



Financial Reporting Council

# Regulatory Standards and Codes Committee

## Terms of Reference

1<sup>st</sup> June 2023

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## Regulatory Standards and Codes Committee - Terms of Reference

### Purpose

The Regulatory Standards and Codes Committee (the 'Committee') shall be responsible for approving and overseeing on behalf of the Board high quality, effective and proportionate Standards, Guidance, Statements of Recommended Practice (SORPs), Practice Notes and Codes for corporate governance, stewardship, audit and assurance, actuarial, and corporate reporting work

### 1. Introduction

- 1.1. The Committee is a Governance Committee of the FRC Board (the 'Board').
- 1.2. In addition to these Terms of Reference, members of the Committee must adhere to the General Committee Terms contained in the FRC Governance Handbook.

### 2. Frequency of Meetings

- 2.1. The Committee shall meet at least four times a year.

### 3. Responsibilities

The Committee has the following responsibilities:

- 3.1. Approve the policies and processes for reviewing, developing and issuing regulatory standards and codes.
- 3.2. Oversee the development and maintenance of regulatory standards and codes within the FRC's remit which includes, but is not limited to;
  - a. UK GAAP standards
  - b. Technical, ethical, sustainability and other standards for audit work. (The Ethical Standard, ISA, ISAE, CASS and Standards for Investment Reporting)
  - c. Technical Actuarial Standards, including ASORPS and AS TM1 assumptions
  - d. The UK Corporate Governance Code
  - e. The UK Stewardship Code
  - f. The Wates Corporate Governance Principles for Large Private Companies.
  - g. Minimum Standards for Audit Committees
- 3.3. Commission internal reviews and approve the issuing of consultation documents relating to the development or maintenance of regulatory standards and codes.
- 3.4. Review final regulatory standards and codes and make recommendations to the Board for their approval.
- 3.5. Approve minor, non-contentious amendments to regulatory standards and codes (barring accounting standards).

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- 3.6. Monitor the key risks in relation to the FRC's regulatory standards and codes work.
  - 3.7. Approve the publication of Guidance, Practice Notes and 'thought leadership' in relation to regulatory standards and codes.
  - 3.8. Advise the Board on recognition of bodies making Statements of Recommended Practice ('SORPs) and issue a statement on SORPs when the FRC's role is referenced in legislation.
  - 3.9. Approve the issuance and maintenance of FRC taxonomies.
  - 3.10. Receive updates on the activities of the Regulatory Standards and Codes Division and the contribution of these activities to the objectives of the FRC.
  - 3.11. Provide input into the key messages to be included in the FRC reports on its activities.

**Approved by the FRC Board with effect from 1<sup>st</sup> June 2023**



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