

**Financial Reporting Council  
Minutes of a meeting of the FRC Board  
held on 22 October 2019 at the FRC Office, 125 London Wall, London EC2Y 5AS**

PRESENT:	Simon Dingemans	Chairman
	Sir Brian Bender	Non-Executive Director
	David Childs	Non-Executive Director
	John Coomber	Non-Executive Director
	Olivia Dickson	Non-Executive Director
	Nick Land	Non-Executive Director
	Keith Skeoch	Non-Executive Director
	Sir Jon Thompson	CEO
	Julia Unwin	Non-Executive Director
	Jenny Watson	Non-Executive Director

IN ATTENDANCE:	Elizabeth Barrett	Executive Counsel and Executive Director
	Francesca Carter	Board Secretary
	Kate Davies	Deputy General Counsel (Item 9)
	Paul George	Executive Director, Corporate Governance & Reporting
	Anne McArthur	General Counsel and Company Secretary
	David Rule	Executive Director, Supervision
	Tracy Vegro	Executive Director, Strategy & Resources
	Mark Babington	Deputy Director of Audit Policy (Item 11)

## **1 QUORUM AND OPENING OF THE MEETING**

- 1.1 The Chairman noted that the meeting was quorate and opened the meeting.
- 1.2 The Chairman welcomed members to the first FRC Board meeting under his Chairmanship and set out his priorities for the Board over the coming months.

## **2 DECLARATIONS OF INTEREST**

- 2.1 The Board noted Jenny Watson had been appointed as Chair of the Governing Body for Mossbourne Parkside Academy, Hackney and as a member of the central governing body for the Mossbourne Federation. The Nominations Committee had considered the appointments and was content.
- 2.2 No other interests were declared.

## **3 MINUTES AND MATTERS ARISING**

- 3.1 The Board approved the minutes of the Board meeting of 26 September 2019 for publication.
- 3.2 The matters arising log was reviewed and noted.

## **4 CHIEF EXECUTIVE'S REPORT**

- 4.1 Sir Jon Thompson reported on his observations since joining the FRC as CEO on 1 October. The Board welcomed the agenda set out by the CEO to strengthen the organisation, clarify the FRC's strategy and purpose and to progress the transition to ARGAs. Through discussion it was agreed there is also a need to clarify the FRC's relationship with BEIS, particularly in relation to ensuring independence is retained.

## **5 IMPLEMENTING THE RECOMMENDATIONS OF THE KINGMAN REVIEW**

- 5.1 The Board considered a report that summarised progress in implementing the recommendations of the Kingman review. In noting that issue of the consultation document would be delayed, potentially to Q1 2020, the Board discussed an analysis of the recommendations that could be implemented in the absence of legislation and the associated risks. The Board agreed the FRC should be proactive in progressing the recommendations and requested a report be presented to the November meeting which would set out proposals for prioritising the recommendations and a clear plan / timetable. The Board requested the report also include an analysis of the pros and cons associated with launching ARGAs in the absence of legislation.

## **6 COMPETITION UPDATE**

- 6.1 The Board considered the recommendations of Sir John Kingman and the Competition and Markets Authority (CMA) that ARGAs should have competition responsibilities and discussed proposed next steps. Through discussion it was agreed the Board would be presented with an analysis of how regulation and competition could work together to deliver audit quality work and whether the ARGAs should seek to have a primary or secondary responsibility in respect of competition.

## **7 UK STEWARDSHIP CODE**

- 7.1 The Board considered the proposed UK Stewardship Code and summarised a small number of minor amendments that had been made since the draft had been circulated. Discussion included consideration of the definition of Stewardship, the approach to reporting on asset owners' views and the disclosure of voting records.
- 7.2 The Board approved the Code, Feedback Statement and Press notice for publication on 24 October 2019 and agreed to delegate any final drafting amendments to the Chairman and CEO. The Board thanked the team for their hard work in putting together a very high quality update to the Code.

## **8 FRC APPROACH TO CLIMATE CHANGE RELATED MATTERS**

- 8.1 The Board discussed a report that set out proposals for the FRC to take a more proactive approach and increase its focus on climate change related matters. The Board supported the proposals and requested the executive develop more detailed recommendations having regard to role of the FRC, FRC strategy and the tools available to the FRC. It was suggested that proposals be developed in consultation with the Future of Corporate Reporting working group and that consideration is given to work being undertaken by other organisations in the space.

## **9 FOIA TEACH IN**

- 9.1 Ms Davies provided the Board with an education session on the Freedom of Information Act (FOIA) and what the implications would be for the FRC and individual Board Members. Ms Davies reported the FRC was on track in preparing for forthcoming legislation.

## **10 CONDUCT COMMITTEE APPOINTMENT**

- 10.1 On the recommendation of the Nominations Committee the Board approved the appointment of Andrew Johnston as a member of the Conduct Committee for a three year term commencing 1 November 2019.

## **11 ANY OTHER BUSINESS**

- 11.1 There was no other business.



**Date of Next Meeting**

Wednesday 20 November at 9.30am

Signature: .....  
Simon Dingemans - Chairman

Date:.....