

FRC

Annual Open Meeting

21 September 2017

Promoting transparency and integrity in business



Introduction

Sir Winfried Bischoff

Chairman

Financial Reporting Council



A year of change

Stephen Haddrill

Chief Executive

Financial Reporting Council



Our Mission

- Promoting transparency and integrity in business
- Wider Stakeholder outreach



Major initiatives: Governance

- Corporate Governance framework
- Corporate Culture
- Stewardship tiering



Major initiatives: Oversight

- Competent Authority for Audit
- Major revision of auditing standards
- Ethical standard for auditors
- Audit quality supervision
- Technical Actuarial Standards
- Review of Enforcement processes and sanctions



2016/17

Budget vs Actual

- Spent £29.3m against a budget of £33.5m
- Accountancy case costs were £2.8m less than originally estimated
- Efficiency savings of £0.5m
- Reviewing future requirements in light of public body status



Brexit

- Standard setting
- Equivalence
- Third Country Audit
- Professional qualifications
- Raising global standards



Developments in Corporate Governance & Stewardship 2016/7

Paul George
Executive Director
Corporate Governance & Reporting



Governance Issues

- Remuneration
- Directors' duties – section 172 Companies Act - employees and stakeholders
- Large Private Companies
- FRC powers



Code Revision

- Structure: the Code will be shortened and sharpened and re-focused on the Principles.
- Language: The Code will include changes to reinforce the nature of the Principles and Provisions.
- Content: the Code will include our response to the Government's agenda and feedback we have received throughout our outreach.



Stewardship Code: direction of reform

- Corporate Governance Code consultation will include questions about the broad approach to reforming the Stewardship Code
- This will be followed by a more detailed consultation on specific changes in 2018
- We heard a wide range of views about the way in which the Stewardship Code could be amended. Suggestions generally fall into two categories:
 - Format
 - Content



Next Steps

- We will continue informal consultation on both Codes
- Intend to consult formally later this year on the Corporate Governance Code and the broad Stewardship Code questions
- The consultation will be accompanied by revised Guidance on Board Effectiveness



Q&A

Please wait for the microphone
and state your name and your
organisation

