

# Financial Reporting Council

## Summary minutes of a meeting of the Board of Directors of the Company held on 6 October 2009 at 71 -91 Aldwych, London, WC2B 4HN

PRESENT:	Sir Christopher Hogg	Chair
	Baroness Sarah Hogg	Deputy Chair (Items 6-10)
	Paul Boyle	Director & Chief Executive
	Eric Anstee	Non-executive Director
	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
	Richard Fleck	Chair APB
	Bill Knight	Chair FRRP
	Ian Mackintosh	Chair ASB
	Dame Barbara Mills	Chair POB
	Jim Sutcliffe	Chair BAS
	Timothy Walker	Chair AADB
IN ATTENDANCE:	David Andrews	Policy & Planning Manager
	Chris Hodge	Secretary CGC (Item 6)
	Mark Luggar	Policy & Planning (Item 5)
	Ian Wright	Director of Corporate Reporting (Items 7.1-7.3)
	Roger Nicklen	Note Taker

### 1 MINUTES

The Board approved the summary minutes of the meeting held on 16 July for publication.

### 2 MINUTES OF THE EXECUTIVE COMMITTEE MEETING, 22 SEPTEMBER 2009

2.1 The Board noted and discussed a number of issues arising from the minutes of the executive Committee meeting held on 22 September.

2.2 The Board expressed concern about the potential implications of the decision by Rentokil to award a contract to KPMG for both internal and external audit, noted that the issues were being examined by the FRC and requested that the Chairman should write to the audit committee chairs of the FTSE 350 companies discouraging the award of similar contracts while the review of the issues was under way.

### 3 MINUTES OF THE REMUNERATION COMMITTEE, 16 JULY 2009

The Board noted the minutes of the Remuneration Committee, 16 July 2009.

#### **4 CONSERVATIVE PARTY PROPOSALS FOR FINANCIAL REGULATION REFORM**

4.1 The Board discussed the potential implications for the FRC of the Conservative Party proposals for financial regulation reform.

4.2 The Board commissioned the preparation of a paper, for consideration at its next meeting, providing an analysis of the strengths and weaknesses of the FRC's current role and responsibilities (drawing also on the conclusions from the ongoing review of the FRC's effectiveness) together with options for more effective achievement of the FRC's objectives if it were possible to start with a clean sheet.

#### **5 FRC PLAN 2010/11: STRATEGIC PRIORITIES, RISKS AND BUDGET 'SHAPE'**

The Board reviewed the FRC's strategic priorities and the risks to achievement of the FRC's objectives and discussed the basis on which the budget for 2010/11 should be set.

#### **6 CORPORATE GOVERNANCE**

6.1 The Board considered a progress report on the review of the Combined Code; and

a. discussed the relationship between the Combined Code review and the implementation of the recommendations from the Walker Review of governance in banking and other financial institutions, and

b. noted the extent of possible changes to the Combined Code.

6.2 The Board noted a report from the Committee on Corporate Governance.

#### **7 CHIEF EXECUTIVE'S REPORT TO DIRECTORS**

7.1 The Board received a progress report on the responses to the Exposure draft of proposed Guidance for Directors of UK Companies on "Going Concern and Liquidity Risk" and on the subsequent consultations with stakeholders.

7.2 The Board agreed that the Guidance should be published as a replacement for the 1994 guidance with effect from 31 December 2009 year ends subject to some refinement of the description of the three key principles.

7.3 The Board considered a number of issues arising from policy briefings on disclosing the cash-flows relating to pension liabilities and on IFRS in a post US GAAP convergence era.

7.4 The Board received an update on current and planned FRC activities and noted the latest quarterly strategic progress & planning report.

7.5 The Board noted an update on current market conditions.

#### **8 REPORTS FROM OPERATING BODY CHAIRS**

The Board noted and discussed a number of issues arising from the reports from the Chairs of the Accounting Standards Board, the Auditing Practices Board, the Board for Actuarial Standards, the Financial Reporting Review Panel, the Accountancy and Actuarial Discipline Board and the Professional Oversight Board.

**9 ANY OTHER BUSINESS**

9.1 On behalf of the Board, the Chairman paid tribute to Paul Boyle for his major contribution to the progress made by the FRC during his term as Chief Executive, which was about to come to an end. He had a great working colleague in the long march to making the FRC as a whole greater than the sum of its parts. He had pioneered and championed the Strategic Framework; with skill and persistence had brought IFIAR through a critical period; and had handled the FRC's financing most effectively. These and other achievements had been profoundly influential on the growth of the FRC's reputation.

9.2 The Board noted the outline Board calendar.

**10 NEXT MEETING**

Tuesday, 8 December at 9.30 a.m.