

**Summary of the meeting of the FRC Regulatory Codes and Standards Committee held on the 7<sup>th</sup> September 2022 at the FRC’s registered office and via Teams**

<b>Members</b>	Hannah Nixon	Chair
	John Coomber	Committee member
	Sir Ashley Fox	Committee member
	Clare Thompson	Committee member
	Rosemary Beaver	Senior Advisor
	Paul Cox	Senior Advisor
<b>Observers</b>	Sir Jan du Plessis	FRC Chair
	Mark Holmes	BEIS
	Clare Cole	FCA
<b>Apologies</b>	Richard Lawrence	Senior Advisor
Prelims	<p>The Chair welcomed members of the Committee to the meetings and in particular James Schirn, the new FRC Company Secretary.</p> <p>The meetings were quorate, and no new declarations of interest were made.</p>	
1.	<b>Approvals</b>	
	<p>The Committee recommended to the Board the following key matters for publication:</p> <ul style="list-style-type: none"> <li>• International Standard on Auditing (ISA) (UK) 600 and the Feedback Statement. This standard sets the requirements for auditors when undertaking an audit of group financial statements.</li> <li>• Actuarial Standard Technical Memorandum 1 (“AS TM1”) with an effective date of 1<sup>st</sup> October 2023, the Feedback Statement, and Impact Assessment. This standard specifies the assumptions and methods to be used in the calculation of statutory illustrations of money purchase/defined contribution pensions.</li> </ul> <p>The Committee thanked the team for their hard work and effort and acknowledged the importance of standardising the methods and assumptions in AS TM1. The FRC would continue to work with the DWP teams responsible for the presentation of the Pensions Dashboard with the objective to promote clear communications on the risks connected</p>	

	<p>with the illustrations given based on the feedback received and the analysis undertaken by the team.</p> <p>The Committee approved the minutes of the meeting held on 15 June 2022.</p>
2.	<p><b>Discussion Items</b></p>
	<p>The Committee had a discussion on the following key matters:</p> <ul style="list-style-type: none"> <li>• <b>The FRC’s Lab</b> (‘the Lab’), its recently completed activities and its committed work for 2022/23. Key highlights include: <ul style="list-style-type: none"> <li>○ That the Lab has completed projects covering ESG data production and digital security risk disclosure.</li> <li>○ That the Taxonomy team has issued the draft 2023 taxonomy suite.</li> <li>○ That the Lab is progressing projects on ESEF/UKSEF (structured reporting) and net zero disclosure.</li> <li>○ That the Lab has recently launched a project on Stewardship reporting.</li> </ul> </li> <li>• <b>Corporate Governance and Stewardship:</b> specifically noting the publication of the outcome of stewardship reporting assessments and the FRC’s preliminary approach to reviewing the UK Corporate Governance Code in 2023.</li> <li>• <b>The Divisional Risk Register</b>, and process taken by the Executive for the management of risks, the articulation of those risks in the register and mitigating actions taken.</li> </ul>
3.	<p><b>Items to Note</b></p>
	<p>The Committee received updates from the Executive Director, Regulatory Standards and noted the following updates since the last meeting:</p> <ul style="list-style-type: none"> <li>• That the FRC published its Position Paper, setting out the FRC’s intentions for taking forward the Government’s audit and corporate governance reform agenda.</li> <li>• That the IAASB (International Auditing and Assurance Standards Board) and IESBA (International Ethics Standards Board for Accountants) met in June. Both Boards are now very focused on what they can do to support high quality sustainability reporting and assurance through the development of appropriate ethical, independence and assurance requirements.</li> </ul>

	<ul style="list-style-type: none"><li>• That feedback is being sought from stakeholders as to what they see as the major challenges in the local audit sector and what they believe the FRC’s priorities should be as System Leader.</li><li>• That the Joint Forum for Actuarial Regulation (JFAR) is to be disbanded, recognising that the need for a formally structured forum has diminished since it was set up in 2013. It will be replaced with quarterly bilateral meetings with each of the sectorial regulators supplemented by additional specific multi-lateral meetings.</li></ul> <p>The Committee also noted:</p> <ul style="list-style-type: none"><li>• That the forward agenda will be thoroughly reviewed and revised to reflect the divisions new priorities and workstreams for the coming years.</li><li>• The Rolling Action log.</li></ul>
	<p><b>The next RSCC meeting is on the 19<sup>th</sup> October 2022</b></p>