

## **Responsibilities of the Chair, Deputy Chair, Chief Executive/Chief Accounting Officer (CEO) and NEDs**

### **Chair**

In addition to the responsibilities of all NEDs the Chair will be responsible for:

1. Leading the Board in a manner in line with the guidance and agreements in place with BEIS, Treasury and the Cabinet Office whilst protecting the integrity of the FRC and its independence as a regulator
2. Developing an effective governance structure for the FRC and its successor, the ARGA, to ensure timely and clear decision making alongside appropriate supervision of the activities of the Executive
3. Ensuring the composition and development of the Board is diverse and appropriate in its mix of skills and capabilities to support the effectiveness of the FRC and its successor
4. Developing and maintaining succession plans for the Board and Committees
5. Ensuring the Board has access to and visibility of adequate information to operate effectively
6. Setting the Board Agenda and planning an annual programme that:
  - a. Reviews and approves the Purpose, Objectives and Strategy proposed by the Executive
  - b. Reviews and approves the budget and financial plan proposed by the CEO to support the agreed Strategy and recommends it to BEIS when presented by the CEO
  - c. Monitors and evaluates operational performance against agreed plans and budgets within the agreed Strategy, including specifically for the CEO
  - d. Anticipates future risks and opportunities in a timely manner
  - e. Provides sufficient time to consider and approve matters reserved to the Board
  - f. Oversees the delivery of the organisational change programme
7. Ensuring the maintenance of proper processes and governance of matters reserved to the Board
8. Encouraging and supporting the development of a Board environment where all directors are able to contribute and participate in key discussions
9. Identifying and supporting the development needs of individual non-executive directors in order to optimize the Board's effectiveness as a team
10. Representing the FRC/ARGA, alongside the CEO, with external stakeholders including BEIS, other arms of Government, media and relevant industry bodies
11. Setting objectives for the CEO and lead the annual performance review of the CEO
12. Supporting the CEO in the fulfilment of their responsibilities and acting as a sounding board
13. Developing a succession plan for the CEO and working with BEIS to identify a successor
14. With the CEO ensuring the FRCs values and culture are aligned with the agreed strategy and embedded across the organisation

## **Deputy Chair**

In addition to the responsibilities of all NEDs the Deputy Chair will have the following responsibilities:

1. Supporting the Chair in their responsibilities and acting as a sounding board
2. Deputising for the Chair when necessary and leading on particular responsibilities where the Chair cannot act
3. Representing the FRC/ARGA, alongside the Chair and CEO/CAO, with external stakeholders including BEIS, other arms of Government, media and relevant industry bodies and those regulated by the FRC
4. Acting as partner to the Chair and CEO/CAO in the development and execution of strategy
5. Acting as the Senior Independent Non-Executive Director of the FRC
6. Leading the annual performance review of the Chair
7. Helping the Chair to ensure the effectiveness of the Board by identifying and supporting the development needs of individual non-executive directors
8. Chairing a Board Committee

## **Chief Executive Officer**

The CEO shall lead and manage the FRC in accordance with the Framework Agreement agreed with BEIS, the requirements of the Managing Public Money principles as well as any additional instructions and guidance issued from time to time by BEIS, HM Treasury and the Cabinet Office, while maintaining the FRC's position as an independent regulator. In doing so, the CEO shall be responsible for:

1. Leading the Executive, all of whom report to the CEO, as one team
2. Establishing and maintaining a relationship between the Executive and the Board
3. Managing the day to day operations of the organisation including setting objectives for each of the senior leadership team
4. Proposing the Mission, Purpose, Objectives and Strategy for the FRC/ARGA as well as for the individual divisions: Codes & Standards, Supervision, Enforcement and Corporate Services
5. Ensuring that the proposed Strategy takes account of the recommendations of Kingman, Brydon and the CMA as well as comments from other relevant stakeholders including the BEIS Select Committee in an integrated set of priorities and actions that delivers on the transition to the ARGA
6. Proposing a Budget and Financial Plan for the three years ahead as well as an annual operating budget
7. Responsibility for signing the accounts and ensuring proper records are kept relating to the accounts and that the accounts are properly prepared and presented
8. Responsibility for personally signing a governance statement covering the corporate governance, risk management and assurance of the FRC, for inclusion in the Annual Report
9. Identifying, agreeing with the Board and reporting Key Performance Indicators (KPIs) that measure and allow monitoring by the Board and the Executive of delivery against Plan and Strategic objectives
10. Developing and establishing an organisation structure to support the effective execution of the Strategy
11. Developing and maintaining an effective risk control framework
12. Ensuring that effective procedures are in place for handling complaints about the FRC from external and internal sources, including appropriate protections for whistleblowers, and that they are well known and easily accessible
13. Leading the engagement with BEIS and other relevant government departments to obtain support and approval for the agreed plans, including implementation of any necessary legislation
14. Managing the development of the executive team and their capabilities and skills, including hiring any required replacements or additional resources
15. Developing specific succession plans for key members of the senior leadership team
16. Reporting to BEIS and other government or parliamentary bodies (PAC, BEIS Select Committee) as required
17. Lead the representation of the FRC/ARGA with external stakeholders including media, industry bodies, government and companies
18. Supporting the Chairman in fulfilling his/her responsibilities

## **Non-Executive Directors**

Non-Executive Directors (NEDs) shall bring an 'external perspective' and insight on the environment in which the FRC operates, including the needs of the various FRC's stakeholders.

1. Challenging and scrutinising strategy and budget proposals developed by the executive
2. Ensuring the necessary resources are available to the Executive in order to deliver the strategy
3. Monitoring the performance of the Executive in achieving the strategy and budget that has been set
4. Satisfying themselves on the integrity of financial information and the robustness of the financial controls and systems of risk management
5. With the CEO and Chair, setting the values and culture of the organisation
6. One of the NEDs will act as a 'designated NED for employee engagement' and will report to the Board routinely on this operation.
7. Determining appropriate levels of remuneration of executive directors (within the public sector pay framework)
8. With the Chairman, ensuring that there is effective oversight and strong governance while driving forward the recommended changes to create a strong and robust regulator
9. Representing and promoting the FRC externally

## **Committee Chairs**

Detailed responsibilities for each Committee will be set out in the relevant terms of reference for the Committee. However, Committee Chairs are responsible for:

1. Leading Committees in accordance with the strategic direction set by the Board.
2. Reporting to the Board on the work of the Committee
3. Bringing to the attention of the Board any matters the Committee consider require full consideration by the wider Board

Approved by the FRC Board on 21 April 2020