

Financial Reporting Council

Summary minutes of a meeting of the Board of Directors of the Company held on 25 May 2010 at 71 -91 Aldwych, London, WC2B 4HN

PRESENT:	Baroness Hogg	Chair
	Stephen Haddrill	Director & Chief Executive
	Eric Anstee	Non-executive Director
	Peter Chambers	Non-executive Director
	Rudy Markham	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
	Ian Mackintosh	Chair ASB
	Dame Barbara Mills	Chair POB
	Jim Sutcliffe	Chair BAS
	Timothy Walker	Chair AADB
IN ATTENDANCE:	Anne McArthur	Secretary
	Ian Wright	Director of Accounting (Item 3)
	Paul George	Director of Audit (Item 3)
	Richard Carter	BIS (Item 4)
	Chris Hodge	Head of Corporate Governance (Item 4)
	Anthony Snow	Chief Operating Officer (Items 4, 6 & 7)
	Carol Page	FRRP (Item 5)

1 MINUTES

- 1.1 The Board approved the summary minutes of the meeting held on 20 April 2010 for publication.
- 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 rapidly developing picture of the new Government and the need to demonstrate to it that the FRC was necessary, efficient and added value;
 - On international matters, the FRC's strong connections in Brussels and the desire to strengthen them further;
 - On the proposed joint FSA/FRC paper on audit, the complexity and scale of the FRC's and FSA's common interests and the merits of establishing

and/or deepening a good working relationship through the finalisation of the paper;

- On oversight the process underway of bringing POB's private and public reports closer together and of trying to establish how useful audit committees find POB's letters and on improving the clarity of the letters.

3 THE FINANCIAL CRISIS: LESSONS LEARNT - DRAFT PAPER

3.1 The Board agreed that a paper should be developed for publication and should deal with what the FRC could have done better, what the FRC needed to do now and the lessons learnt. The published paper would contribute to discussions with stakeholders on the FRC's future, its plan and funding.

4 CORPORATE GOVERNANCE

4.1 The Chair thanked Sir John Sunderland for taking over the Chairmanship of the Committee on Corporate Governance.

4.2 The Board approved the changes to the UK Code on Corporate Governance, the accompanying report and the press notice subject to final editorial review by the Chair.

4.3 The Board considered proposals in relation to the Stewardship Code and agreed that draft amendments and further proposals on coverage would be developed and discussed at the meeting of the Committee on Corporate Governance on 15 June 2010.

5 FRRP CHAIR PRESENTATION

5.1 Mr Knight gave a presentation on the work of the BAS. The Board noted the presentation.

6 ANNUAL REPORT 2009/10 FOR APPROVAL

6.1 Each of the Directors confirmed that there was no relevant audit information of which the FRC's auditors were unaware and that they had taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the FRC's auditors were aware of that information.

6.2 The Board approved:

- a. the annual accounts;
- b. the Annual Report for publication subject to final editorial review by the Chair and Chief Executive; and
- c. the letter of representation to Horwath Clark Whitehill.

7 LEVY 2010/11 FOR APPROVAL

7.1 The Board noted that the confirmation received from BIS that it expected to be able to confirm its grant to the FRC and approved the levy rates proposed in the FRC's December consultation paper.

8 ITEMS TO NOTE

8.1 The Board noted:

- a. Minutes of the Remuneration Committee 20.04.2010,
- b. Minutes of the Audit Committee 20.04.2010 and 17.05.2010
- c. Minutes of the Corporate Governance Committee 04.05.2010,
- d. Outline Board Calendar 2010.

9 ANY OTHER BUSINESS

9.1 The Board agreed that the FRC should lead by example in relation to the proposed amendments to the Code and the annual re-election of directors. It was noted that in view of the fact that all the FRC Directors were also members, that the Chair and Deputy Chair could only be appointed and removed by the Secretary of State and that the FRC's reclassification as a private body should not be compromised, annual re-election would not be effective or appropriate.

9.2 The Board approved the following arrangements:

- The Secretary of State would be invited to make the terms of the appointments of the Chair and Deputy Chair subject to annual affirmation and to vary the terms of the Chairman's appointment accordingly;
- All members will consider, on an annual basis and taking into account the findings of both FRC Board evaluations and OB performance evaluations, the continued appointments of each of the directors.

10 NEXT MEETING

Tuesday, 15 July 2010 at 8.30 a.m.