

Financial Reporting Council

Summary Minutes of a meeting of the Board of Directors of the Company held on 12 April 2011 at 71 -91 Aldwych, London, WC2B 4HN

PRESENT:	Baroness Hogg	Chair
	Glen Moreno	Deputy Chair
	Stephen Haddrill	Director & Chief Executive
	Eric Anstee	Non-executive Director
	Peter Chambers	Non-executive Director
	Elizabeth Corley	Non-executive Director
	Nick Land	Non-executive Director
	Rudy Markham	Non-executive Director
	Sir Mike Rake	Non-executive Director
	Sir John Sunderland	Non-executive Director
	Richard Fleck	Chair APB
	Bill Knight	Chair FRRP (Items 1 to 11)
	Roger Marshall	Interim Chair ASB
	Dame Barbara Mills	Chair POB
	Jim Sutcliffe	Chair BAS
	Timothy Walker	Chair AADB (except Item 14.3)
IN ATTENDANCE:	Anne McArthur	Secretary
	Marek Grabowski	Director, APB (Item 2)
	David Andrews	Policy & Planning Manager (Items 9 to 11)
	Louise Pryor	Director, BAS (Item 12)

Apologies were received from Sir Steve Robson and Lindsay Tomlinson.

The Chairman welcomed Elizabeth Corley and Nick Land to the FRC Board.

1 MINUTES

1.1 The Board approved the summary minutes of the meeting held on 3 February 2010 for publication.

1.2 The Board agreed to review the form of summary minutes for publication at a future meeting.

Action points

1.3 The Board noted the action points required and progress.

2 CHIEF EXECUTIVE'S REPORT

2.1 The Board considered reports from the Chief Executive and from Operating Body Chairs and discussed a number of issues arising from the reports including:

- Audit market concentration: a recent meeting Commissioner Barnier's staff had been helpful and had demonstrated that they were considering the

FRC's views on this issue. The FRC needed to consider concentration further and how to energise competition.

- The forthcoming Sharman Inquiry Panel call for evidence in early May;
- UK GAAP: consultation responses received to date had been largely positive but there had been pushback in some areas which would be carefully reviewed;
- Corporate governance: a draft consultation paper on diversity had been prepared and would be circulated to Board members.

3 FRC REFORM

3.1 The Board discussed the possible options for the reform of the FRC focussing on scope, powers, structure and the role of the Board. It was agreed that a draft outline consultation document and further more detailed proposals would be prepared for consideration by the Board.

4 HOUSE OF LORDS INQUIRY REPORT

4.1 The Board considered the Inquiry Report and agreed that

- a draft response should be prepared and tabled at the next Board meeting;
- the response should draw together the FRC's stance on a number of different projects.

5 EC GREEN PAPER ON CORPORATE GOVERNANCE

5.1 The Board noted the need to respond to the Green Paper by late July 2011 and to make the best possible case for "comply or explain". It was agreed that a draft response paper would be circulated to Board members before the July Board meeting.

6 FRC BOARD AND OB PERFORMANCE EVALUATION

6.1 The Board noted the reports of the performance evaluation of the FRC Board and the OBs. The Board agreed that for future OB evaluations it would be helpful to set a standard framework subject to allowing for any differences between the OBs.

7 REPORT BY REMUNERATION COMMITTEE CHAIR

7.1 Mr Chambers reported that the figures proposed for all FRC staff including the CEO were reasonable and within the overall remuneration budget. The Board noted the minutes of the Committee meeting on 1 March 2011.

8 REPORT BY AUDIT COMMITTEE CHAIR

8.1 Mr Anstee reported that the auditors had been asked to review expenses and the FRC expenses policy during the audit, that the Committee had kept risks under review during the year and, in particular, the risks in relation to funding issues and that the external auditors tender process was underway. The Board noted the minutes of the Committee meeting on 3 February 2011.

9 FRC RISK MANAGEMENT

9.1 The Board considered the FRC approach to Risk Management, the definition of risk, the basis of risk assessment and matters for inclusion in the FRC Risk Register. The Board noted that a risk register would be tabled at a future meeting.

10 ANNUAL REPORT 2010/11 - PRINCIPAL RISKS AND UNCERTAINTIES

10.1 The Board agreed that the risks identified during the discussion on item 9 above should be set out in the annual report together with what was being done to address those risks.

11 APPROVAL OF FINAL PLAN & BUDGET 2011/12

11.1 The Board approved the final Plan & Budget for publication subject to amendments.

12 OB PRESENTATION - BAS

12.1 Mr Sutcliffe gave a presentation on the work of the BAS.

13 OUTLINE BOARD CALENDAR 2011

13.1 The Board noted the Outline Board Calendar 2011.

14 ANY OTHER BUSINESS

14.1 The Board agreed the following Board Committee appointments:

- Nominations Committee: Stephen Haddrill, Elizabeth Corley and Nick Land from 1 April 2011
- Audit Committee: Nick Land from 1 June 2011
- Remuneration Committee: Nick Land from 1 June 2011
- Corporate Governance Committee: Elizabeth Corley from 1 October 2011

14.2 The Board confirmed Glen Moreno's appointment to the Nominations Committee and that Peter Chambers would chair the Remuneration Committee and Glen Moreno would chair the Corporate Governance Committee from 1 June 2011.

14.3 The Board considered the term of Mr Walker and noted the recommendation of the Nominations Committee. The Board agreed that Mr Walker be reappointed as Chair of the AADB and as a director of the FRC for a term of 12 months commencing on 27 May 2011.

15 NEXT MEETING

Tuesday, 24 May 2011 at 8.30 a.m.