



# Annual Report 2021

## STATUS

1. open

## EXECUTIVE SUMMARY

The purpose of this paper is for the IRB to consider and agree that the 2021 annual report is structured and presented as a joint operational and board report issued in PSD's name.

## BACKGROUND

2. The 2019 IRB annual report was the first to be formally published and promoted with the support of a marketing and communications plan. It focussed on the work of the IRB and demonstrated its objective of working in the public interest. This report and subsequent reports were published on [icaew.com/irb](http://icaew.com/irb).
3. The IRB 2020 annual report has received 223 unique visits (to 20 September 2021). This is considered encouraging engagement.
4. The publication of the 2019 and 2020 IRB reports were managed by the Project Light working group.
5. Timing of publication: The 2020 report was launched on 26 April 2021. The Project Light working group felt this was too late. An earlier publication date is preferred for the 2021 report. The production plan is included below (para 20).
6. Under its terms of reference, the IRB has to communicate on its regulatory activity to ICAEW Board and Council annually. For 2020, Michael Caplan attended the May ICAEW Board meeting and a link to the annual report was sent to Council via their Friday e-newsletter.

### ICAEW's corporate annual report

7. For context, it is understood the ICAEW corporate annual report for 2021 will also be produced earlier than in previous years (February 2022 v May 2021) and that there is an objective to revamp this report to reflect a digital first approach. The 2020 report had 555 unique views.

## PROPOSAL

### Structure of the PSD annual report

8. The annual report offers the opportunity to highlight the proactive regulatory and conduct work achieved during the year, as well as the independent governance that oversees this work to ensure the highest standards are achieved and maintained.
9. In previous years, there have been challenges with showcasing this holistic and inclusive view because of the contents being positioned as the IRB report.
10. The monitoring/supervision reports produced by Quality Assurance Department (QAD) already follow this structure and as approved by the IRB. Therefore, it is proposed that the 2021 annual

report is positioned as a functional report – a review of ICAEW’s regulatory and conduct activity, rather than the IRB annual report.

11. This will enable us to further define regulatory and conduct activity as being separate to membership activity at ICAEW and highlight the independent governance of the IRB, the regulatory and disciplinary committees and the work and our interaction with oversight bodies.

### Content outline for the PSD annual report

12. It is proposed that many of the aspects of the previous annual reports will remain. In addition, the proposal is to highlight that we are an improvement regulator with independent and multi-layered oversight provided by the IRB, regulatory and disciplinary committees and 8+ oversight regulators. This will provide the unifying theme for the report.
13. Content will focus on the ‘so what’, what impact did [x] piece of work have, how did it change things.
14. The tone will be proud, confident, leading in field, expert, authoritative, honest.
15. The proposed content outline:

Foreword/introduction	Outgoing/incoming IRB Chairs.
Mission and vision	Who we are and what we do, our purpose.
Strategic overview	How we regulate, <b>our approach as an improvement regulator</b> and independent oversight: overview of how PSD’s work is overseen by the IRB and the regulatory and disciplinary committees (include diagram of governance structure) and a list of the oversight regulators (diagram and list of oversight regulators moved from appendices of the last report). Section to also include a link to the <b>PS Strategy</b> animation.
IRB Chair’s report	Topics to highlight: consultation responses, proposals/changes to processes and a response to the ‘looking ahead to 2021’ section of last year’s report.
Chief Officer, PSD report	Topics to highlight: all areas of work undertaken by PSD including: <ul style="list-style-type: none"> <li>a) Activities and achievements.</li> <li>b) Performance against strategic measures.</li> <li>c) Impact of COVID-19.</li> <li>d) All regulated areas (AML, audit, insolvency, probate).</li> <li>e) QAD 3<sup>rd</sup> part contract work.</li> <li>f) Key facts and trends – as per the 2020 report but not as a separate section.</li> </ul>

	g) Published oversight reports that demonstrate our compliance with requirements.
Forward look	2022 and beyond. a) Market overview – a look at the regulatory landscape and how it may affect us. b) Key projects for 2022. c) Further ahead.
Financials	PSD financial report.
Environmental, social and governance (ESG)	An increasingly important element of an annual report/review. <a href="https://www.investopedia.com/terms/u/unprinciples-responsible-investment-pri.asp">https://www.investopedia.com/terms/u/unprinciples-responsible-investment-pri.asp</a> This section can include how COVID-19 has affected business (as well as in other areas of the report).
Appendices	a) IRB members in 2021. b) IRB meetings in 2021. c) Use of delegated powers by the IRB in 2021. d) IRB sub working groups in 2021. e) PSD SMT.

16. We propose to utilise case studies to demonstrate effectiveness and showcase initiatives and infographics to highlight results. Case studies will draw out particular projects that support the overall theme and profile individuals who are involved with the activity. These will supersede the (longer) key areas of focus used in previous reports.

17. Case study ideas:

- a) Special investigations team
- b) AML thematic review for 2021
- c) Firm case study – how they worked with QAD to improve their standards
- d) Committee member – their role, the independence of the committee
- e) *All Too Familiar* (AML film)
- f) Dispelling self-regulation myths (bullet point list)
- g) Key IRB activity – interview with IRB member about the board's role and results – perhaps the BEIS Audit White Paper consultation response?

18. Infographic ideas:

- a) AML monitoring in 2021
- b) QAD monitoring feedback
- c) PSD overview (as previously included in IRB annual reports)
- d) Key facts and trends – pull out key stats that show progress

### ICAEW corporate annual report

19. To date, the corporate annual report hasn't included a formal reference to the IRB/regulatory and conduct reports. We propose that we request that the 2021 corporate report carries a pre-

agreed introductory paragraph to the 2021 regulatory and conduct report with a call to action to read the full report/view the animation.

## PRODUCTION PLAN

20. This plan will ensure the report is provided ahead of the May ICAEW Council meeting. Note: the corporate annual report is expected to be published in Mid-February 2022.

Action	Key dates
PSD staff to provide draft content	1 December 2021
Duncan to draft the report	2 – 18 December 2022
First draft circulated to PSD staff and the IRB	4 January – 11 January 2022
Edits to first draft	12 – 21 January 2022
External writer to proof read/edit	24 January – 4 February 2022
Creation storyboard for animation	24 January – 4 February 2022
Draft approved – full report and animation	11 February 2022
Design – full report and animation	14 February – 21 March 2022
Publish	W/c 28 March 2022

## FINANCIAL, RESOURCE AND RISK IMPLICATIONS

21. The proposed budget remains in line with last years' budget - £15,000.
22. The proposal is to produce the report in two formats: downloadable pdf and an animation. In line with ICAEW sustainability goals, this report will not be printed. Those with less time will be able to view the animation and see/hear the key messages and for those with more time, the full report will be available.
23. In previous years, an external writer has been utilised. For the 2021 report, it is proposed that the draft will be written in-house and edited by the writer who has been working with PSD for the last year on articles for Regulatory & Conduct News, the monthly e-newsletter that is sent to all ICAEW regulated firms and insolvency practitioners, oversight regulators and ICAEW members who request issues. Members of the IRB also receive this e-newsletter.
24. The report will be contributed to by several senior members of PSD staff and members of the IRB including the Chair. Due to the changes in Chair and some board members, this proposal doesn't include reference to the Project Light group.
25. The final report to be agreed and signed off by Michael Caplan (current IRB Chair), the incoming IRB Chair and Duncan Wiggetts.
26. The design, project management and promotion will be managed by the PSD communications and marketing team as in previous years. This will be supported by the ICAEW Corporate Communications and Public Policy teams for external and Government communications.

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