

April 2022

FRC Tribunal Panel Members Fees and Expenses Policy

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Tribunal Panel Members Fees and Expenses Policy

Introduction

- 1 This policy is issued by the Financial Reporting Council's Board and its Conduct Committee ("the FRC") under the Accountancy Scheme and the Actuarial Scheme (referred to collectively as "the Schemes"), the Audit Enforcement Procedure ("AEP") and the Auditor Regulatory Sanctions Procedure and the Crown Dependencies Recognised Auditor Regulatory Sanctions Procedure ("the Sanctions Procedures"). Paragraph 167 of the AEP, Paragraph 3 of the Schemes and paragraph 3.1 of the Sanctions Procedures empower the Conduct Committee to provide the Convener and Tribunals with guidance concerning the exercise of their duties under the Schemes and the Sanctions Procedures, who shall have regard to such guidance, and to authorize the remuneration of the members of any Tribunal, the Convener and any other persons.
- 2 It is important that the FRC operates and is seen to be operating, a cost-effective Tribunal system. This is achieved by having clear policies in place with guidance as to the nature of those fees and expenses that can be claimed legitimately. Any future changes to the rates set out in this policy will be notified to Tribunal Panel Members in writing and the policy updated accordingly.
- 3 This document sets out the fees and expenses policy for all Tribunal Panel Members (collectively "Members") appointed in respect of any matter under either of the Schemes or the Sanctions Procedures, or the Audit Enforcement Procedure (referred to collectively as the "Enforcement Procedures"). It details the fees and expenses that may be claimed and the reimbursement procedures.
- 4 All fees and expenses incurred will be reimbursed provided they are reasonable and are incurred and claimed in compliance with this policy. Claims that are insufficiently detailed or appear unreasonable will be the subject of clarification or query.

Fees

Fee rates for hearings and training days

- 5 The daily fee rate for hearing days and training days is £600 for Accountant, Auditor, Actuary and Lay Members and £1,100 for Legal Chairs and these fees are liable to taxation. Where the Tribunal sits for up to a half-day session, 50% of the daily fee rate can be claimed.
- 6 These rates cover the hearing itself, any reasonably necessary, case-related meetings and pre-hearing/post hearing preparation on hearing days.

Fee rates for preparation work on non-hearing days

- 7 The fee rate per hour for preparation work on non-hearing days is £92 for Accountant, Auditor, Actuary and Lay Members and £169 for Legal Chairs. Such work includes reading case papers, receiving and sending correspondence, meetings and drafting. These rates also apply to other types of preparation work such as consideration of Proposed Settlement Agreements under the Schemes and associated correspondence.
- 8 Only that preparation work which is reasonable can be claimed. Claims for preparation work should include an itemized list and must be submitted with a brief description of the work carried out and the time spent. Where it appears that the claim is unclear, or

unreasonable, this may result in a request for more information and/or an explanation of why the work was justified. Examples of claims that may appear, and be subsequently deemed, unreasonable include those where:

- i. the claim by one Member for similar preparation work is notably higher than that of other Members;
- ii. the preparation work subject of the claim is carried out at times which appear out of sync with key points in a case management timetable (for example, where no direction requiring the provision of material has recently passed and/or there is no hearing date in sight).

- 9** If Accountant, Auditor, Actuary or Lay Members appointed to any Tribunal under the Enforcement Procedures are unsure about what is required of them or what preparation work they should be undertaking, they should seek advice from the Legal Chair.

Cancellation fees

- 10** The Conduct Committee may, in its absolute discretion, approve the payment of any applicable fees or expenses claimed by a Member in respect of hearing days that have been adjourned, cancelled or postponed. The Conduct Committee will only grant such approvals where the decision to adjourn, cancel or postpone has been made by the Tribunal as a result of a request to do so from any party that was made fourteen days or fewer before the relevant hearing day.
- 11** The level of any such payment approved by the Conduct Committee in respect of an individual's fees may not exceed an amount greater than 50% of the combined relevant daily fees that would have been payable to that individual for a period of five business days had the decision to adjourn, cancel or postpone not been taken.

Expenses

- 12** All travel, accommodation and subsistence expenses may be claimed in accordance with the FRC Travel & Expenses Policy as amended from time to time.

How and when to claim fees and expenses

- 13** All fees and expenses must be itemized using the FRC Tribunal Panel Fees & Expenses Claim Form ("Claim Form"), available on the FRC website. If VAT is claimed, then a VAT invoice will be required. Invoices must be provided by Members in their personal capacity, not via a company.
- 14** Completed Claim Forms must be returned to the GLT Legal Administrator, copying in the Accounts team – accounts@frc.org.uk, within the first week of the month after the fees and/or expenses are incurred. Expenses, other than overnight subsistence, must be supported by receipts or payment slips. Consideration will be given to reimbursing minor expenses without a receipt but an explanation for the lack of receipt is required and should be included on the Claim Form.

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