

Financial Reporting Council

Summary minutes of a meeting of the Board of Directors of the Company held on 27 May 2008 at 71 -91 Aldwych, London, WC2B 4HN

PRESENT:	Sir Christopher Hogg	Chair
	Baroness Sarah Hogg	Deputy Chair
	Paul Boyle	Director & Chief Executive
	Eric Anstee	Non-executive Director (Items 2.2-7)
	Peter Chambers	Non-executive Director
	Rudy Markham	Non-executive Director
	Sir Michael Rake	Non-executive Director
	Sir Steve Robson	Non-executive Director
	Sir John Sunderland	Non-executive Director
	Lindsay Tomlinson	Non-executive Director
	Sir John Bourn	Chair POB
	Mike Fogden	Chair AADB
	Richard Fleck	Chair APB
	Bill Knight	Chair FRRP
	Ian Mackintosh	Chair ASB
	Paul Seymour	Chair BAS
IN ATTENDANCE:	Timothy Walker	Chair designate AADB (Items 1-3.9)
	Anne McArthur	Secretary
	Stephen Heathcote	Director of Resources & Planning (Items 3.3-3.9)
	Roger Nicklen	Note Taker

1 MINUTES

- 1.1 The Board approved the summary minutes of the meeting held 22 April 2008 for publication.
- 1.2 The Board noted the outcome of a meeting of non-executive Directors on 29 April 2008. They approved the appointment of Mr Timothy Walker as Chair of the AADB and as an executive Director subject to a final interview with Sir John Sunderland. Following the interview, Mr Walker had been appointed.

2 CHAIRMAN'S REMARKS

Nominations Committee matters

- 2.1 The Board agreed that the Nominations Committee should submit for the approval of the full Board its recommendations in relation to the appointment of directors (including the Chairs of operating bodies once the current confirmation process for each operating body chair had been concluded) but should be empowered to determine appointments of other members of operating bodies (acting on the advice of those bodies' nominations committees) and to report its decisions to the full Board.

- 2.2 The Board noted the appointment of David Lindsell as an additional Deputy-Chair of the FRRP and the Nomination Committee's delegation to the Chairman, following interview, to appoint Louise Pryor as Director and board member of the BAS.

Remuneration Committee matters

- 2.3 The Board noted that proposals would be put forward in due course for the remuneration of the BAS Director and the operating body Chairs in respect of their work as directors of the FRC.

Other matters

- 2.4 The Chairman, marking Mr Fogden's last attendance at the Board, expressed the Board's gratitude to Mr Fogden for his wise and skilful leadership of the AADB (and its predecessors) since 2001.

3 CHIEF EXECUTIVE'S REPORT TO DIRECTORS

Amendments to the AADB Scheme

- 3.1 The Board discussed the proposed amendments to the Accountancy Scheme and the responses to the public consultation in relation to costs, the decision to lay a formal complaint, preliminary enquiries and the definition of misconduct.
- 3.2 The Board noted that there was general support for most of the policy changes proposed but differing views regarding the particular processes proposed. The Board emphasised the importance of ensuring that the Scheme operated effectively and competently and of a proper balance between the AADB not being inhibited in operating the Scheme and fairness to those against whom a complaint might be laid.

Annual Report 2007/08 and Annual Open Meeting

- 3.3 The Board considered the draft Annual Report for 2007/08.
- 3.4 The Board received an oral report on the Audit Committee's review of the annual accounts and on the issues considered in arriving at its recommendation to the Board that the accounts should be approved.
- 3.5 The Board approved:
- the narrative sections of the Annual Report,
 - the Directors' Report,
 - the Financial Statements and the Letter of Representation to Howarth Clark Whitehill LLP,
 - publication of the Annual Report subject to final editing by the Chair and the Chief Executive, and
 - the arrangements for the Annual Open Meeting to be held on 17 July.

Finalisation of 2008/09 levy rates

- 3.6 The Board considered the responses to the consultation on the proposed levy rates for 2008/09 and approved the final rates for the business levy and for the insurance and pensions levies.

FRC Funding: draft consultation

- 3.7 The Board considered a draft consultation document on the FRC's future funding arrangements and endorsed the basis on which funding from private companies and public sector organisations might be calculated.
- 3.8 The Board agreed to publication of the consultation document as the first stage of public consultation on the FRC's future funding arrangements.

Revisions to the Combined Code

- 3.9 The Board considered proposed changes to the Combined Code arrived at following the 2007 review of the Combined Code and subsequent public consultation.
- 3.10 The Board endorsed the recommendation of the Corporate Governance Committee to change the Combined Code to remove the restriction on an individual chairing more than one FTSE 100 company and, for companies outside the FTSE 350, to allow a company chair who was considered to be independent on appointment to be a member of, but not to chair, the audit committee, to apply to accounting periods beginning on or after 29 June 2008.

FRC statement on auditor liability limitation agreements

- 3.11 The Board considered a draft of a statement that it proposed to issue with the forthcoming Colman Guidance on auditor liability limitation agreements and commissioned a further draft to be circulated for agreement outside the meeting.

International issues

- 3.12 The Board discussed briefly a set of analyses of the international issues with which the FRC was concerned and identified a number of elements for further consideration in a future discussion of the FRC's forward strategy.

Report on FRC activities

- 3.13 The Board took note of a report on the FRC's activities.

4 REPORTS FROM OPERATING BODY CHAIRS

- 4.1 The Board discussed the reports from the chairs of the Accounting Standards Board, the Auditing Practices Board, the Financial Reporting Review Panel, the Accountancy and Actuarial Discipline Board, the Professional Oversight Board, the Board for Actuarial Standards and the Committee on Corporate Governance, sought a number of points of clarification and requested further advice in relation to some matters.
- 4.2 The Board took note of the reports.

5 MINUTES OF EXECUTIVE COMMITTEE MEETINGS

The Board noted the minutes of the Executive Committee meetings held on 1 April and 6 May 2008.

6 OTHER BUSINESS

The Board noted the outline Board calendar for 2008/09.

7 NEXT MEETING

Thursday 17 July 2008 at 9.30 a.m.