

# Financial Reporting Council

## Minutes of a meeting of the Board of Directors of the Company held on 3 February 2011 at 71 -91 Aldwych, London, WC2B 4HN

PRESENT:	Baroness Hogg	Chair
	Glen Moreno	Deputy Chair
	Stephen Haddrill	Director & Chief Executive
	Eric Anstee	Non-executive Director
	Peter Chambers	Non-executive Director
	Sir Mike Rake	Non-executive Director
	Sir Steve Robson	Non-executive Director
	Sir John Sunderland	Non-executive Director
	Lindsay Tomlinson	Non-executive Director
	Richard Fleck	Chair APB
	Bill Knight	Chair FRRP
	Dame Barbara Mills	Chair POB
	Jim Sutcliffe	Chair BAS
	Timothy Walker	Chair AADB
IN ATTENDANCE:	Anne McArthur	Secretary
	Paul George	Director of Audit (Items 2 to 5)
	Martin Donnelly	Permanent Secretary, BIS

Apologies were received from Rudy Markham and Roger Marshall.

The Board and Mr Donnelly had a wide ranging discussion of the priorities of the FRC and BIS and how they could work effectively together both generally and particularly in relation to the reform of the FRC.

### **1 MINUTES**

- 1.1 The Board approved the summary minutes of the meeting held on 7 December 2010 for publication.

*Action points*

- 1.2 The Board noted the summary of action required and progress.

### **2 CHIEF EXECUTIVE'S REPORT**

- 2.1 The Board considered reports from the Chief Executive and from Operating Body Chairs and discussed a number of issues arising from the reports including:

- The FRC Reform proposals: the Board noted that it would be important for the FRC to strive for more efficient regulation and not more regulation. Any proposals, which would be the subject of a consultation, should be underpinned by the common aspects of the FRC and Government agendas.

- UK GAAP: the responses to the consultation had shown a lot of support. Some changes had been suggested and it was likely that the ASB would respond positively to those suggestions.

### **3 EU AND INTERNATIONAL RISKS**

- 3.1 The Board considered the draft international risk register, made a number of drafting suggestions and noted that risk would be discussed at the next Board meeting.

### **4 AUDIT - CONTINGENCY PLANNING**

- 4.1 The Board discussed a potential programme of work noting that contingency proposals were not within the gift of the FRC and that action would be needed from Government and from audit firms, albeit that the FRC might take the lead. It was also necessary to deepen understanding of the impact of a failure.

### **5 ITEMS TO NOTE**

- 5.1 The Board noted:
- a. Minutes of the Nominations Committee 6.12.2010,
  - b. Minutes of the Remuneration Committee 07.12.2010,
  - c. Outline Board Calendar 2011.

### **6 ANY OTHER BUSINESS**

- 6.1 The Board noted the recommendation of the Nominations Committee and appointed Nick Land as a non-executive Director of the FRC for a three year term commencing on 1 April 2011.
- 6.2 The Board referred to its appointment of Elizabeth Corley as a non-executive Director of the FRC at its meeting in December and agreed that the three year term would commence on 1 April 2011.
- 6.3 The Board noted the proposals put to and agreed by the Nominations Committee in relation to OB succession in the light of the FRC reform proposals, namely that the Nominations Committee will approve the appointments of new OB members only where the OB Chair can explain why it would not be appropriate to reappoint outgoing members and where leaving a vacancy may compromise the OB's objectives.
- 6.4 The Board, noting the recommendations of the Nominations Committee, agreed that
- Mr Knight be reappointed as Chair of the FRRP and as a director of the FRC for a term of 6 months commencing on 1 March 2011;
  - Mr Fleck be reappointed as Chair of the APB and as a director of the FRC for a term of one year commencing on 1 April 2011.

### **7 NEXT MEETING**

Tuesday, 12 April 2011 at 8.30 a.m.