



Financial Reporting Council

# People Committee

## Terms of Reference

1<sup>st</sup> June 2023

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## People Committee - Terms of Reference

### **Purpose**

The purpose of the People Committee (the "Committee") is to:

- Support the Executive in providing strategic oversight on People and Workforce related matters.
- Provide strategic direction on succession planning, remuneration, talent management and staff welfare, and training and development.

The Committee will have due regard to diversity and inclusion and the desire to promote equal opportunities within the FRC.

### **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 three times a year.

### **3. Responsibilities**

The Committee has the following responsibilities:

#### ***Appointments***

- 3.1 Support the FRC Board Chair and Department of Business and Trade ("DBT") in the recruitment and appointment of non-executive members to the Board, including the development of job specifications.
- 3.2 Approve appointments, re-appointments or the removal of Senior Advisors, members of the Advisory Panel and the independent Appointments Committee.
- 3.3 Keep under review non-executive training and development plans.

#### ***People Policy and Talent Management***

- 3.4 Approve the published statement on the Roles and Responsibilities of the Board, Chair and CEO.
- 3.5 Consider annually the FRC's Executive and Non-Executive succession plans.
- 3.6 Keep under review and approve any significant changes to the FRC's talent management policies. This includes processes relating to recruitment, performance management, learning and development, grievances and disciplinary action for staff.
- 3.7 Receive regular updates regarding staff matters.

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- 3.8 Appoint a designated non-executive member of the Board to lead the Board's ongoing engagement with staff.
  - 3.9 Consider the annual People Survey Results and any action plans.
  - 3.10 Monitor the key risks in relation to People matters.

### **Remuneration**

- 3.11 Keep under review and make recommendations to DBT on the annual fees paid to the:
  - a. Non-Executive members of the Board (including the Chair)
  - b. The CEO
- 3.12 Keep under review and approve amendments to the annual fees paid to the Senior Advisors and members of the Advisory Panel.
- 3.13 Approve annually the total individual remuneration package of the members of the Executive Committee (excluding the CEO) subject to any approvals required under the public sector pay controls.
- 3.14 Regularly review the staff benefits package and employee proposition.
- 3.15 Oversee submission of the annual staff remuneration review to DBT, ensuring the review adheres to the terms of any public sector pay controls and is consistent with agreed policy.
- 3.16 Approve the appointment of any remuneration consultants who advise the Committee.

### **Conflict management**

- 3.17 Review bi-annually the gifts and hospitality register.
- 3.18 Approve amendments to the FRC's Code of Conduct.
- 3.19 Approve the publication of the expenses claims from members of the Executive Committee and the Board.
- 3.20 Review bi-annually the disclosed interests and external appointments of the Non-Executive members of the Board, the Executive Committee, Senior Advisors and members of the Advisory Panel and consider whether those interests may impede the impartiality, objectivity or commitment of those individuals in carrying out their FRC role.
- 3.21 Refer any conflict-of-interest concerns in respect of members of the Board to DBT, if appropriate.
- 3.22 Receive notification if any Non-Executive Member of the Board becomes the subject of a disciplinary sanction by any professional or other body or tribunal, or is found guilty of an

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offence by any court, declared bankrupt, enter into an arrangement with creditors, or is disqualified from acting as a director.

***Other responsibilities***

- 3.23 Commission an annual review of the effectiveness of the Board and its committees and ensure it is facilitated externally at least once every three years.
- 3.24 Review recommendations from the Pension Committee for any major changes to the FRC's Pension arrangements and make recommendations to the Board as appropriate.
- 3.25 Within the Annual Report, report on the process used to appoint any external advisors and consultants for matters within the Committee's remit, identifying consultants used and stating whether they have any other connection with the FRC.

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



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**Financial  
Reporting Council**

8th Floor  
125 London Wall  
London EC2Y 5AS

+44 (0)20 7492 2300

[www.frc.org.uk](http://www.frc.org.uk)