

Financial Reporting Council

Minutes of a meeting of the FRC Board held via Teams and at the FRC Office, 125 London Wall, EC2Y 5AS on 23 September 2021

PRESENT: Keith Skeoch Chairman
David Childs Non-Executive Director
John Coomber Non-Executive Director
Sir Jon Thompson CEO (to item 12)
Hannah Nixon Non-Executive Director
Ruwan Weerasekera Non-Executive Director

IN ATTENDANCE: Francesca Carter Company Secretary
Alex Kuczynski Executive Director, Corporate Services & General Counsel (to item 12)
Miranda Craig Director of Strategy & Change (item 5.2)
Elizabeth Barrett Executive Director, Enforcement & Executive Counsel (item 6)
Kate O'Neill Director of Stakeholder Engagement and Corporate Affairs (item 5.2-5.3)

1. QUORUM AND OPENING OF THE MEETING

1.1 The Chairman noted the meeting was quorate and opened the meeting.

2 DECLARATIONS OF INTEREST

2.1 The Board noted Ruwan Weerasekera had been appointed to the Board of UK Research and Innovation (UKRI). The appointment had been considered by the People Committee prior to acceptance.

2.2 No new declarations of interest were made in connection with items of business on the agenda.

3 MINUTES AND MATTERS ARISING

3.1 The Board approved the minutes of the Board meeting held on 1 July 2021.

3.2 The Board reviewed the matters arising log.

3.3 The Board noted and ratified the decisions that had been taken in writing since the last meeting.

4 CHAIRMANS REPORT

4.1 In noting that his term of office would end on 11 October, the Chairman reflected on his tenure at the FRC both as a NED and more recently as Interim Chairman. He placed on record his gratitude to colleagues and commended the efforts and commitment he had seen from across the organisation. The Chairman also thanked David Childs for his contributions both as a NED and as Conduct Committee Chair, noting that the meeting would be his last Board meeting before his term ended on 16 October.

4.2 There followed a discussion on the recruitment process, led by BEIS, to recruit a permanent Chair and Non-Executive Directors (NEDs) and on succession and hand over arrangements. The Board noted that, in the period where the Board was without a Chair, John Coomber as Senior Independent Director, would chair Board meetings. The Board discussed and supported proposed

arrangements for the November Committee meeting cycle should the appointment of NEDs be outstanding and agreed a recommendation from the People Committee that John Coomber, be appointed as a member of the People Committee until the appointment of a permanent Chair.

- 4.3 The Chair gave an update on meetings he had held with internal and external stakeholders since the last meeting, including on engagement with Asset Managers in relation to the Stewardship Code.

5 CEO'S REPORT

- 5.1 The CEO provided an update on:
- the activities of the executive, including on the wide range of publications that had been issued since the July meeting and work to develop the three-year budget and strategy,
 - progress against budget,
 - organisational matters, including return to the office and the appointment of a new Executive Director for Supervision, and
 - the planned launch of the refreshed Values and Behaviours.
- 5.2 The Board considered a report that provided an update on the status of the Transformation Programme including progress that had been made since the previous report, the overall shape of the programme, outstanding policy issues and forward planning priorities. The Board discussed the programme risks in detail and suggested consideration be given to the risk profiling to clarify the impact on the risk ratings of elements which fall outside of the FRC's control.
- 5.3 The Board noted an investigation had been launched into recent press reporting of the FRC's engagement with one of the audit firms.

6 QUARTERLY ENFORCEMENT REPORT

- 6.1 The Board considered a report that provided an update on the activities of the Enforcement Division and the status of active investigations. Discussion included consideration of progress against key performance indicators and considerations for future performance measures.

7 REPORT FROM THE CONDUCT COMMITTEE CHAIR

- 7.1 The Board noted an oral report of the Conduct Committee meeting held on 15 September 2021.

8 REPORT FROM THE SUPERVISION COMMITTEE CHAIR

- 8.1 The Board noted an oral report of the Supervision Committee meeting held on 15 September 2021.
- 8.2 On the recommendation of the Supervision Committee the Board approved the 2020/21 Professional Oversight Report and the Independent Supervisor Report of the Comptroller and Auditor General for submission to the Secretary of State and to be laid in Parliament. A small number of suggestions in respect of the approach taken for future reports were identified for consideration.

9 REPORT FROM THE PEOPLE COMMITTEE CHAIR

- 9.1 The Board noted an oral report of the meeting held on 22 September 2021.
- 9.2 On the recommendation of the People Committee the Board agreed that a formal effectiveness review of the Board be deferred until a Chair was in post and the Board membership was complete.



10 FORWARD PLAN

10.1 The Board noted the forward plan.

11 AOB

11.1 The Board placed on record it's thanks to Keith Skeoch for his commitment to the FRC, both as NED and as Interim Chair, and in particular, his achievements with regards to the introduction of the Stewardship Code.

11.2 There was no other business.

12 PRIVATE SESSION

12.1 The Board met for a private discussion without members of the Executive present.

Date of Next Meeting

Monday 1 November at 10am.

Signature:

Date:.....