issues which should be addressed.

3.11 Decisions between meetings

To ratify decisions made by the Chairman of the Sub-committee, in consultation with the Executive Director – Governance, between meetings which cannot reasonably or safely be held over to the next following meeting.

3.12 Reports to the Regulatory Board

To provide a report of Sub-Committee meetings and its activities to the Regulatory Board at its next meeting.

3.13 Review of terms of reference

To review, at least annually, the Sub-committee's terms of reference to ensure they remain fit for purpose.

Appendix 4

REGULATORY BOARD ROLLING WORK PLAN

September 2011

Substantive business

- Receive a paper setting out the global regulatory landscape of ACCA's membership (from 30 November 2010 Board meeting, subsequently deferred by the Chairman to November meeting)
- Review and endorsement of the Board's Standing Orders (annually recurring business)
- Review and endorse the Terms of Reference and Membership for the Appointments and Regulations Review Sub-committees
- Receive a report from the Regulations Review Sub-committee on proposed changes to the ACCA Rulebook (annually recurring business)
- Receive an updated paper summarising the progress of the implementation of the recommendations of the Listing Times Working Party splitting the recommendations that have been completed and the recommendations still to be completed into two different tables, should be provided for consideration at its next meeting (from 10 June 2011 meeting)

Meetings in the Council year 2011 - 2012

Substantive business

- Review a geographical breakdown of statistics (from 26 January 2011 Board meeting)
- Determine whether to revive the idea of benchmarking ACCA's regulatory governance practice with that of other comparable bodies (from 14 September 2010 meeting)
- analysis on the causes of complaints (annual recurring business)
- Review paper on the background of the efforts made by various departments within ACCA to reduce complaints in the context of considering the Board's annual Report to Council
- Review the Publication of Reasons policy and the timing of the issue of press releases (from 14 July 2009 Board meeting. This was due to be

considered at the March 2011 meeting but has been deferred again as the Chairmen/Deputy Chairmen have only just been appointed. The Overview of Regulatory Procedures Working Party is looking at the introduction of legal assessors, which may also have a bearing on the Publication of Reasons policy. With regards to the timing of the issue of press releases, this is currently being considered by the Regulations Review Sub-committee)

- Receive a report from the Regulatory Procedures Overview Working Party setting out its recommendations (from 10 June 2011 meeting)
- Receive a draft paper outlining the Board's fundamental principles (from the Blue Skies session on 23 March 2011, subsequently deferred by the Chairman to November meeting)

Annually recurring business

- The items identified above as 'annually recurring business' will repeat at roughly similar intervals in the Council year 2011 to 2012.

All meetings

Routine business

- Approve minutes of previous meeting
- Review actions taken since the last meeting
- Consider new policy statements and revise extant statements, as necessary
- Receive an update on recent developments and/or operational issues from the Executive Director-Governance and/or other Directors
- Approve a revised version of the rolling work plan
- Receive an update on lead regulator matters
- Receive and note minutes of Appointments and Regulations Review Sub-committee meetings (if any)
- Receive and note an aggregated report of disciplinary and regulatory hearings
- Receive and note minutes of meetings of assessors, the panel and chairs/deputy chairs (if any).

- Receive an up to date breakdown of the number of cases under investigation by age together with the breakdown from the previous meeting for comparison

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