



Financial Reporting Council

Summary minutes of a meeting of the Board of Directors of the Company
held on 9 December 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
	Peter Chambers	Non-executive Director
	Rudy Markham	Non-executive Director
	Sir Michael Rake	Non-executive Director (for Items 1-9)
	Sir Steve Robson	Non-executive Director (for Items 1-9)
	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
	Paul Seymour	Chair BAS
	Timothy Walker	Chair AADB (for Items 1-8.4)
IN ATTENDANCE:	Anne McArthur	Secretary
	Stephen Heathcote	Director of Resources & Planning (for Items 8.1-8.2)
	Louise Pryor	Director, BAS (for Items 8.5-8.6)
	Roger Nicklen	Note Taker

1 MINUTES

The Board approved the summary minutes of the meeting held on 7 October 2008 for publication.

2 MATTERS ARISING

2.1 The Board noted the rolling action points.

3 MINUTES OF EXECUTIVE COMMITTEE MEETINGS ON 30 OCTOBER 2008 AND 20 NOVEMBER 2008

3.1 The Board noted the minutes of the Executive Committee meetings held on 30 October 2008 and 20 November 2008.

4 MINUTES OF THE AUDIT COMMITTEE 7 OCTOBER 2008

4.1 The Board endorsed the Audit Committee's recommendation that the FRC's accounts should be prepared in accordance with IFRS.

4.2 The Board noted the minutes of the Audit Committee held on 7 October 2008.



5 COMMITTEE ON CORPORATE GOVERNANCE

5.1 The Board:

- a. reviewed the FRC's role in relation to corporate governance;
- b. considered the extent of the FRC's role in monitoring the application and relevance of the Combined Code on Corporate Governance (the Code) and the actions it would be appropriate to take in current economic conditions to ensure that the expectations of the Code could be met;
- c. noted that the while FRC's remit did not extend to monitoring adherence to the Code by particular companies (which was a matter for institutional shareholders) it needed to keep abreast of any changes in compliance; and
- d. concluded that steps should be taken to initiate the 2010 review of the Code early by focussing on the issues arising specifically from recent and current events.

5.2 The Board noted the minutes of the Committee on Corporate Governance meeting held on 19 November 2008.

6 BOARD EVALUATION

6.1 The Board discussed the importance of:

- a. strengthening Board members' understanding of the FRC's Operating Bodies;
- b. deepening Board members' understanding of where they could add value; and
- c. ensuring that Board members were enabled to contribute at the earliest possible stage to the debates on the issues of the greatest importance and significance to confidence in corporate reporting and governance.

6.2 The Board noted the Chairman's report on his Board evaluation.

7 MARKET CONDITIONS REVIEW

7.1 In a brief review of current market conditions the Board noted:

- a. concerns about accounting for pensions deficits (and the related issue of the discount rate), and
- b. the implications, in terms of recession, unemployment and company failures, from the economic data now emerging on both sides of the Atlantic.

8 CHIEF EXECUTIVE'S REPORT TO DIRECTORS

Draft Three Year Plan for 2009-12, updated Strategic Framework and levy proposals for 2009/10

8.1 The Board reviewed the draft consultation document on the FRC's Draft Three Year Plan for 2009-12 and the 2009/10 levy proposals and proposed a number of changes to the Press Notice to accompany the draft plan to set the issues affecting confidence in corporate reporting and governance more clearly into the current economic context.



- 8.2 The Board approved publication, as a consultation document, of the Three Year Plan and levy proposals amended to take Board members' comments into account. The Board also approved publication of the accompanying Press Notice, subject to Board members being given the opportunity to comment on the final draft.

Report on FRC activities

- 8.3 The Board discussed the Chief Executive's report on FRC activities, noting in particular disappointing progress in the discussions with the United States Securities and Exchange Commission on the UK's provisions for auditor liability limitation agreements.

- 8.4 The Board noted the report on FRC activities.

Solvency II and the implications for the FRC

- 8.5 In a brief discussion on Solvency II the Board noted that this was a matter on which the policy lead for the UK lay with the Financial Services Authority but that it might be possible for the Board to contribute to a debate on whether it was appropriate to rigidly codify capital adequacy and on the relevance and appropriateness of the proposals.

- 8.6 The Board noted a briefing paper on Solvency II and the implications for the FRC.

9 REPORTS FROM OPERATING BODY CHAIRS

- 9.1 The Board noted and discussed 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.

10 OTHER BUSINESS

- 10.1 The Chair informed the Board of Mr Boyle's decision to leave the FRC. The Chair and Mr Boyle had discussed the timing of his departure and had carefully considered succession planning. Mr Boyle would depart on the basis that his successor would serve approximately six months with the Chair before the end of his term in December 2009. It was intended that Mr Boyle's departure would be publicly announced on or about 12 January 2009 and that the search for his successor would begin thereafter.

11 NEXT MEETING

- 11.1 Wednesday, 4 February 2009 at 9.30 a.m.