



As a member of the ICAEW Regulatory Board (IRB) since its inception, I am delighted to present my first annual report as chair. It's been a busy, challenging and rewarding period for both the IRB and the Professional Standards Department (PSD).

Like my predecessors, I am a lay chair. A barrister and Guernsey Advocate by profession, I have more than 20 years of experience in the regulatory field, starting in aviation and more recently as General Counsel at the Guernsey Financial Services Commission.

As a professional myself, I understand the value that qualification as a chartered accountant brings. It is a significant achievement and provides entry to a profession that directly supports the economy.

Being a professional also brings with it a wide range of responsibilities. And these include our duty to act in the public interest and provide leadership. Within this, we also have a broader responsibility to ask ourselves not just: 'Is it legal?' but 'Is it right?'

In my experience, culture and corporate governance are at the heart of a well-led professional business. I recognise that for smaller firms and sole practitioners, this may sound rather corporate but, for all of us, it ultimately boils down to simply acting professionally.

Over the next three years, I intend to focus on good leadership; outwardly as members of the community supporting the economy, but also internally in the way that accountants lead themselves and their teams.

In referring to teams, I cannot write this foreword without talking about the achievements of PSD in 2021. The year continued where 2020 left off, and PSD staff showed their customary resilience, adaptability, perseverance and determination in responding to the unique challenges of the pandemic.

PSD's Quality Assurance Department (QAD) team was finally able to restart face-to-face visits at the end of last year, and has met its

key targets, as well as maintaining its constructive relationships with oversight regulators, and strengthening relationships with law enforcement agencies in the fight against economic crime.

For the IRB's part, 2021 saw us continue our work on reforming ICAEW's disciplinary framework and consult on a refreshed strategy for legal services. We submitted two responses, independently of ICAEW, to government consultations: first, to the Department for Business, Energy and Industrial Strategy's (BEIS) consultation on '*Restoring Trust in Audit and Corporate Governance*'; and second, to the Insolvency Service's consultation on '*The Future of Insolvency Regulation*'.

Last year also saw Michael Caplan QC step down as chair of the IRB after six years at the helm. Michael was our first chair and worked hard to establish and position the IRB as an improvement regulator. I, and the board, are very grateful to him for all his efforts and hard work.

Other inaugural members, all of whom played key roles in taking the IRB forward, also stepped down at Easter 2022. I would like to thank Steve Barrow, the alternate chair for legal services; Jane Titley, who was involved in reviewing the Disciplinary By-laws and sat on our diversity subgroup; and Mike Sufrin, who chaired the IRB working party responding to the BEIS consultation.

I look forward to welcoming new board members this year and working with them and other colleagues to lead the IRB through the next phase of its development. As changes across the accountancy sector unfold, we will make sure the IRB plays a central role in shaping the landscape and, above all, that the public interest is upheld.

I set out below the key highlights which are covered in more detail in this report.

Philip Nicol-Gent FRAeS, FRMetS
Chair, ICAEW Regulatory Board

HIGHLIGHTS OF THE 15 MONTHS TO MARCH 2022

- Submitted detailed responses to important government consultations on the future regulatory framework for audit, insolvency, and accountancy.
- Significant progress to launch a new disciplinary framework with positive responses received to the public consultation.
- Positive inspection reports from all of ICAEW's current oversight regulators.
- Significant progress to revise ICAEW's CPD policy for launch in November 2022.
- Launch of ICAEW's first interactive searchable disciplinary database providing greater transparency and awareness for the public (spring 2021).
- Launch of ICAEW's first anti-money laundering film drama, *All Too Familiar*, a joint venture with HMRC, raising awareness of the risk of ICAEW members/firms becoming inadvertent professional enablers of money laundering (March 2022).
- Launch of monthly e-newsletter: *Regulatory & Conduct News* (March 2021).
- Launch of ICAEW's first Regulatory and Conduct Strategy.