

The ACCA logo is a red square with the letters 'ACCA' in white, bold, sans-serif font.

ACCA

A woman with dark curly hair, wearing safety glasses, a white lab coat over a green patterned shirt, and blue nitrile gloves, is smiling and looking to her left. She is holding a teal clipboard with a silver clip and a pen. The background is a recycling facility with large piles of clear plastic bottles and brown burlap sacks.

REPORT ON REGULATION 2023

Think Ahead

CONTENTS

ABOUT ACCA	3
INTRODUCTION	4
REGULATORY BOARD CHAIR STATEMENT	6
EXECUTIVE DIRECTOR STATEMENT	7
ACCA REGULATION IN NUMBERS 2022	9
ACCA REGULATORY BOARD	10
– Regulatory Board activities in 2022	11
ACCA PERFORMANCE AND PROGRESS IN 2022	16
– Global challenges	16
– Professional qualifications	16
– Continuing professional development	20
– Licensing	23
– Monitoring	26
– Investigation and discipline	31
– Regulatory governance	36
ACCA PLANS FOR 2023	38
– Key regulatory priorities for 2023-24	39
BIOGRAPHIES OF BOARD MEMBERS	40

ABOUT ACCA

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of **241,000** members and **542,000** future members based in **178** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. In December 2020, we made commitments to the UN Sustainable Development Goals, and we report on progress in ACCA's annual integrated report. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation.

Find out more at accaglobal.com

* Updated numbers will be provided in the ACCA Integrated Report for the year ended March 2023 due to be published in August 2023.

INTRODUCTION

This Report on Regulation demonstrates how ACCA sets out to achieve its purpose through a robust regulatory framework.

With many professional accountants working in positions of strategic or functional leadership for businesses and governments worldwide, accountants and their professional bodies have a central role in protecting the public interest and delivering public value.

ACCA supports its members in delivering public value not only by satisfying the needs of individual clients or employers, but also by considering the wider impact of their professional activities on society as a whole. The public at large, through access to high quality accountants, are the ultimate beneficiaries of everything ACCA does to promote ethics and professionalism.

Regulation is integral to ACCA's brand promise of global quality. ACCA's reputation, in turn, enhances the value of membership. Public value is, therefore, embedded in ACCA's regulatory system.

GLOBAL STANDARDS, REGULATION AND MONITORING

ACCA regulates all of its members, wherever they practise in the world, to check that they meet, and adhere to, the high standards which it sets. All members are required to:

- pass rigorous examinations, set globally, and to obtain practical experience to qualify
- maintain their competence through mandatory continuing professional development
- adhere to the ACCA Code of Ethics and Conduct and to accept that appropriate disciplinary action may follow any breaches.

ACCA promotes compliance through a combination of measures, including: quality assurance of ACCA examinations; direct monitoring of practice in the UK and Ireland; working with other accountancy regulators across the world to identify and respond to poor practice; and investigating reports suggesting poor practice.

In addition, those members of ACCA who are in public practice (ie in firms of accountants providing services to clients) must hold practising certificates/licences from either ACCA or, in most instances, a national regulatory authority, and most are subject to varying additional requirements and the monitoring of those requirements, as applicable in each jurisdiction. ACCA does not seek to duplicate regulation of members in public practice who are already subject to appropriate regulation by a national regulatory authority outside the UK and Ireland.

REGULATORY FUNCTIONS OF ACCA

This report also describes and reflects on ACCA's regulatory activities during 2022 and looks forward to its plans for 2023. ACCA's regulatory activities comprise:

- **Professional qualifications** – managing the ongoing relevance, integrity, rigour, recognition and global standards of ACCA's qualifications and examinations
- **Continuing professional development** – monitoring compliance with the continuing professional development (CPD) requirements
- **Licensing** – issuing certificates and licences to members involved in certain types of work, including audit work, so long as they meet ACCA's standards for authorisation, including relevant qualifications and experience
- **Monitoring** – monitoring compliance with standards, rules and regulations and providing monitoring services to other regulators
- **Investigation and discipline** – receiving and assessing complaints, identifying those that are suitable for conciliation, investigating alleged misconduct by members, future members and firms, and taking appropriate cases to independent Committees
- **Regulatory governance** – developing the *ACCA Rulebook* and professional and ethical standards.

ACCA's regulatory structures and activities are kept under review, in order to respond effectively to developments in society and the regulatory environment. ACCA's qualifications, ethical standards, licensing, continuing professional development, monitoring and disciplinary processes are key to reassuring the public and regulators that high standards are being promoted and enforced.

INDEPENDENT REGULATORY OVERSIGHT

The Regulatory Board provides robust and independent oversight of ACCA's regulatory and disciplinary framework. The Board also has responsibility for overseeing ACCA examinations and other matters in relation to the integrity of the qualifications process. The majority of the Board's members are non-accountants. Full details of the Board's regulatory policies and activities, including minutes of Board meetings, are available at accaglobal.com

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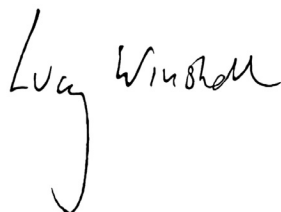
REGULATORY BOARD CHAIR STATEMENT

The Regulatory Board is tasked with providing general oversight over ACCA's regulatory arrangements and, supported by the Appointments, Qualifications and Standards Boards, plays a critical role in safeguarding the public interest and in delivering public value. The public interest oversight arrangements in place, including the substantial level of lay (ie non-accountant) involvement, is a key differentiator and a real strength in demonstrating that impartiality and public interest are at the fore.

We continue to live through unusual and challenging times where the regulatory landscape moves at pace and is ever evolving. In addition, geopolitical and other factors, such as the ongoing Ukraine conflict and the continuing social and economic uncertainty, create new challenges.

In these uncertain and challenging times, it is vital that the Board plays its part in ensuring ACCA's regulatory arrangements are robust, transparent and proportionate, and in the public interest. The Board keeps abreast of key developments both in the UK and the wider global environment and the impact on the ever-evolving regulatory landscape. Over the past year, we have paid particular attention to the transition of FRC to the new regulator, ARGA. This horizon scanning enables the Board to have an overview of regulatory risks and the actions ACCA is taking to mitigate those risks. The Board takes very seriously its role to oversee ACCA's regulatory activities and also encourages ACCA to continue to have open and constructive dialogue with the various oversight regulators.

In these challenging times it is vital that I and the Board remain committed to play our part in ensuring ACCA's regulatory arrangements are robust, transparent and proportionate, and in the public interest.



Lucy Winskell
Chair, Regulatory Board

EXECUTIVE DIRECTOR STATEMENT

Being a force for public good is embedded in our purpose and powers everything that we do. ACCA is committed to shaping the future of our profession and the regulatory environment that underpins it.

The 2023 Report on Regulation is set against a backdrop of accelerating external change and disruption. These changes have been profound and multi-stranded. We have experienced severe geopolitical tensions and global economic challenges. As we fully emerge from the Covid 19 pandemic, societal expectations are rightly increasing, and we are seeing increasing public demand for business and government accountability globally. Trust, ethical behaviour and acting in the public interest is of critical importance.

We set and enforce high ethical standards for our members and future members – to which all must adhere. These are outlined in the ACCA Code of Ethics and Conduct, and we ensure that appropriate disciplinary action will be taken when breaches are identified.

Our commitment to education and ensuring that our future members and members develop and maintain up to date professional and technical skills supports the standing of the ACCA accountant globally. The ACCA Qualification and our ongoing educational offerings continue to evolve to ensure that we meet all the capabilities expected by regulators and employers, both now and in the future.

We adopt a continuous improvement mindset in discharging our regulatory activities to ensure that we meet our statutory responsibilities and protect the public. As noted in last year's report, the disruption arising from the pandemic impacted on several KPIs and we have worked during the year to rectify these and aim to return to target KPI compliance as we move through 2023.

We work proactively with our lead regulators to support improvements, implementing recommendations and engaging with regulatory development to help shape regulatory policy in the public interest. This report notes that whilst our lead regulators are generally satisfied with ACCA's regulatory arrangements, IAASA has issued a direction seeking action to two specific areas of our licensing activities. ACCA is committed to meeting the three-month deadline contained within the direction.

The regulatory environment is evolving globally, and we work with national bodies and regulators to strengthen systems of regulation across the globe. In the UK, we are committed to supporting the reforms contained in the Government’s response to the White Paper on Restoring trust in audit and corporate governance. Audit quality is fundamental to investor and public confidence. We will continue to play our part in ensuring that the reforms achieve their maximum impact.

I look forward to continuing to work with the Regulatory Board to ensure that we meet the challenges and opportunities presented in 2023 and beyond.



Maggie McGhee
Executive Director, Strategy and Governance

ACCA REGULATION IN NUMBERS 2022

243,302

members

437,952

students

594,899

examinations taken

12,828

practising certificate holders

1,509

audit firms in UK and Ireland

243

desktop rule compliance reviews

148

audit monitoring reviews in UK and Ireland

395

AML compliance reviews in UK and Ireland

2,850

approved training offices in UK and Ireland

5,088

CPD records reviewed globally

7,828

global Approved Employers

304

disciplinary and regulatory hearings

ACCA REGULATORY BOARD

The Regulatory Board's public interest role sits at the heart of ACCA's oversight structure. The Board provides oversight over all of ACCA's public interest functions – setting qualifications and assuring their delivery, setting professional standards, and maintaining the licensing and disciplinary system.

The Board supports ACCA in discharging its public interest responsibilities. It comprises an independent lay (ie non accountant) Chair, five lay members and two Council members. The overarching remit of the Board is to provide independent oversight of ACCA's regulatory and disciplinary activities, and to report to ACCA's Council on the fairness, impartiality and integrity of those activities. This includes oversight of ACCA's regulatory and disciplinary committees and of ACCA examinations and other matters relating to the integrity of the qualifications process.

To an extent, the Board provides oversight of these activities through its three sub-boards. Each sub-Board has a clear programme of work, directed at strengthening the public interest elements of ACCA's activities. Key responsibilities of the sub-Boards, including particular highlights of the work undertaken during the year are:

- **Appointments Board** – responsible for the appointment, assessment and removal of panel members (including chair), disciplinary assessors, regulatory assessors and legal advisers, who are required for a robust disciplinary and regulatory process.

Key highlights include supporting a successful campaign to source additional Legal Advisers in 2022. The Board continued to undertake quality assurance of services provided by the independent panel members at various stages of the ACCA disciplinary processes. It completed an annual review of the Assessment Policy and Code of Conduct to ensure they remain fit for purpose. It also continued to address performance issues.

- **Qualifications Board** – responsible for general oversight of ACCA's education and learning framework and examination arrangements. This includes ratification of the examination results and other matters relating to the integrity of the qualifications process.

Key highlights include assuring the quality of the examinations with expert advice and monitoring pass rate trends over a number of exam sessions. In particular, the Board considered issues related to the Covid-19 pandemic and remotely invigilated and centre-based exams, and developments in the Ukrainian and Russian markets. It also continued to oversee the quality and relevance of ACCA's CPD framework and received a presentation on the future of learning and assessment at ACCA.

- **Standards Board** – responsible for ensuring the *ACCA Rulebook* is compliant with ACCA's statutory obligations, Privy Council requirements and rule change decisions by Council, by providing the detailed scrutiny and due diligence to the proposed changes to ACCA's rules, regulations and the Code of Ethics and Conduct.

Key highlights include undertaking detailed work on necessary amendments to the *ACCA Rulebook* and continuing its work on promoting standards.

Minutes of Regulatory Board and sub-Board meetings are published at [accaglobal.com](https://www.accaglobal.com)

REGULATORY BOARD ACTIVITIES IN 2022


Board effectiveness

The Board has continued to review its own performance and identify opportunities to enable it to work more effectively and efficiently in carrying out its public interest remit. In 2022, the Board moved to a blended approach of one physical meeting and the remaining virtual meetings each year. In another positive development, all presentations delivered at Board meetings are now available for the Board's future reference on the Board portal, Diligent. The processes in place for supporting the Public Interest Oversight Boards (PIOBs) are kept under constant review and any further opportunities to improve them, and where possible introduce further alignment across ACCA's governance structures, will continue to be explored over the coming months.

Although the Covid-19 pandemic has been disruptive, the consequential shift to digital working has been another positive development. The Board adjusted quickly to holding virtual meetings and these continue to prove effective, inclusive, engaging and cost efficient. The digital option also offers advantages in terms of greater flexibility and increased diversity of Board members. However, the Board also welcomes the opportunity to meet face-to-face as it allows room for wider conversations. In December 2022, the Board was delighted to hold its first in-person meeting since the Covid-19 pandemic started. The Chair also attended the July meeting of the Appointments Board and discussed a number of ACCA matters.

Last year's report highlighted several suggested opportunities for improvement around having a blend of physical and online meetings and these have been implemented during 2022. In addition, the Board reviewed the Board's and sub-Boards' responsibilities and approved changes to the terms of reference of the Appointments Board and Standards Board. These changes will be considered by the Nominating and Governance Committee and then Council in 2023 for adoption in the 2023-24 Council year. The Board and the sub-Boards also undertook effectiveness reviews at the end of 2022 and the Board discussed its results, with external facilitation, at its meeting in February 2023.

The Board continues to ensure that the outcomes of the FRC Governance reviews are reflected in the Board's work programme. In particular, it looked in detail at ACCA's climate change plans and the Chair provided a case study on sustainability and climate change in support of ACCA's brand theme 'Accounting for a Better World', which tells the story of how the profession, and professional accountants, are creating a better, more sustainable world. In September 2022, the Board received a further update on activities to support and enhance the profile of PIOB lay members involved in ACCA's governance processes and the activities of the PIOBs in protecting the public interest.

 The Board looked in detail at ACCA's climate change plans.

There is effective collaboration between the Board and the Executive Board who ensure that any emerging issues are brought to the Board's attention at an early stage. Balancing a focus on priority matters to ACCA with other updates and briefings is a challenge and the Board continues to work with the Executive Board to achieve an appropriate mix of strategy, risk assurance and performance oversight.

Future regulatory landscape

During the course of the year, the Board considered a number of broad presentations, including on ACCA's climate change plans, ACCA's investigative and disciplinary service and the new approach to reporting KPIs, ACCA's CPD arrangements, and the brand themes which provide opportunities for the Board to promote its role on protecting the public interest.

The Board also received an update on a judicial review. The judicial review was sought by an ACCA member in relation to a decision by ACCA's Appeal Committee and was granted in November 2020. ACCA subsequently appealed the judicial review due to concerns about the practical implications of some assertions made by the judge in their reasons. The Board noted that, while the Court of Appeal dismissed the Appeal lodged by ACCA, the ruling provided helpful clarification on what is intended by 'proceedings' for the purposes of rule changes and raised matters that ACCA considers can, in the main, be addressed through process adjustments. As a result, the Standards Board now considers the need for any transitional provisions and advanced communications for all Rulebook changes.

The FRC is implementing the reforms proposed by the UK Government to strengthen the UK's audit and corporate governance framework.

Throughout the year, the Board considered regulatory developments and, in particular, the UK Government's proposals to strengthen the UK's audit and corporate governance framework. The FRC is continuing with the change activities to enable it to transition into the Audit, Reporting and Governance Authority (ARGA), with an anticipated commencement date of 2024. The Board was invited to view an ACCA webinar with Sir Jon Thompson (CEO of the FRC) on 28 November 2022 which discussed the work of the FRC to implement the reforms proposed by the government following the Department for Business, Energy and Industrial Strategy (BEIS) consultation. In 2023, the Board will continue to focus its attention on the implementation of UK audit and corporate governance reforms and matters arising from this.

The Board continued to critically assess regulatory performance data and the strategic context underpinning this data at each meeting, including feedback from regulators on ACCA's discharge of its statutory responsibilities. During the year, the Board reviewed and discussed the perception-based measures that reflect the public interest. In December 2022, it received a presentation from the Customers Research and Insights Lead on the inclusion measure to better understand how public interest is reflected in these.

As highlighted in last year's report, the Board also considered improvements to ACCA's public reports to ensure greater transparency in its regulatory reporting information. In particular, the Board has worked with ACCA to enhance the Report on Regulation which now contains a section on continuing professional development, updates on ACCA's performance against targets and key priorities, details of ACCA's plans for the coming year, and more information on the work of the sub-Boards.

Risk

Risk remains an important area of consideration for the Board. The Board's Terms of Reference include an explicit reference to regulatory risk and matters being brought to the Board for consideration highlight any regulatory risk arising. In May 2022, the Board received an update on ACCA's response to the conflict in Ukraine and the suspension of its operations in Russia. Consideration was also given to Russian sanctions and, in particular, ACCA's engagement with members, firms and the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) to ensure compliance. In December 2022, the Board reviewed the Sanctions High-Risk Thematic Review conducted by the AML Supervision Team and the communication activities to raise awareness of the sanctions and remind members of the requirements. The Board will continue to monitor regulatory risks closely.

Professional indemnity insurance

The Board spent some time looking at proposed changes to ACCA's professional indemnity insurance (PII) requirements, following ACCA's review of the PII market. This was a complex and challenging piece of work. The Board sought further assurances with regard to risk and safeguarding the public interest and the interests of ACCA members. At its meeting in December 2022, the Board discussed a further paper on the PII market review which satisfactorily addressed all the points raised and the Board agreed to support the proposals. However, the Board concluded that run-off cover should remain mandatory for six years, due to the high level of claims arising more than two years following cessation and the need to provide member and public protection. The amendments to the Rulebook (which will be effective 1 September 2023) to enable these changes were approved by the Standards Board and Regulatory Board.


Practising arrangements

One of the Board's Terms of Reference is to adopt policy statements in respect of non-operational regulatory and disciplinary matters as may arise from time to time. In 2022, the Board reconsidered changes to the Guidance for Regulatory Orders (GROs) in respect of new waivers relating to PII cover following the completion of ACCA's PII market review. The updated GROs were subsequently approved and published on the ACCA website.

Audit regulation in the UK and Ireland

ACCA is both a Recognised Supervisory Body (RSB) and Recognised Qualifying Body (RQB) for auditors in the UK and a Recognised Accountancy Body for auditors in Ireland.

The reforms of audit regulation as a result of the implementation of the EU Statutory Audit Directive and Regulation (EU ADR) in 2016 saw the FRC and the Irish Auditing and Accounting Supervisory



ACCA is continuing to work constructively with the FRC and IAASA within the regulatory arrangements for audit and identify opportunities for improvement.

Authority (IAASA) designated as the sole competent authority with ultimate responsibility for the performance and oversight of audit regulatory tasks in the UK and in Ireland respectively. The audit reforms fundamentally altered the relationship ACCA has with the FRC and IAASA in that they have powers to rescind/claim back delegated tasks and, more generally, to direct audit regulation (in the UK and in Ireland respectively). ACCA is continuing to work constructively with the FRC and IAASA within the new regulatory arrangements for audit and identify opportunities for improvement. The Board continues to provide assurance to the oversight regulators about its role in safeguarding the public interest.

The FRC and IAASA, in their respective jurisdictions, are responsible for audit inspections and investigation and disciplinary matters related to public interest entities (PIEs), with all other (ie non-PIE) tasks being delegated to the professional bodies to the fullest extent possible permitted by the EU ADR (but subject to oversight by the FRC and IAASA respectively).

ACCA has implemented changes to the requirements for practising certificate holders and statutory auditors that wish to be eligible for appointment as a statutory auditor of a PIE in the UK. The changes arose from the implementation of the FRC Public Interest Entity (PIE) Auditor Registration Regulations which came into force on 5 December 2022. The FRC's new PIE auditor approval and registration process is separate from, and additional to, ACCA's existing audit registration process for statutory auditors in the UK (which continues to apply).

The Executive and the Board have continued efforts to develop the relationship with the FRC and the Director of Professional Oversight at the FRC returned to give a presentation to the Board at the meeting in May 2022. The presentation covered a range of matters, including the work of the Professional Oversight Team, changes following the UK's exit from the EU, and the FRC's future plans and transformation programme. The Board welcomes the ongoing engagement with the FRC and it looks forward to further constructive dialogue in 2023. To date, FRC is generally satisfied with the actions ACCA is taking to address concerns and progress the implementation of prior recommendations.

IAASA has confirmed that all the recommendations arising from the review of ACCA's quality assurance activities undertaken in July 2021 are now closed. In August 2022, IAASA conducted a review of ACCA's statutory audit registration activities. ACCA also holds regular catch-up meetings with IAASA to keep them informed on ACCA's regulatory activities. IAASA is generally satisfied with ACCA's regulatory arrangements. However, the findings of the Licensing review highlighted areas for improvement. IAASA has issued a Section 931 Notice which directs ACCA to address two findings. One matter relates to the process for non-members seeking approval as statutory auditors within an ACCA audit regulated firm. The other relates to the quality and accuracy of data provided to IAASA as part of the monitoring and annual return processes. ACCA has developed a robust implementation plan and the Board will monitor progress against the delivery of the agreed actions.

In the UK context, the Board has continued to keep abreast of ongoing developments in the UK audit regulatory framework and proposals to strengthen the audit and corporate governance framework. The Board will continue to monitor developments and the implications for ACCA, in particular the implementation of reforms to restore trust in audit and corporate governance, and the transition from the FRC to the ARG.

Anti-money laundering

ACCA is a supervisory authority for anti-money laundering (AML) in both the UK and Ireland, with responsibility for ensuring compliance with the relevant requirements of the firms it supervises in both jurisdictions.

The UK regulator for AML – Office for Professional Body Anti-Money Laundering Supervision (OPBAS) – carried out its third inspection visit in January 2023. The assessment findings indicated that ACCA has increased its effectiveness in four areas and remained the same in two. OPBAS has identified further areas for improvement and ACCA will address these findings in accordance with its improvement plan. The Board will monitor progress against actions agreed during 2023.

ACCA is committed to playing a leading role in the accountancy profession as part of a coordinated approach to counter the threat of money laundering. It has developed a constructive relationship with OPBAS and scheduled quarterly meetings take place with ACCA. In 2023, the Board will receive an update on ACCA's AML approach to monitoring and review the effectiveness of the Policy Statement and Regulatory Guidance on AML to ensure that ACCA continues to have an effective, consistently applied regulatory deterrent to poor compliance with AML requirements.

Legal activities

In 2022, ACCA undertook further work in conjunction with the Legal Services Board (LSB) to exit from legal services and complete the transfer of regulation to another approved regulator. ACCA's regulatory arrangements for probate were fully withdrawn and the relevant Rulebook changes implemented, effective 1 July 2022. The LSB Board has agreed to make a recommendation to the Lord Chancellor on ACCA's formal de-designation as an approved regulator. Subject to approval by the Lord Chancellor, we expect that a Statutory Instrument will be laid before Parliament in 2023.

Insolvency regulation

In 2021, ACCA fully exited insolvency regulation and the order to revoke ACCA's designation as a Recognised Professional Body for insolvency in Northern Ireland finally came into effect on 16 February 2022. During 2022, the Government sought views on the future of insolvency in the UK and the Board noted that ACCA was supportive of the key proposals, including the creation of a single regulator for Insolvency Practitioners and extending regulation to firms that offer insolvency services.

ACCA PERFORMANCE AND PROGRESS IN 2022

GLOBAL CHALLENGES

2022 saw the emergence of new geopolitical and economic challenges and these issues, together with the continued impact of the Covid-19 pandemic, required the Board's attention throughout the year. This significant level of uncertainty is set to continue both in the year ahead and for the foreseeable future.

ACCA is driven by the need to regulate effectively and in the public interest. Despite the specific challenges presented by Covid-19, the devastating conflict in Ukraine and rising inflation, it has continued to develop and operate effectively and efficiently in an ever-changing global situation. ACCA's agility and transformational mindset, together with a clear focus on supporting its global community, have enabled it to innovate, proactively adapt to changing market dynamics, and respond swiftly to crisis and conflict.

While Covid-19 continued to have some operational impact on regulatory activities, it was not to the extent at the height of the pandemic. The adaptations ACCA has made to specific regulatory activities within each regulatory function remain robust and effective, and there is no longer-term impact on the public interest.

Covid-19 and loss of resource impacted on KPI compliance during 2021 and 2022. Although slowly reducing, the backlog in statutory audit cycle monitoring persisted during 2022. Performance against target KPIs for complaint investigation and adjudication have declined, although this is due in part to the change in how ACCA calculates its KPI measures. ACCA is not alone in the challenges it is facing with meeting the statutory audit cycles and the Board has been monitoring the situation closely, receiving regular updates through its performance datasets. The Board is assured that ACCA is prioritising regulatory activities in order to improve performance and ensure it returns to target KPI compliance and fulfils its statutory obligations in line with the Financial Reporting Council's (FRC's) and the Irish Auditing and Accounting Authority's (IAASA's) expectations.

The issues arising from a challenging and rapidly changing external environment, and any resulting impacts on the regulatory functions and their operation, will require the Board's continued attention in 2023.

PROFESSIONAL QUALIFICATIONS

Overview

The ACCA Qualification has been designed to provide all the competences required of professional accountants, including auditors. In accordance with modern practice, ACCA takes the view that regulators and employers demand that professional accountants, including auditors, apply a wide business and global perspective to their work. This is reflected in the ACCA Qualification in relation to developments in technology where the ACCA Qualification has continued to embed current topics such as big data, cloud computing, robotic process engineering, artificial intelligence, machine learning, cryptocurrencies and blockchain. Sustainability is also central to changes to the ACCA Qualification with emphasis placed on the importance of sustainability reporting and the consideration of Environmental, Social and Governance factors in relation to strategy formulation, investment decision-making, performance measurement and the conduct of sustainability audits. Green Finance will be included in the Qualification from the September 2023 exam year, in response to ACCA's

commitment to the UN SDGs. ACCA is also reviewing the Performance Objectives (POs) to highlight sustainability in its Practical Experience Requirement (PER).

The ACCA Qualification focuses on three key value propositions comprising examinations, ethics and practical experience. ACCA, with its worldwide network of people, approved learning partners and employers, supports students and members to develop successful careers by providing opportunities for learning and development.

The ACCA Qualification is structured to provide development and progression from the Foundation-level qualifications through to the Applied Knowledge, Applied Skills and Strategic Professional examinations. It not only develops technical expertise but also incorporates the professional skills required of modern professional accountants.

Ensuring ACCA students receive the highest quality education support is of utmost importance to ACCA. The Approved Learning Partner programme was introduced to give formal recognition to tuition providers who have demonstrated their success in providing students with quality tuition support. The tuition providers are assessed on one set of global accreditation standards. Exemption accreditation enables ACCA to award a specific level of exemption to graduates of an educational programme following a full assessment of the programme's regulations, syllabus and assessments. ACCA also supports tuition providers through the ACCA Education Hub, an online support toolkit developed to provide easy access to tools and resources universities need to better support ACCA students around the world.

ACCA has secured recognition of the ACCA Qualification at masters degree level on a number of national qualification frameworks. Official endorsement by education regulators is widely understood by employers, provides external assurance, and ensures that ACCA is leading on 'best practice' in qualification development and delivery. In addition, the University of London, in partnership with ACCA, continues to offer an MSc in Professional Accountancy. This is an integrated programme which enables affiliates and members to gain accredited prior learning from their professional qualification to contribute credit towards their masters qualification. The opportunity for ACCA students to gain a BSc (Hons) in Applied Accounting from Oxford Brookes University is available until the programme closes in 2026.

Organisations globally partner with ACCA through the ACCA Approved Employer programme. The ACCA Approved Employer programme recognises employers' high standards of staff training, accountancy resources and staff development. ACCA Approved Employers comprise organisations from varying sectors which include the Big 4 accounting firms of Deloitte, EY, KPMG and PwC.

In keeping with ACCA's commitment to lifelong learning, it also offers a range of further qualifications and a leading edge CPD scheme. These programmes are designed to suit the needs of accountants, finance professionals and non-finance professionals with financial responsibility, at all stages of their careers.

The ACCA Career Navigator is an online, interactive tool. It contains all the capabilities a professional accountant needs and is set at three levels – Proficient, Expert and Leader. It explains the knowledge and skills gained from the ACCA Qualification and links these to the fundamental capabilities. It is a valuable tool to help ACCA's stakeholders to understand the core capabilities needed for different stages of a career and to map potential career destinations.

The My Exam Performance platform provides detailed feedback on exam performance for Applied Skills examinations, highlighting improvements and successes. ACCA trialled a small pilot in June 2022 and then a full roll-out in September 2022.

Progress against key regulatory priorities for 2022-23

KEY PRIORITY	UPDATE
Manage the build up to, and introduction of, professional skills marks into the Strategic Professional Options exams from the September 2022 exam year	In September 2022 ACCA successfully introduced professional skills marks into the Strategic Professional Options examinations (AAA, APM and AFM) to allow candidates to demonstrate their technical expertise alongside the key skills required of a professional accountant. These skills are communication, analysis and evaluation, commercial acumen, and professional scepticism.
Conduct a full review of the Approved Learning Partner (ALP) programme with recommendations	Internal stakeholder feedback was obtained regarding the ALP and AE programme. From this a small number of improvements were suggested. Work is underway to progress these improvements and a larger scale review will be undertaken as part of ongoing large change programmes.
Conduct a full review of the Approved Employer (AE) programme with recommendations	

Qualifications Board

General oversight of ACCA's education and learning framework and examination arrangements is carried out by the Regulatory Board through its Qualifications Board. The Qualifications Board achieves this by monitoring the integrity of ACCA's examinations process and ratifying the results for release.

Lead regulator oversight

During 2022, the FRC carried out monitoring to understand the use of technology in the delivery of the examinations. It also performed follow up work on the marking of examinations including the psychometric adjustment, reviewed the education aspect of the risk register and considered how ACCA is addressing climate change in respect of its educational remit. The FRC recently reported on its findings and was satisfied that ACCA has robust and well-executed processes. The prior year recommendation in relation to the rotation of members on Boards and Committees was closed and there were no new recommendations. The outcome confirmed that ACCA continues to meet its statutory obligations as an RQB for auditors.

Outputs – Number of examination sittings and examinations entered

EXAMINATION SITTING	CANDIDATES	EXAMINATIONS ENTERED
March 2020	68,247 (incl 39,005 session CBEs)	79,214 (incl 45,213 session CBEs)
July 2020	32,494 (incl 22,151 session CBEs)	47,585 (incl 32,529 session CBEs)
September 2020	103,229 (incl 73,642 session CBEs)	135,320 (incl 96,963 session CBEs)
December 2020	119,956 (incl 89,506 session CBEs)	152,877 (incl 113,881 session CBEs)
March 2021	92,453 (incl 79,325 session CBEs)	111,953 (incl 96,419 session CBEs)
June 2021	103,069 (incl 100,614 session CBEs)	127,922 (incl 124,797 session CBEs)
September 2021	93,635 (incl 93,574 session CBEs)	117,693 (incl 117,627 session CBEs)
December 2021	119,688 (incl 119,613 session CBEs)	145,692 (incl 145,610 session CBEs)
March 2022 ¹	88,564	105,155
June 2022	101,866	122,756
September 2022	83,630	99,192
December 2022	107,142	128,693

Analysis of outputs

ACCA operates four examination sessions per year across all markets. This provides all students, employers and learning providers with increased flexibility to manage examination studies for the ACCA examinations. The four examination sessions generally take place in March, June, September and December and are offered globally.

ACCA has employed a full test security model across the globe for its Applied Skills exams for many years. The model ensures different CBE sessions are available throughout the day, meaning that not all students get the same examination. This protects the security, and therefore the integrity, of the examinations across the time zones, avoiding over-exposure of any questions in certain parts of the world. A similar model is used for Strategic Professional exams.

Covid-19 is continuing to have an impact on exam sessions as Governments take different approaches in different parts of the world as situations change and settle at different times. This can lead to variability in the mix of students sitting exams from session to session and can have an impact on pass rates.

In the March 2022 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams remained the same as for the last session at 47%. The average pass rate for the Applied Skills exams was 50%, which was the same as the previous session. The average pass rate for the Strategic Professional exams was also the same as the previous session at 42%.

In the June 2022 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams remained the same as for the last session at 47%. The average pass rate for the Applied Skills exams was 50%, which was the same as the previous session. The average pass rate for the Strategic Professional exams was also the same as the previous session at 42%.

¹ December 2021 was the last exam session where paper-based examinations were held. From the March 2022 session onwards, all exams at Applied Skills and Strategic Professional have been session-based CBEs.

In the September 2022 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams saw an increase of 1% to 48%. The average pass rate for the Applied Skills exams was 51%, which was an increase of 1% on the previous session. The average pass rate for the Strategic Professional exams increased by 1% to 43%.

In the December 2022 sitting, the overall average pass rate for the Applied Skills and Strategic Professional exams saw a decrease of 1% to 47%. The average pass rate for the Applied Skills exams was 50%, which was a decrease of 1% on the previous session. The average pass rate for the Strategic Professional exams decreased by 2% to 41%.

Pass rates for Applied Knowledge exams are obtained from 100% CBE on-demand exams. These exams, test knowledge and comprehension rather than more detailed application and analysis. Pass rates for these exams are now aligned to pre-pandemic levels as expected.

The Applied Skills and Strategic Professional pass rates remain stable. A wide range of support across Applied Skills and Strategic Professional exams is made available to students and tuition providers to help students prepare effectively for the exams they are sitting.

CONTINUING PROFESSIONAL DEVELOPMENT

Overview

ACCA's CPD regulations stipulate that all members regardless of their role must maintain competence in professional ethics and keep their business and finance knowledge up to date.

In addition, those members holding practising certificates, audit certificates, legal activities certificates and/or carrying on exempt regulated activities in the relevant period must maintain competence in the specialised areas of their practice and obtain an appropriate proportion of CPD units in those areas.

Participation in CPD may be achieved:

- by being employed by an ACCA Approved Employer – professional development stream;
- via the unit route (including the unit route – part time/semi-retired); or
- by meeting the CPD requirements of another International Federation of Accountants (IFAC) body where ACCA members are also full members of other IFAC bodies, and their CPD requirements comply with IES 7 – Continuing Professional Development.

If members follow the full unit route, they must complete at least 40 relevant units of CPD each year, where one unit is equal to one hour of development. At least 21 of the 40 units must be verifiable. Members must obtain their CPD in areas relevant to their work. Regardless of their role they must maintain competence in professional ethics and keep their business and finance knowledge up to date.

All members carrying on public practice must maintain competence in the specialist areas of their practice and obtain an appropriate proportion of CPD in those areas. Members holding a practising certificate and audit qualification (PCAQ) are advised that they must undertake audit related CPD on an annual basis even if they are currently not undertaking any audit work. There are no prescribed learning activities; members should choose those that are best suited to their needs, mindful of any constraints, with the exception of member and non-member statutory auditors in firms holding an ACCA Irish firm's auditing certificate who are required to undertake CPD in areas specified in the Irish Annex to the Global Practising Regulations.

If members are eligible to follow the unit route – part-time/semi-retired, they must complete at least 19 units of non-verifiable CPD per year and set their own level of verifiable CPD. They are required to ensure that they complete an appropriate level of CPD for their role.

Verifiable CPD is where:

- the learning activity is relevant to the career of the member; and
- the member can explain how they applied the learning; and
- the member can provide evidence the learning activity was undertaken.

If members complete more than 21 verifiable units a year, they may carry forward an excess of up to 21 units as a credit into the following year. Members must keep evidence of their CPD activity for three years, with the exception of member and non-member statutory auditors in firms holding an ACCA Irish firm's auditing certificate who are required to keep evidence for six years, and provide this to ACCA when requested.

All members are required to submit an annual CPD declaration, either confirming that they have met the CPD requirements via one of the acceptable routes – unit routes, ACCA Approved Employer or other IFAC body route – or stating that they have not been able to complete the CPD requirement. From 2022 onwards, non-member statutory auditors in firms holding an ACCA Irish firm's auditing certificate are also required to submit an annual CPD declaration to ACCA. The CPD declaration includes confirmation that they have maintained or developed, as appropriate, their competence in professional ethics. Members holding practising certificates are also required to confirm they have complied with the CPD requirements when submitting their annual practising certificate renewal application.

If members, and non-member Irish statutory auditors, state that they have not been able to meet the CPD requirement on their declaration, they are given increased support and guidance to rectify any shortfall. They are then required to make a replacement declaration once they have made good the shortfall. Failure to comply with the CPD requirements may lead to removal from the register of members and/or removal of statutory auditor status.

CPD reviews

Professional Development annually selects a statistically representative sample of members to review their CPD records for sufficiency and relevance, checking that they have maintained competence in relation to their technical specialisms, including audit.

In addition, Professional Development selects members from additional risk groups, such as practising members, audit engagement partners, follow-ups to a previous unsatisfactory review, referrals from regulatory or Approved Employer monitoring and members with missing CPD declarations. From 2018, ACCA implemented checks on the compliance of PCAQ holders who are engagement partners with the International Education Standard (IES) 8 - Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised). From 2023, ACCA will review compliance with IES 8 for all PCAQ holders subject to a CPD review.

In addition to the CPD reviews undertaken by Professional Development, the CPD records of members are reviewed by senior compliance officers during an audit firm's monitoring visit, by senior compliance officers as part of desktop monitoring, and by licensing compliance officers during an ACCA Approved Employer monitoring visit.

Members found to have unsatisfactory CPD records are given advice on how to rectify their CPD. They are subject to an early follow-up review to confirm that they have taken appropriate action. Failure to comply with the CPD review process or to act on advice on how to rectify their CPD may lead to removal from the register of members.

Progress against key regulatory priorities for 2022-23

KEY PRIORITY	UPDATE
Manage and maintain ACCA's CPD policy	ACCA continues to use a framework for assessing the currency of its CPD policy. It has confirmed that the policy remains relevant, rigorous, educational and compliant with regulatory requirements, including IFAC's International Education Standards 7 and 8.
Implement the recommendations arising from lead regulator inspections	<p>ACCA has updated its CPD processes and procedures to meet the requirements of IAASA's Guidelines for the RABs on the regulation, monitoring and enforcement of continuing education for statutory auditors.</p> <p>ACCA has also made progress on the three recommendations arising from FRC's visit in 2021 and is continuing to co-operate with FRC in these areas.</p>

Qualifications Board

General oversight of ACCA's continuing professional development arrangements is carried out by the Regulatory Board through its Qualifications Board. The Qualifications Board achieves this by monitoring reports on CPD compliance against the KPIs – the percentage of members submitting declarations and the percentage removed for non-compliance – and the number of CPD reviews undertaken.

From 2022, quarterly updates on CPD compliance have also been provided to the Regulatory Board.

Lead regulator oversight

During 2022, the FRC reviewed the delegated audit regulatory task of CPD. It also followed up on previous recommendations. The FRC recently reported on its findings. While noting that progress had been made, three prior year recommendations remain open. These relate to the procedure for removal of PCAQ holders, a review of training materials for staff conducting CPD reviews and providing constructive feedback to PCAQ holders following a CPD review. ACCA has responded to the findings and is continuing to work closely with FRC to deliver further improvements in these areas. As a result, FRC has confirmed that ACCA continues to meet its statutory obligations as an RSB for auditors.

IAASA has introduced guidelines for the RABs on the regulation, monitoring and enforcement of continuing education for statutory audits, effective from 1 January 2022. ACCA has taken appropriate steps to communicate the requirements to Irish statutory auditors and to update processes and procedures to comply with the guidelines. This includes requiring non-ACCA member statutory auditors in firms holding an ACCA Irish firm's auditing certificate to make an annual CPD declaration to ACCA. They will also be subject to ACCA monitoring and enforcement and will be included in reporting to the Board in 2023.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2022	TARGET	ACTUAL
% of membership completing CPD declarations within time ²	98%	98.22%
% of membership removed for CPD default	0.5%	0.46%

OUTPUTS	2022	2021
Members required to confirm compliance with CPD requirements	217,787	211,559
Members that confirmed compliance with CPD requirements	107,636	111,156
Total CPD records reviewed	5,088	5,524

Analysis of outputs

As at 1 April 2023 the percentage of active members who had submitted a CPD declaration for 2021 confirming compliance was 98.22%. The number of members required to submit CPD declarations for 2021 who remain on the active register was 204,682. Of these, 201,045 had submitted CPD declarations for 2021 confirming compliance. ACCA continues to send reminders to members who have not submitted and accepts declarations after the deadline. Members who fail to submit CPD declarations confirming their compliance for two consecutive years are removed.

The percentage of members completing CPD declarations for 2022 confirming they had met the requirements on or before 1 January 2023 – the stated deadline for submission – was 49.42%. As at 1 April 2023, the number of members required to submit CPD declarations for 2022 who remain on the active register was 217,984. Of these, 192,497 (88.31%) have submitted CPD declarations for 2022 confirming compliance. This is an improvement on the comparative figure for 1 April 2022 when 86.8% of active members had submitted CPD declarations for 2021 confirming compliance.

The percentage of members removed for CPD default in 2022 was 0.46%. This equates to 985 members – 771 for two missing CPD declarations and 214 for not co-operating with the CPD review process. This is against a benchmark of 0.50%. The comparable percentage in 2021 was 0.34% so, while still below the benchmark, there has been a deterioration in compliance in 2022. ACCA is continuing to target lapsed members to offer them support to reinstate. It is likely that the challenges many faced in 2020 and 2021 due to Covid-19 has played a role in lowering compliance rates.

LICENSING

Overview

ACCA issues practising certificates to eligible members and is also authorised by statute to issue certificates and licences to individuals and firms undertaking work in the areas of audit and investment business. This process helps to meet several objectives:

- members are suitably qualified and experienced to perform the work in question
- consumers and others are better able to identify those who are competent to provide the services they require to high technical and ethical standards
- the authorisation process provides information to ACCA to enable it to assess risk and adopt a proportionate response to monitoring and regulation.

² 2021 CPD declarations submitted up to 1 April 2023.

Members in practice must provide ACCA with information on an annual basis. They are required, among other things, to:

- confirm that they remain fit and proper
- demonstrate that they hold adequate professional indemnity insurance cover
- provide details of the arrangements they have in place for practice continuity so that the professional needs of their clients will be dealt with if the practitioner dies or becomes incapacitated
- agree to comply with their continuing professional development obligations
- agree to provide all necessary information to assist ACCA with its monitoring procedures.

Practising certificates

ACCA's policy in respect of ACCA practising certificates removes the need for a member in practice to hold an ACCA practising certificate unless they are practising in the UK, Ireland or a designated territory, or are otherwise required by local legislation and/or regulatory requirements to hold an ACCA practising certificate. Members not requiring (or choosing to hold) an ACCA practising certificate are required to notify ACCA if they are carrying on public practice, and such practitioners are placed on a register of ACCA practitioners.

ACCA as a statutory regulator

- **Audit** – An ACCA member wishing to carry out work reserved for statutory auditors in the UK or the Republic of Ireland must hold a practising certificate and audit qualification. Only members who have passed the relevant examination papers and gained the necessary practical experience are eligible for a practising certificate and audit qualification.

Firms that hold, or intend to hold, audit appointments in the UK or Ireland require audit registration from an RSB – a RAB in Ireland – such as ACCA. A firm registered with ACCA for audit purposes must hold a firm's auditing certificate.

- **Investment business** – ACCA is a Designated Professional Body (DPB) in the UK under the Financial Services and Markets Act 2000. This enables ACCA to regulate firms undertaking a limited range of exempt regulated activities, including insurance distribution. The provision of such services to a client must be incidental to the provision of accountancy services to that client.

All applications for certificates and licences, including applications for renewals, are subject to approval by the Admissions and Licensing Committee, although the routine scrutiny of application forms is delegated to ACCA staff.

Progress against key regulatory priorities for 2022-23

KEY PRIORITY	UPDATE
Review practising certificate and licensing fees structures to ensure they remain fit for purpose	The review of the licensing fees structures is ongoing and any major changes are dependent on ACCA's digital transformation programme. In 2022 ACCA completed a review of the basis for passing on the costs of the OPBAS levy to practitioners. In previous years the levy was based on the number of firms ACCA supervises for AML purposes in the UK. For 2022-23 the levy was based on the number of UK practising certificate holders.
Engage with and support the digital transformation programme including the decoupling of the PCAQ and future proofing ACCA's processes	During 2022 the Practice Regulation Department worked with Business Analysts on the digital transformation programme to map out the 'as-is' and 'to-be' processes for licensing in preparation for the re-commencement of the programme.
Continue to monitor Approved Employers effectively and prepare for full engagement with the digital transformation programme	ACCA continued to monitor Approved Employers effectively and provide input to the digital transformation programme as needed.
Lead on the review of the AE Practising Certificate Development workstream as part of the wider Approved Employer scheme review	The compliance team continued to manage and monitor the Approved Employer Practising Certificate Development stream. Work has commenced on improvements to the Approved Employer (AE) scheme review. However, the review of the Practising Certificate Development stream will now be undertaken as part of a larger scale review of the AE programme.

Lead regulator oversight

During 2022, the FRC reviewed the delegated audit regulatory task of registration. It also followed up on previous recommendations. The FRC recently reported on its findings. One prior year recommendation remains open, together with one new recommendation regarding internal compliance reviews which has already been implemented. The inspection outcome confirmed that ACCA continues to meet its statutory obligations as an RSB for auditors.

During 2022, IAASA conducted an inspection of ACCA's licensing arrangements for Irish statutory auditors and audit firms. Their report highlighted areas of focus for ACCA in the coming year and ACCA is working closely with IAASA to deliver the required improvements in these areas.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2022	TARGET	ACTUAL
Processing Practising Certificate with Audit Qualification (PCA)	80% completion of initial assessment feedback within 30 working days ³	78% completion of initial assessment feedback within 30 working days
PCA applications (quality assurance)	100% no incorrectly awarded PCAs	100% no incorrectly awarded PCAs
Processing Practising Certificate General (PCG)	80% completion of initial assessment feedback within 30 working days ³	55% completion of initial assessment feedback within 30 working days

³ During the Covid-19 pandemic, the period for completing the initial assessment feedback of PCA and PCG applications was extended from 30 to 60 working days. Authorisation reverted to the previous 30 working day KPI with effect from 1 July 2022.

OUTPUTS	2022	2021
Practising certificate holders	12,828	12,492
Audit qualification holders	3,044	3,143
Audit firms in the UK and Ireland	1,509	1,607
Firms holding DPB registration in the UK	980	853
Legal activities firms – probate (England and Wales) ⁴	0	78
Anti-money laundering supervised firms	2,215	2,337
Anti-money laundering supervised sole practitioners	5,328	4,762

Analysis of outputs

The number of members holding a practising certificate has risen to 12,828 (2021: 12,492) due to members making an application to obtain their certificates to ensure that they have them in place for future use, rather than waiting for a partnership offer or promotion and applying at that point. There are currently 2,421 members on the register of practitioners.

At the end of 2022, the number of members holding a practising certificate and audit qualification decreased by 99 members. This decrease may, in part, be explained by the reduction in firms engaging in audit as noted below, which means a Principal is not required to hold a practising certificate and audit qualification.

The number of firms holding audit registration also decreased by 98. The steady decline in firms holding audit registration over the past few years can be attributed to the rise in audit thresholds. Many of the small and medium-sized practices which remain authorised have very few audits, and rising compliance costs and increased regulatory burdens could force more firms to withdraw from audit and seek new forms of work.

Authorisation continued to meet its quality assurance target in respect of statutory audit registration. However, the processing of PCA, and in particular PCG, applications took longer than usual. Additional resource was deployed during the year and ACCA has now reverted to the previous 30 working day KPI. As a result, the oldest unallocated practising certificate application continues to improve, reducing from 42 days to 32 days.

MONITORING

Overview

A key mechanism in any system of regulation of practising accountants is a programme of monitoring visits designed to examine compliance with relevant rules, regulations, standards and best practice.

UK and Ireland

ACCA's statutory recognition in the UK and Ireland as a licensing and supervisory authority for auditors, and those performing incidental investment activities in the UK, requires it to undertake a comprehensive programme of monitoring visits to licensed firms, audit training firms and individuals

⁴ACCA ceased to authorise individuals and firms to carry out non-contentious probate work in England and Wales on 1 January 2021. The LSB has agreed to make a recommendation to the Lord Chancellor on ACCA's formal de-designation as an approved regulator under the Legal Services Act 2007.

on a defined cyclical basis. In addition, ACCA supervises its firms for compliance with anti-money laundering requirements in both the UK and Ireland. This work is undertaken by ACCA's Compliance team.

The Regulatory Board oversees any changes to ACCA's policies concerning monitoring arising out of inspections by lead regulators or other drivers for improvement.

Global monitoring activities

In many countries, ACCA members and firms are required by local legislation to register with a national professional body or regulator. Where that body or regulator has a monitoring programme in place, ACCA aims to avoid duplication.

In 2022, ACCA had active contracts with eight other professional bodies and regulators to undertake audit monitoring on their behalf, adapting and using the audit monitoring methodology it applies in the UK and Ireland. ACCA also had a separate contract with the national professional body of Cyprus to undertake AML monitoring on its behalf, which also included verifying compliance with its other key regulations.

In addition to those practising members who are covered by the arrangements described above, there are a very small number of ACCA members who practise in countries that do not have, and are unlikely to implement, a programme of monitoring. These members are licensed to practise by the government authorities of these countries, which are responsible for regulating them.

Monitoring methodology

Key features of ACCA's monitoring methodology are set out below:

- the recruitment of specialist staff with extensive experience in their specialism, who undergo practical training in the application of ACCA's monitoring methodology before being allowed to undertake monitoring reviews
- a holistic approach to monitoring, taking into account the characteristics of the member, the firm, their clients and the nature of the professional services they provide to the public
- a risk-based approach which enables ACCA to target certificate holders identified as posing a higher risk for more frequent monitoring reviews
- an examination of the licence holder's procedures, processes and quality controls, which is supplemented by an inspection of audits, cases and transactions to ensure that they are applied effectively
- a highly developed assessment process to consider the seriousness of any instances of non-compliance identified, prior to concluding whether the monitoring review has a satisfactory or unsatisfactory outcome overall
- a focus on assisting firms or individuals to improve the quality of their work, using regulatory processes only where they are required in the interests of the clients and the public
- forms of reporting, appropriate to the professional services provided by the firm or individual, that communicate clearly the results of the monitoring review, and assist in rectifying any breaches or deficiencies for the future
- an internal quality control system to ensure that all monitoring reviews are conducted in accordance with ACCA's requirements. This provides assurance that the overall outcome of a monitoring review has been determined in accordance with ACCA's basis of assessment, and that the report issued is clear and will assist the licence holder. As part of the quality control process, a sample of audit monitoring reviews that are not subject to regulatory action are subjected to oversight by an Audit Monitoring Committee (AMC). This oversight takes place once the firm has supplied its action plan and any other outstanding matters have been cleared.

Monitoring reviews are generally undertaken on a cyclical basis which varies in length, depending upon the type of review. However, firms previously found to be non-compliant or considered higher risk are scheduled for an early follow-up review. For this reason, and because some firms hold licences but do not undertake any regulated activities, the number of reviews undertaken as a proportion of the number of firms licensed can vary from year to year.

Admissions and Licensing Committee

The monitoring of ACCA practitioners and firms is performed with the objective of protecting the public. Where work performed fails to reach the required standard, the measures available to ACCA include referral to a regulatory assessor or to the Admissions and Licensing Committee. Although an assessor may impose conditions on a certificate, only the Committee may remove a certificate or licence. The Admissions and Licensing Committee is independent of ACCA and is chosen from a panel of committee members appointed by the Appointments Board in accordance with ACCA's Regulatory Board and Committee Regulations. Hearings of the Admissions and Licensing Committee are held in public and the Committee has a lay majority.

The procedures followed by the Admissions and Licensing Committee are set out in ACCA's Authorisation Regulations and, in respect of audit and anti-money laundering cases, the applicable Regulatory Board Policy Statement and Regulatory Guidance, which are available on the ACCA website. The Policy Statements and Regulatory Guidance provide guidance on the range of options available to regulatory assessors and the Admissions and Licensing Committee when considering what orders to impose upon an individual or firm. They also provide transparency, so that members and others are aware of the range of orders available. The Guidance also helps to ensure that orders made are consistent and proportionate.

Notices of hearings of the Admissions and Licensing Committee are published on the ACCA website. The decisions of the regulatory assessor and the Committee are also published on the website, naming the member.

Following a hearing, the Committee's written reasons for its decision are provided to the member, who may then apply for permission to appeal.

Audit Monitoring Committee

The purpose of the AMC is to oversee audit monitoring and ensure consistency of process and of outcomes. The AMC has limited powers and is not able to make regulatory and disciplinary orders in the same way as the other regulatory and disciplinary committees, although it does determine the outcome of a proportion of monitoring reviews and the timing of the follow-up review. AMC meetings normally take place once a month.

Progress against key regulatory priorities for 2022-23

KEY PRIORITY	UPDATE
Continue to meet ACCA's regulatory obligations in respect of monitoring and adopt a digital first approach	ACCA continued to meet the regulatory obligations in respect of monitoring adopting a digital first approach.
Aim to improve standards of compliance by expanding the range of support for practitioners in addition to undertaking monitoring reviews	During 2022 ACCA expanded the range of support for practitioners. This has included articles on common issues identified during audit monitoring reviews and a webinar on what to expect from an audit monitoring review.
Re-commence the digital transformation of monitoring processes	The compliance team supported the digital transformation team in relation to the monitoring process to map out 'as is' processes.

Lead regulator oversight

During 2022, the FRC reviewed the delegated audit regulatory task of monitoring. It continued its policy of shadowing a sample of audit monitoring visits and also followed up on previous recommendations. The FRC recently reported on its findings. ACCA continues to make progress in relation to the three open prior year recommendations relating to documentation and guidance. There are no new recommendations.

In 2021, IAASA conducted a review of ACCA's quality assurance system and reported on its findings and recommendations which ACCA fully implemented in 2022.

OPBAS reviewed the effectiveness of ACCA's supervisory approach to AML in January 2023. It has submitted its supervisory assessment findings and ACCA has prepared a proposed action plan and sought further clarification where required. Since the July 2021 assessment, ACCA has been deemed to have increased in effectiveness in four areas and remained the same in two.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2022	TARGET	ACTUAL
Number of monitoring reviews due in 2022 of firms holding audit registration in the UK and Ireland	505	226
Number of anti-money laundering compliance reviews of supervised firms in the UK and Ireland in 2022-23	350	395

Outputs – Number of reviews

REVIEW TYPE	2022	2021
Audit – UK and Republic of Ireland – audit work	148	182
Rule compliance – UK and Republic of Ireland	391	383
Audit – UK and Republic of Ireland – training auditors	510	609
Audit – Global	178	197
Investment business – UK	57	104
AML reviews – UK and Ireland	395	317
AML reviews – Cyprus	132	130

Analysis of outputs

In the UK and Ireland, audit monitoring reviews are split into two component parts: audit work, and eligibility for audit registration together with compliance with the *ACCA Rulebook*.

In 2022, 148 reviews were carried out of firms holding audit registration in the UK and Republic Ireland that have audit appointments. The monitoring reviews encompassed both an inspection of the firm's audit work and an assessment of the firm's compliance with the *ACCA Rulebook* (including eligibility for audit registration).

Where a firm does not hold audit registration in the UK and Republic of Ireland, or it holds audit registration but has confirmed it has no audit appointments, the monitoring of compliance with the *ACCA Rulebook* and eligibility for audit registration, where applicable, is usually carried out remotely by a separate team; 243 such reviews were carried out in 2022.

The ability to achieve the target number of monitoring reviews of audit-registered firms was impacted by the pandemic at the start of 2022 due to practitioners and/or staff being off sick or needing to isolate. The monitoring teams have also been impacted by staff changes, including external recruitment, with full team capacity only being reached in Q4 2022.

The scope of audit monitoring visits undertaken on behalf of national professional bodies or regulators outside the UK and Ireland entails verifying firms' compliance with International Standard on Quality Control 1 (ISQC 1) and International Standard on Quality Management with effect from 15 December 2022, International Standards on Auditing (ISAs) in the conduct of audit work, and compliance with the IESBA Code of Ethics for Professional Accountants including International Independence Standards 2018 Edition (2018 Code of Ethics) directly relevant to the audit of annual financial statements. During the Covid-19 pandemic all monitoring visits were conducted remotely. This demonstrated that monitoring could effectively be conducted remotely. A blended monitoring approach has now been introduced which has resulted in some audit monitoring visits being conducted on-site during this period. Under this blended approach to monitoring, higher risk firms are visited on-site and lower risk reviews are likely to be undertaken remotely.

ACCA requires action plans, including a root cause analysis, from all firms required to make improvements in the standard of their audit work. These action plans assist and encourage firms to make the necessary improvements. ACCA assesses whether the action plan is likely to be effective and requires the firm to amend the plan, if appropriate. Follow-up monitoring will include assessment of the effectiveness of the action plan.

ACCA conducts specific AML compliance reviews of firms in the UK and Ireland. The type of review a firm receives is determined by the AML risk rating of that firm. The risk rating is determined by ACCA's AML risk assessment which all supervised firms are required to complete. The reviews comprehensively assess the controls a firm has in place to ensure compliance with the AML requirements. Following the AML compliance review, the firm is issued with a report detailing any findings. The firm is provided with a time frame to implement the required action and provide evidence, and ACCA will then assess if the improvements meet the requirements.

Anti-money laundering (AML) compliance reviews were delivered remotely in line with ACCA's digital first approach. The team optimised their processes during the period that enabled increased review capacity across the team. The team also conducted a designated AML Sanctions Thematic review of 89 firms with potential increased exposure to the financial sanctions placed by the UK government against Russia.

INVESTIGATION AND DISCIPLINE

Overview

ACCA deals with complaints about its members and students, including allegations of misconduct. Complaints are received from a variety of sources including dissatisfied clients, employers of members, other practitioners, members of the public and referrals from departments within ACCA. Complainants can lodge a complaint by completing a complaint form, which is easily accessible on the ACCA website. ACCA's responsibilities encompass conciliation, investigation and discipline. In doing this, ACCA acts in the public interest and in accordance with the principles of better regulation. It strives to take effective and proportionate disciplinary action, where appropriate, while carrying out procedures that are fair, consistent and transparent.

ACCA is a global regulator and applies the same standards to all its members, affiliates and students worldwide. ACCA is concerned to act, and be seen to act, proportionately and robustly when its members or students fail to meet those standards.

ACCA's conciliation service provides conciliation where disagreements involving ACCA members are appropriate for such resolution, and where the public interest does not require disciplinary action. This is achieved by finding a solution that is acceptable to both parties, while ensuring that any need for disciplinary action is also further investigated. ACCA members can also utilise mediation and arbitration as alternative means of dispute resolution where they are in dispute with clients or other parties. The ACCA Mediation Scheme and The ACCA Arbitration Scheme are administered independently by the Chartered Institute of Arbitrators.

Disciplinary Committee

If an investigation suggests that there may be a case to answer, a report of disciplinary allegations will usually be prepared for consideration by an independent assessor. If ACCA's investigation suggests that a matter should be closed or should rest on the relevant person's file, the complainant may request a review of that decision by an assessor. This ensures that the process of determining which matters should be brought before the Disciplinary Committee is, and is seen to be, thorough and objective.

The Disciplinary Committee itself is independent of ACCA and is chosen from the same panel of committee members as the Admissions and Licensing Committee and the Appeal Committee. All panel members are appointed by the independent Appointments Board. As with the Admissions and Licensing Committee, hearings of the Disciplinary Committee are (other than in exceptional circumstances), open to the public and the Committee has a lay majority. The procedures to be

followed at disciplinary hearings are set out in the Complaints and Disciplinary Regulations and in the guidance which are published on ACCA's website. Both the Regulations and the Guidance clearly set out the framework for decision-making and the wide range of sanctions available to the Disciplinary Committee.

ACCA may also dispose of a complaint by way of consent order. The consent order regime allows ACCA to dispose of a complaint where the relevant person accepts responsibility for any failings and/or breaches being investigated. It has the benefit of being a formal disciplinary order, without the need for a full disciplinary hearing. Consent order decisions are usually publicised naming the relevant person. There is no right of appeal against a consent order.

Pre-hearing notifications are published on the ACCA website, notifying the general public of the cases that are to be heard. Following a hearing, the Committee's written reasons for its decision are provided to the member or future member. If there has been a finding against that person, the Committee's reasons for decisions are usually publicised on the ACCA website. However, the Committee has discretion to limit publicity in exceptional circumstances. Publicity will be on the ACCA website and, for members and future members in the UK and Ireland who are subject to a disciplinary hearing, is also sent to a newspaper local to the member's area of practice or the future member's town of residence.

Progress against key regulatory priorities for 2022-23

KEY PRIORITY	UPDATE
<p>Ensure timely delivery of agile, effective, efficient and transparent disciplinary and regulatory processes which are proportionate in balancing the public interest with that of ACCA members and maintain high standards of fairness, independence and integrity</p>	<p>ACCA's 'remote first' approach to hearings has remained in place this year.</p> <p>Throughout 2022, ACCA focussed on improvements across its end-to-end complaints and disciplinary service. This resulted in improved management information and the creation of a new reporting database. It has also facilitated process improvements and increased in-depth data-led analysis of ACCA's complaints and disciplinary service.</p>
<p>Improve and align regulatory and internal reporting to achieve efficiencies, maximise effectiveness and ensure that it is fit for purpose</p>	<p>ACCA has a data led approach to understanding its performance against target KPIs and this has influenced the work undertaken to better understand performance.</p> <p>In early 2022, the Professional Conduct Department (PCD) started work on improving the quality of data and data points that are captured. This has already resulted in improved and more focused reporting and is enabling PCD to identify trends in performance across all its processes.</p> <p>The work completed includes:</p> <ul style="list-style-type: none"> • a new approach to KPIs which focuses on individual and collective responsibility across ACCA's end-to-end service; • improved (and increased) data capture particularly in relation to adjudication related processes; • a new reporting database, built and housed on the Microsoft 365 platform, which has Microsoft Power BI reporting functionality. <p>It is anticipated that the work on PCD's internal reporting will continue into 2023-24 and this will be aligned with the regulatory reports that are produced.</p>
<p>Identify innovative solutions to the work that PCD does. Where appropriate, highlight alternative solutions to colleagues in other teams that PCD works with to contribute to improvements to the overall efficiency of ACCA's end to end processes and support change</p>	<p>As part of its ongoing focus on continuous improvement, PCD has continued to identify and implement improvements to ACCA's complaints and disciplinary end-to-end service. It also works with other teams within ACCA, taking learnings from the work to help influence overall efficiency.</p>

Lead regulator oversight

In 2022, the FRC remotely reviewed a sample of ACCA's enforcement case files. The FRC recently reported on its findings and was satisfied that ACCA continues to meet the Conditions of Delegation relating to enforcement. There were no requirements or recommendations in relation to this work.

In April 2023, IAASA conducted a review of ACCA's complaints and disciplinary system. Their report is due to be published later in 2023.

IAASA has introduced guidelines for the RABs when performing Investigation and Disciplinary Functions, effective 1 January 2022. ACCA believes that its rules and regulations are in line with the expectations expressed by IAASA in the guidelines.

KEY TARGETS v ACTUALS FOR YEAR ENDED 31 DECEMBER 2022	TARGET	ACTUAL
Average time taken to deal with a complaint in the Assessment and Investigations Departments (from the date allocated to an investigations officer or 14 days from the date that the complaint is received by the Professional Conduct Department (whichever is sooner) to the date investigation concluded, minus external deferral periods)	6 months	8.0 months
Average listing time for all hearings (from the date of independent assessor decision to the date of Disciplinary Committee hearing)	6 months	8.0 months

OUTPUTS – COMPLAINTS	2022	2021
Complaints in hand at the start of the year	843 ⁵	507 ⁵
Complaints received during the year	699	1,063
Complaints closed after initial review	210	273
Complaints closed by Administration Team	14	0
Complaints closed following conciliation	35	48
Complaints closed following an investigation	338	283
Complaints closed by consent order	49	37
Complaints closed following assessor review	21	18
Complaints closed following withdrawal by Adjudication team	0	1
Complaints closed following a disciplinary hearing	60	60
Complaints closed following appeal application and/or appeal hearing	16	8
Complaints closed following Health Committee	3	1
Complaints in hand at the end of the year	796 ⁶	841
Average time to conclude an investigation	8.0 months	5.6 months

⁵ Includes administrative adjustments made following reconciliation exercises throughout the year.

⁶ 123 of the cases in hand at the end of 2022 relate to remote invigilated exams (2021: 251).

OUTPUTS – HEARINGS ⁷	2022	2021
Disciplinary Committee hearings	112	84
Disciplinary Case Management meetings	8	13
Admissions and Licensing Committee hearings	42	65
Appeal Committee hearings	3	1
Permission to Appeal Committee hearings	20	0
Consent Order hearings	53	37
Interim Orders hearings	27	61 ⁸
Health Committee hearings	10	6
Regulatory Assessor Committee meetings	18	15
Audit Monitoring Committee meetings	11	12
Total number of hearings	304	294
Cases concluded by Disciplinary Committee	78	60
Disciplinary Case Management meetings concluded	7	9
Cases concluded by Admissions and Licensing Committee	35	61
Cases concluded by Appeal Committee	2	1
Cases concluded by Permission to Appeal Committee	17	0
Cases concluded by Consent Order	53	37
Cases concluded by Health Committee	6	5
Regulatory Assessor Committee meetings concluded	18	15
Cases concluded by Interim Orders Committee	25	59
Audit Monitoring Committee cases considered	29	36
Total number of cases concluded	270	283
Average listing time for all hearings at 31 December	8.0 months	7.86 months

Analysis of outputs

The total number of complaints received by ACCA decreased in 2022, with 699 received compared to 1,063 in 2021. The average time to conclude an investigation increased to eight months. ACCA concluded its investigation within six months in 46% of cases (the target KPI is 75%). The target KPIs in respect of investigations concluded within 12 months and those concluded in excess of 12 months were both exceeded by 10%.

The average listing time for all hearings in 2022 remains above the six-month KPI, at eight months, and included 24 cases with a lead time over nine months.

It is likely that there are multiple factors influencing performance in 2022 including the ongoing impact of Covid-19, the 2021 restructure/transformation of the team, and changes to the way in which the investigations target KPI (effective from 1 January 2021) is calculated.

ACCA remains committed to continuous improvement and, on an ongoing basis, will continue to review and improve the efficiency of the complaints handling process, mindful of its regulatory obligations and its target KPIs.

⁷ Where a case has been scheduled for two or more days, this counts as one hearing.

⁸ The large number of Interim Orders Committees (and reviews) in 2021 relates to the PER alleged breach cases that were referred to the Adjudication team at the end of 2020 and start of 2021.

REGULATORY GOVERNANCE

Overview

ACCA's governance arrangements for regulation and discipline and the integrity of the examination process allow these functions to operate with appropriate independence from other activities. Its regulatory oversight structure ensures autonomous oversight of ACCA's governance arrangements. This includes supporting the work of the PIOBs and the operation of ACCA's disciplinary and regulatory committees.

ACCA oversees the update of the *ACCA Rulebook* and the promulgation of other standards. It also promotes ethics and engages with members, standard-setters and other bodies on ethical matters.

ACCA maintains effective relationships with lead regulators and others, including the provision of reports and other information; implementing recommendations in line with requirements and ensuring compliance; and engaging with regulatory developments to help shape regulatory policy in the public interest. This includes providing support to our relationships team, other professional bodies and regulators on regulatory development and building the profession activities.

ACCA Rulebook

The *ACCA Rulebook* consists of ACCA's Royal Charter, bye-laws, regulations and Code of Ethics and Conduct. All members and future members of ACCA are bound by its bye-laws, regulations and Code of Ethics and Conduct, and failure to adhere to these renders them liable to disciplinary action. The Rulebook is updated regularly, in line with regulatory developments and policy requirements.

Other regulatory standards

Members are not only required to adhere to ACCA's rules and standards, they are also required to comply with standards issued by national and international standard-setting bodies. ACCA provides information and guidance to ensure that its members are aware of these other regulatory standards, including the Practice Information Handbook; CCAB and CCAB-I guidance on ethics and anti-money laundering; useful factsheets covering the application of rules and standards; and signposting to auditing and accounting standards on the websites of national and international standard-setters.

Regulatory development

ACCA supports other professional bodies and regulators to strengthen systems of regulation for accountants in other jurisdictions. The support may take the form of donor funded consulting assignments, the provision of guidance on regulatory matters, participation in working parties and responses to consultations on regulatory reform. During 2022, ACCA provided regulatory support to other professional bodies and regulators in Ethiopia and Malawi.

Progress against key regulatory priorities for 2022-23

KEY PRIORITY	UPDATE
Ensure effective governance by implementing consistent processes across all Council, PIOB and Executive Board meetings	In 2022-23, ACCA started to review and implement new processes to ensure greater consistency across all Council, PIOB and Executive Board meetings. For example, it has formalised the pre-meeting process with all PIOB Chairs and has published copies of presentations on the electronic Board portal system, which in turn has led to more streamlined minutes.
Embed a new approach to all meeting arrangements post-Covid, embracing new technology and aligning to ACCA's wider commitments to the UN SDGs and financial sustainability	ACCA has embedded its new 'ways of working', including a 'remote first' approach to meetings and the effective use of digital tools. In 2022, the PIOBs moved to a blended approach of one physical meeting and the remaining virtual meetings each year. The digital option continues to prove effective, inclusive, engaging and cost efficient. It also offers advantages in terms of greater flexibility and increased diversity of Board members.
Ensure Boards and Committees with regulatory responsibilities have access to climate change and sustainability information and expertise, and consider climate change and sustainability as part of their remit	ACCA's Boards and Committees are kept up to date on climate change related matters through updates and direct reports. In 2022, ACCA established a Steering Group on Sustainable Development which provides a central point of oversight, prioritising and monitoring the impact of ACCA's sustainability activity, including its commitment to the UN SDGs and the path to carbon net zero.

Lead regulator oversight

In 2022, the FRC continued its review of the governance of ACCA's regulatory activities. It observed meetings of the Qualifications Board, the Regulatory Board and the Admissions and Licensing Committee. It also sought to evidence on how ACCA is promoting diversity and inclusion in its Governance Boards and Committees. The FRC recently reported on its findings and was satisfied that ACCA continues to provide effective risk-based governance over its regulatory responsibilities. There are no further requirements or recommendations in relation to this work.

ACCA PLANS FOR 2023

The changes ACCA has been navigating in recent years have been profound and multi-stranded, including the coronavirus pandemic which the world is now emerging from, and the geopolitical tension and conflict, both of which have contributed to the current volatile global economic conditions which are now affecting the ACCA community across multiple markets.

Alongside these global headwinds, ACCA is seeing market dynamics and customer behaviours changing, and new generations join the workplace with new and different expectations about the world of work.

There are also growing societal concerns around the climate crisis, which is reinforcing the importance of sustainability in all its forms. And with this also comes more change, including new regulations and new global standards.

ACCA has stepped up to the challenge, intensifying its focus on ACCA's purpose and continuing to lead the way forward for the profession. In 2023, ACCA's strategic focus **Being bold: creating and taking opportunity** reflects its ambitions to capitalise on a world of opportunity, exciting the global marketplace, building member pride and embedding ACCA as the #1 global choice for employers, partners and new entrants to the profession.

ACCA will continue to monitor the regulatory landscape and the wider external environment in 2023 and engage with the Board and regulators should further challenges arise from regulatory issues and developments requiring changes to its regulatory activities.

KEY REGULATORY PRIORITIES FOR 2023-24 ⁹

PROFESSIONAL QUALIFICATIONS

- Continue the roll-out of the professional skills marks into the Strategic Professional Options exams into the Advanced Taxation examinations from June 2023
- Introduce a new style of Question 1 in the Strategic Business Reporting examinations from September 2023
- Launch the new Strategic Business Leader examination with preseen material from September 2023
- Make continuous improvements to both the AE and ALP programmes

CONTINUING PROFESSIONAL DEVELOPMENT

- Manage and maintain ACCA's CPD policy
- Implement the recommendations arising from lead regulator inspections
- Engage and support the digital transformation programme to future proof our processes

LICENSING

- Decouple the PCAQ including a review of related processes
- Proactively engage with recommendations from lead regulators
- Provide SME support to the digital transformation programme
- Continue to monitor and manage the ACCA Approved Employer Practising Certificate Development workstream

MONITORING

- Continue to meet ACCA's regulatory obligations in respect of monitoring and adopt a digital first approach
- Proactively engage with recommendations from lead regulators
- Identify ways to expand the range of support for practitioners
- Provide SME support to the digital transformation programme

INVESTIGATION AND DISCIPLINE

- Ensure timely delivery of agile, effective, efficient, and transparent disciplinary and regulatory processes which are proportionate in balancing the public interest with that of ACCA members and maintain high standards of fairness, independence and integrity
- Building on data and reporting improvements in 2022, continue to improve and align reporting to achieve efficiencies, maximise effectiveness and ensure that it is fit for purpose
- Continue to identify innovative solutions to the work that PCD does. Where appropriate, share learnings with other teams to contribute to improvements to the overall efficiency of ACCA's end-to-end processes and support change

REGULATORY GOVERNANCE

- Play a leading role in the Future of Audit debate in the UK and globally
- Contribute to developments in the creation of ARGAs and influence the practical implementation of recommendations
- Refine the 5-year approach for member pricing and identify Rulebook changes and requirements for AGM
- Ensure effective governance by optimising processes across PIOBs with a focus on agile and efficient meetings

⁹The key priorities reflect key areas of focus for Q1 and Q2 of 2023-24 and all are due to be completed by 2024 unless otherwise specified.

BIOGRAPHIES OF BOARD MEMBERS

The Regulatory Board is responsible for general oversight over ACCA's regulatory functions and aims to ensure that ACCA's regulatory arrangements operate in the public interest. The Board has a lay majority and comprises an independent lay (ie non-accountant) Chair, five lay members and two Council members.

The members of the Board are:



Lucy Winskell (Lay Chair of Regulatory Board)

Lucy was Pro Vice-Chancellor (employability and partnerships) at Northumbria University for 12 years until 2022 when she stood down from that role on her appointment as Lord Lieutenant of Tyne and Wear 2022. During her time at Northumbria University, she led the development of Northumbria's relationships with local government and public bodies, shaping its contribution to regional economic, cultural, and social development and graduate employment and establishing its Amsterdam campus. She remains as a Visiting Professor at Northumbria and will continue her non-executive roles.

Prior to joining Northumbria University in 2010, Lucy was a litigation lawyer for 28 years. During that time as a lawyer Lucy gained a very deep and rich experience of membership organisations and the regulation of professionals, sitting on the Council of the Law Society of England and Wales, on the board of the Solicitors Regulation Authority and President of Newcastle Law Society.

She has extensive non-executive director experience. Appointments have included Government Office North East, Darlington Building Society, the British Chambers of Commerce, Heritage Lottery Fund, the North East Industrial Development Board and the Arts and Humanities Research Council, the last two being ministerial appointments.

Currently she is chair of the North East Local Enterprise Partnership and a non-executive director of North East Access to Finance.

Lucy has international experience as a former UK President of the Union Internationale des Advocats and served as UK chair of the British-American Project, the think-tank and international network for Anglo-US business and cultural relations.

She is chair of Live Theatre, a trustee of Live Theatre and International Centre for Life, both in Newcastle upon Tyne and is deputy chair of The Community Foundation, Tyne and Wear and Northumberland.

Lucy was awarded an OBE in the Queen's Birthday 2014 Honours List in recognition for her services to Higher Education and the regional economy in the North East. She was appointed as Deputy Lieutenant of Tyne and Wear in 2014 and was High Sheriff of Tyne and Wear 2015-16.



Liz Blackburn (Council member of Regulatory Board, appointed 10 November 2022)

Liz has a diverse range of financial controls assurance, asset management reporting and audit experience, as well as a passion for, and track record of, information gathering, sharing insights, building business relationships and helping businesses and individuals develop and succeed.

Her roles with blue chip financial services organisations (abrdn, BlackRock, Royal Bank of Scotland, AEGON Asset Management, Standard Life Investments) and Big 4 accountants (PwC, EY) over the past 35 years have given her extensive experience of external audit, review and challenge, risk and control assessments, driving Risk Culture activities, Operational and ESE risk, and exposure to Board Risk Committees.

Liz was admitted to membership of the ACCA in 2000 and became a Fellow in 2005. She was elected to ACCA's Global Council in November 2017, and has served on the Resource and Oversight Committee, Remuneration Committee, Nominating and Governance Committee and Standards Board.

Prior to joining Council, Liz chaired the UK Financial Services and the Edinburgh & East of Scotland Member Network Panels and was awarded ACCA UK Advocate of the Year in 2016.

Liz chairs the Accountants for Business Global Forum, a group of 25-30 CFOs from around the world which meets quarterly and discusses a wide range of topics from geopolitical risks, finance transformation, the future of work through to climate change. Output from the Forum informs the policy and insights (PI) research, and as such Liz has worked with the PI Team and contributed to a number of PI reports.

Liz is an ex officio member of the ACCA Scotland Committee.

Liz's other volunteering activities include being a student mentor on Dundee University's Leadership Plus programme and acting as Regional Coordinator for the Edinburgh based Asia Scotland Institute.

Richard Cooper (Lay member of Regulatory Board and Chair of Standards Board)



Richard Cooper has extensive experience of leading business transformation and operating at board level within complex organisations.

He had worked with BT for more than 10 years, leading business transformation and engaging in face-to-face dealings with the UK telecoms regulator and other communication providers.

Since leaving BT (in March 2018) he has taken up roles including:

Member of the NHS Pay Review Body - The NHSPRB provides independent recommendations on the remuneration of all staff paid under Agenda for Change employed in the NHS. The NHSPRB's recommendations apply to all staff in the NHS, with the exception of doctors, dentists and very senior managers. The remit group accounts for just under 1.5 million NHS staff (paybill c.£43bn).

Non-Executive Director and Audit Committee Chair, Health Research Authority - The HRA is an arm's-length body in the Department of Health & Social Care that protects and promotes the interests of patients and the public in health and social care research.

Chair of West Suffolk Council Remuneration Panel - The Independent Remuneration Panel plays an important role in advising the Council on the remuneration and expenses of its Councillors.

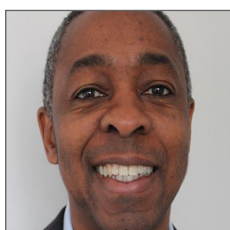
Non-Executive Director at Cambridgeshire Community Services NHS Trust (stood down February 2019).



Sharon Critchlow (Council member of Regulatory Board, to 10 November 2022)

Sharon has been an ACCA member since 1996 and she was elected to Council in 2016. After 8 years as a public practice accountant Sharon held the role of Operations and Compliance Director with regulatory responsibilities in the Financial Services sector for 17 years. She is a Chartered member of the Chartered Institute of Securities and Investments and a Chartered Financial Planner.

In her commercial life Sharon has a business which specialises in governance and cyber security, and a second enterprise which focuses on workplace culture strategies and wellbeing. She has an interest in Environmental Social Governance, is a frequent speaker on diversity and inclusion and advocates for better mental health awareness in the construction sector.



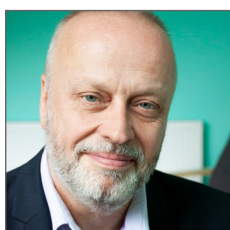
Amin Dawuda (Lay member of Regulatory Board)

Amin is an experienced executive operating at board level in the private and public sectors.

He has held a number of senior leadership roles in financial services organisations, with over 20 years at London Stock Exchange Group.

This included guiding customer facing technology and operations teams, managing risk, compliance and change management in highly regulated capital markets. He also chaired a steering committee that oversaw the performance of LSE Plc's technology supplier, reporting to the Board and industry regulator.

Amin is vice chair of governors at a primary school, and vice secretary at a youth football club that serve his local community. He is committed to providing development pathways for young people and improving diversity and inclusion, particularly at senior levels within the workforce.



Bill Matthews (Lay member of Regulatory Board and Chair of Appointments Board)

Bill is a Chartered Engineer who began his career as a Test Engineer with Motorola in Scotland, before a number of years running technology businesses. He subsequently developed a portfolio of non-executive interests in a variety of areas, including seven years as Chair of the BBC Pension Fund.

Bill's current roles include chairmanship of the Scottish Criminal Cases Review Commission and sitting as a lay panellist for the Nursing and Midwifery Council on fitness to practice hearings. He is Deputy Chair of Redress Scotland and sits on the board of the Scottish Futures Trust – an infrastructure centre of excellence owned by the Scottish Government. Bill holds an MBA alongside first degrees in Electrical Engineering, Psychology, and Humanities with Creative Writing.



Nora Nanayakkara (Lay member of Regulatory Board and Chair of Qualifications Board)

Nora holds a number of independent governance roles, including Chair of the Audit & Risk Committee and Non Executive Director on the Board of the UK Statistics Authority (UKSA), which oversees the production and regulation of the UK's official statistics system.

Nora's executive career in the private sector included several years of international experience and successfully launching a German digital tech start-up's UK presence. Having achieved an MBA, she then developed a portfolio of governance roles with her appointment as a Non Executive Director (NED) to the Board of Nominet, which runs a critical piece of the UK's digital infrastructure; the .uk domain name register. She was subsequently appointed by Nominet as Senior Independent Trustee and Chair of the Audit Committee to the board of its corporate social investment foundation, Nominet Trust, which awarded multimillion pound funding to entrepreneurial organizations with innovative technology-enabled missions. She has also served as a NED and Audit Committee member on the Board of the UK trading fund, The IPO, which is responsible for the UK's intellectual property rights.

As well as her cross sectoral non-executive portfolio and governance roles, Nora brings valuable experience of professional regulation through her role as a lay fitness to practice Chair at the General Dental Council (GDC), as a lay panellist and Chair at the General Osteopathic Council (GOsC), an independent member of the Bar Council's audit committee and the ACCA's Regulatory Board. Nora holds a Ministerial NED appointment in Ireland on the Board of the Digital Hub in Dublin, which provides incubator space and support to international tech start-ups. She is also a member of the Pay Review Body on Doctors' and Dentists' Remuneration (DDRb) and holds a Diploma in Legal Medicine (DLM).



Tom Spender (Lay member of Regulatory Board)

Tom Spender is currently the General Counsel for the Retail Bank of Lloyds Banking Group plc.

In his career, Tom has held senior positions at both regulated financial services firms and also at the UK financial services regulator. He has a legal background with over 20 years' experience in consumer protection, litigation, risk management, the use of data and regulation.

Prior to joining Lloyds Bank in 2016, Tom held various senior roles at the UK Financial Conduct Authority and its predecessors for over 13 years, including senior policy, enforcement and supervision roles.

Tom is a qualified solicitor and has worked in litigation and capital markets in international law firms in the UK and in Australia.



Den Surfraz (Council member of Regulatory Board)

Den is Head of Compliance at Butterfield Mauritius Limited.

He is a Certified Fraud Examiner with more than 30 years' experience in financial crime investigations, risk management and compliance.

His previous position was with Citco in global operations control. He has also worked as an investigator at the Financial Intelligence Unit and as a police officer mainly with the Anti-Drugs and Smuggling Unit in Mauritius.

Den is also the present Chairperson of the Mauritius Institute of Professional Accountants (MIPA) and is a Board Member of the Financial Reporting Council (FRC) of Mauritius. He also acts as Non-Executive Director on various companies in Mauritius.

He is married with two children and enjoys playing football, watching English football especially Manchester United and trail running.



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Think Ahead