



Liaison Group

TERMS OF REFERENCE: AUGUST 2017

Powers

1. This group does not have committee status and has no formal decision making power.
2. In the event that the Liaison Group cannot reach agreement, the matter will be referred to [ICAEW](#) Council for decision.

Purpose

3. It is recognised that tensions might arise between the ICAEW Regulatory Board's legitimate concerns to discharge its regulatory role and the legitimate response of the ICAEW Board in its member interest role. While the powers and funding of the ICAEW Regulatory Board would derive wholly by delegation from ICAEW Board and Council, the ICAEW Regulatory Board would need to be seen exercising its role and responsibilities independently from the ICAEW Board. In extremis, should the executive director Professional Standards judge that s/he was being subjected to unreasonable pressure or influence from the member side of ICAEW, the Liaison Group would provide the forum for resolution through consensus.
4. The purpose of the Liaison Group is to provide a 'safety valve', managing matters or issues which could give rise to a potential conflict between the member and the regulatory side.
5. The Liaison Group will discuss and resolve any issues between the ICAEW Board and the ICAEW Regulatory Board.
6. Possible areas of contention may include operational matters such as funding for training, payment for committee members, impact on ICAEW members and ICAEW reputation with regards to regulatory actions and policies. These can be encapsulated as the highlighting of matters or issues which could give rise to a potential conflict between the member and the regulatory side.

Budgeting principles

7. Both the ICAEW Board and ICAEW Regulatory Board have agreed fee principles to which they will both adhere:

A.	Regulatory activities of ICAEW are overseen by ICAEW Regulatory Board, whose role is derived from Council. ICAEW acts as a unitary professional body.
	As part of its role, ICAEW Regulatory Board will recommend a budget for regulatory activities including the fees required to discharge its responsibilities. This budget will be subject to the agreement of the ICAEW Board, for integration within ICAEW's overall budget.

C.	The basis for recovering costs through regulatory fees should be confirmed from time to time between ICAEW Board and ICAEW Regulatory Board. Professional standards activities should normally be self-financing
D.	The number and scope of regulated services may vary from time to time subject to approval of business cases by both ICAEW Board in the first instance and ICAEW Regulatory Board.
E.	Regulatory and disciplinary costs to be met will include both direct costs of those activities and a reasonable and proportionate share of ICAEW's overhead costs.
F.	ICAEW Regulatory Board will be provided with key details of the budgetary framework, constraints and assumptions in order to assist with understanding and approval.
G.	Exceptional changes to costs or income encountered during a budget year should be discussed between Professional Standards and the Finance Director in order to make proposals to ICAEW Regulatory Board and ICAEW Board for managing the event
H.	In the event of disagreement over budget proposals, the matter should be referred to the Liaison Group

Composition

8. The Liaison Group will be composed of:

- Chair of the ICAEW Regulatory Board
- The Alternate Chair of the ICAEW Regulatory Board
- ICAEW President
- ICAEW Chief Executive
- Executive Director, Professional Standards
- Chair of the Investigation Committee

~~10.9.~~ No formal chair of the group is appointed. If required, the chair for each meeting will be rotated between ICAEW President and the chair of the ICAEW Regulatory Board.

Frequency of meetings

~~11.10.~~ Meeting frequency is not defined. The group will meet as required.