



Financial Reporting Council

Stakeholder Insight Group (SIG)

Terms of Reference

April 2022

Stakeholder Insight Group (SIG) Terms of Reference

Purpose

The purpose of the FRC is to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them. In turn, the purpose of the FRC Stakeholder Insight Group (SIG) is to provide valuable input, external perspectives, and diversity of thought to help guide the FRC's strategy and activities and to inform the FRC of upcoming key opportunities in a manner that helps the FRC fulfil its purpose. The FRC's approach to producing publications and other outputs will be informed by insights from the SIG.

Responsibilities

The SIG shall:

- Share their perspectives on key opportunities and potential areas of focus for the FRC
- Share their perspectives on key areas of concern and emerging risks relating accounting, reporting, auditing, and governance issues.
- Provide input on:
 - Auditing, Accounting, and narrative reporting policy development, including proposed developments to international codes, standards, and regulations as appropriate
 - The UK Corporate Governance Code
 - The UK Stewardship Code
 - The FRC's approach to ESG and Climate reporting
- Provide comment on regular Enforcement and Supervision activities such as Audit Quality Reviews and Enforcement Reviews
- Consider and respond to requests for input and advice from the FRC relating to thematic reviews and other ad-hoc projects

Format

Chair

The chair position will rotate between members of the FRC's Executive Committee.

Secretariat

The FRC's Stakeholder Engagement team serves as the secretariat of the SIG but may delegate their responsibility to a member of the Stakeholder Engagement team as appropriate. Rachel Atkinson is Head of Stakeholder Engagement at the time of writing.

Composition

The SIG has a target size of 20 members, with a minimum of 15. The standard membership term is 18 months. Half of the SIG's members stand down and are replaced every nine months; to achieve this, half of the initial members serve a shortened nine-month term. Appointment decisions are made by the Chair and secretariat.

The SIG comprises, at a minimum, members from each of the following stakeholder groups:

-
- Financial report preparers
 - Audit Committee Chairs
 - Institutional investors (and the wider investor community)

The remaining members would be drawn from other groups with a demonstrable interest in reporting, audit, and corporate governance, including voluntary reporting framework owners and civil society groups. Additionally, at all times we will aim to have one SIG member drawn from a group representing retail users of corporate reporting.

In line with best practice on diversity and inclusion, the composition of the panel aims to be representative of wider UK society, in particular seeking:

- to be gender balanced
- to avoid being fully composed of a single racial or ethnic group, and
- to demonstrate a commitment to representation of broader aspects of diversity over the long-term (including but not limited to sexuality, disability, neurodiversity, and socio-economic background)

Meeting frequency and format

SIG meetings are held quarterly starting in April 2022. Notice of the meeting will be given at least four weeks in advance. Agendas will be circulated at least one week in advance.

Meetings are recorded for FRC internal purposes only. The secretariat will minute the proceedings and recommendations of all meetings of the SIG, including recording the names of those present and in attendance, however, discussions will be held under Chatham House rule. A short summary will be made available on the FRC website.

Approved by the FRC Executive Committee with effect from November 2021



Financial Reporting Council

**Financial
Reporting Council**

8th Floor
125 London Wall
London EC2Y 5AS

+44 (0)20 7492 2300

www.frc.org.uk