

minutes

The ACCA logo consists of the letters 'ACCA' in a bold, white, sans-serif font, centered within a solid black square.

Meeting: Regulatory Board

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

Date: 14 May 2013, 09.30 – 15.00

PRESENT:

The Chairman (Katrina Wingfield), Steve Barrow, Peter Cadman, Barbara Duffner, Christine Fraser, Raphael Joseph, Robert Stenhouse, Frances Walker and Rosalind Wright.

IN ATTENDANCE:

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

APOLOGIES:

Apologies for absence were received from Anthony Tyen.

1. MINUTES

The Board approved the minutes of the meeting held on 13 February 2013.

2. ACTIONS NOTE

The Board noted a report on follow-up to actions from the last meeting.

3. PRESENTATION FROM THE EXECUTIVE DIRECTOR

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

4. ANNUAL PUBLIC REPORT ON REGULATION

The Board agreed to approve the 2013 public Report on Regulation.

5. ANNUAL REPORT TO GOVERNANCE DESIGN COMMITTEE

The Board agreed that a report on the performance of the Board in 2012-13 for submission to the Governance Design Committee should be circulated by email following the meeting for approval.

6. FRC ACCOUNTANCY SCHEME

The Board agreed:

- to endorse changes to the Accountancy Scheme of the Financial Reporting Council
 - to recommend adoption of the revised scheme by ACCA's Council
- and
- that it should receive an update at its meeting in May 2014 on how the scheme has been operated.

7. LEAD REGULATOR UPDATE

The Board noted an update on ACCA's interactions with its lead regulators.

The Board considered the common sanctions guidance developed by the Joint Insolvency Committee and agreed to endorse ACCA's preferred approach to applying the sanctions (i.e. a range) and the inclusion of the guidance for insolvency complaints within ACCA's Guideline Disciplinary Sanctions document.

The Board also noted ACCA's reservations regarding the Insolvency Service's proposals for the appointment and appraisal process for a common panel of reviewers of insolvency complaints and common panel of Appeal Chairmen for insolvency cases. The Board agreed that:

- the matter should be considered by both the Appointments Sub-committee and Regulations Review Sub-committee at their meetings in June 2013
- and
- a progress update should be provided to the Board at its meeting in September 2013.

8. ACCA'S EXTERNAL DEFERRAL POLICY

The Board noted a paper outlining ACCA's policy on putting cases on external deferral and agreed that:

- the Chairman of the Regulatory Board should focus on how the policy is operated in practice, as part of her annual file review and report to the Board at its meeting in February 2014

and

- ACCA should, in the meantime, review the suggestions made by Board members at the meeting for how procedures might be improved and provide a further update on the policy.

9. REPORT FROM THE APPOINTMENTS SUB-COMMITTEE

The Board noted:

- the minutes of the Sub-committee meetings held on 31 January 2013 and 21 March 2013

and

- a report from the Chairman of the Appointments Sub-committee following its meeting on 21 March 2013.

10. REPORT FROM THE REGULATIONS REVIEW SUB-COMMITTEE

The Board noted:

- the minutes of the Sub-committee meetings held on 12 February 2013, 15 March 2013 and 8 April 2013

and

- a report from the Chairman of the Regulations Review Sub-committee following its meeting on 13 May 2013.

11. REGULATORY BOARD WORK PLAN

The Board agreed to approve the work plan, set out at Appendix 1 to these minutes, incorporating the changes identified at the meeting.

12. BREAKDOWN OF CASES UNDER INVESTIGATION BY AGE OF COMPLAINT

The Board noted an up-to-date breakdown of the number of cases under investigation by age of complaint.

The Board also considered a paper providing an update on the progression of those cases where the complaint was received before 2007 and agreed that it should receive further updates at its meetings in November 2013 and in May 2014.

13. VARIOUS CHECKS MADE BY ACCA ON ACCA STUDENTS WHO ARE APPLYING FOR MEMBERSHIP

The Board considered an information paper on the various checks made by ACCA on individuals applying for membership and agreed that:

- there should be a further paper within two years which assesses whether the changing world has had any impact on these checks, for example whether the risks have changed and whether the availability of screening data globally has improved

and

- consideration should be given by ACCA to making it explicit in appropriate ACCA documentation that there is an on-going requirement for members to notify ACCA of anything that should be brought to ACCA's attention.

14. ANALYSIS OF COMPLAINTS

The Board noted an analysis of the causes of complaints and agreed that, as part of ACCA's activities to proactively promote good behaviour by its students and members, an article on the common areas where members may receive complaints and how to prevent these should be published in appropriate ACCA magazines.

15. AGGREGATED SUMMARY OF COMMITTEE 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 between 9 January 2013 to 4 April 2013
- the minutes of the Disciplinary Assessor meeting, held on 8 March 2013

and

- the minutes of the Meeting of Chairmen and Deputy Chairmen, held on 25 March 2013.

The Board also discussed the length of time Committee hearings are now taking and the number of adjournments occurring. The Board noted that:

- the two issues to be addressed are the length of reasons for decisions documents and hearing management

and

- ACCA is intending run a session on 'proportionality at hearings' at its annual training day.

The Board agreed that:

- it would like to receive figures on the times and/or number of days cases are taking to conclude (for those hearings where Appointments Sub-committee members have not observed)
 - the Appointments Sub-committee should focus on observing identified individuals whose behaviours are thought to be contributing to hearings taking more time than they should or to them being adjourned
 - the Chairman of the Regulatory Board, the Chairman of the Appointments Sub-committee and the Director – Regulation should meet to produce an assessment of what has happened over the past six months for consideration by the Appointments Sub-committee at its meeting on 20 June 2013 and then be discussed further at the Meeting of Chairmen and Legal Advisers
 - ACCA should ensure that the chairmen and legal advisers are clear as to the template they should be using for reasons for decisions
 - guidance should be provided on how the template should be populated
 - ACCA should identify examples of well drafted reasons for decisions, for circulation to the chairmen and legal advisers
- and
- strong messages need to be sent to chairmen and legal advisers about ACCA's expectations in relation to hearing management and the length of reasons for decisions.

16. DATES OF FUTURE MEETINGS

The Board noted the date of the remaining Regulatory Board meeting in the 2012 – 2013 Council year.

The Board also noted the dates of Regulatory Board meetings in the 2013 – 14 Council year.

Chairman

REGULATORY BOARD WORK PLAN FOR THE 2012-2013 COUNCIL YEAR

1. The following provides a general narrative schedule for the items of business to be addressed by the Committee at its meetings during the Council year. The work plan is ordered to reflect the Council, not calendar year, and each bulleted item is cross-referenced to the Board's Terms of Reference. It is noted that the list is not exhaustive and that agenda items might be introduced at any time, within the overall Terms of Reference.

May

- approve final 2013 public report on Regulation [3.2]
- approve 2013 annual report to Governance Design Committee [3.2]
- consider a paper outlining ACCA's policy on putting cases on external deferral [2.1]
- consider a paper providing an update on the progression of cases where the complaint was received before 2007 [2.4]
- consider a paper on the checks made by ACCA on students who are applying for membership
[Not within the Board's terms of reference]

September

- receive a report from the Regulations Review Sub-committee on proposed changes to the 2014 Rulebook [2.3]
- receive an update on the Insolvency Service's proposed common panel of reviewers of complaints and common panel of Appeal chairmen [2.1]
- review and endorse the Board's Standing Orders [1.2]
- review and endorse the Terms of Reference and Membership for the Appointments and Regulations Review Sub-committees [6.6, 6.2, 6.7]
- approve a work plan for 2013-2014 Council year. [2.1]

Items to be considered in the 2013/2014 Council year

- agree content and format of the 2013 annual report of the Regulatory Board to ACCA's Council (November 2013) [3.2]
- agree content and format of the 2014 public report on regulation (November 2013) [3.2]
- receive an update on the progression of cases where the complaint was received before 2007 (November 2013 / May 2014) [2.4]
- note geographical statistics for the last five years (February 2014) [2.4]
- approve 2013 annual report to Council (February 2014) [3.2]
- receive a report on cases placed on external deferral (February 2014) [2.1]
- approve 2014 annual report to Governance Design Committee (May 2014) [3.2]
- receive an update on how the FRC Accountancy Scheme is being utilised (May 2014) [2.4]
- approve a work plan for 2014-2015 Council year (September 2014) [2.1]
- receive a report from the Regulations Review Sub-committee on proposed changes to the 2015 Rulebook (September 2014) [2.3]
- review and endorse the Board's Standing Orders (September 2014) [1.2]
- review and endorse the Terms of Reference and Membership for the Appointments and Regulations Review Sub-committees (September 2014) [6.6, 6.2, 6.7]