

# Financial Reporting Council

## Chair

### Candidate Pack

Closing date: extended to 12 noon, 8 October 2021

If you have any questions, require further information, or would like this candidate pack in alternative format, please contact Korn Ferry at [FRC@kornferry.com](mailto:FRC@kornferry.com)

4 October, 2021



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# Ministerial Foreword

Dear Candidate,

Thank you for your interest in the role of Chair of the Financial Reporting Council.

You may already have some idea about the important work of the Financial Reporting Council and this pack will tell you more about the purpose and the nature of the role.

This is an important time for the Financial Reporting Council. The Government is delivering a significant programme of audit reform, and the Chair will play a vital role in overseeing the implementation of this programme, and the transition to become the Audit, Reporting and Governance Authority – a new regulator with greater and stronger powers.

If you believe you have the experience and qualities we are seeking to contribute to this important organisation, we very much look forward to hearing from you.

We welcome applications from individuals of all backgrounds, including those from under-represented groups.

**Lord Callanan**  
**Minister for Climate Change and Corporate Responsibility**



## Message from Keith Skeoch, Interim Chair of the Board

Dear Candidate,

I am delighted that you are interested in applying for the role of Chair at the Financial Reporting Council (FRC).

This letter and accompanying information provide an overview of both the FRC and the appointments process. If you have additional questions, please don't hesitate to get in touch with Korn Ferry.

The FRC sets the UK Corporate Governance and Stewardship Codes, the UK standards for accounting and actuarial work; it monitors and takes action to promote the quality of corporate reporting; and operates independent enforcement arrangements for accountants and actuaries. As the competent authority for audit in the UK, we set auditing and ethical standards and monitor as well as enforce audit quality. The transition to ARGA will extend and reinforce the powers that underpin this remit.

As part of the process that creates ARGA, the Government has recently invited responses to its White Paper "Restoring trust in audit and corporate governance". Our immediate task is to distil this into a sustainable strategy for improving audit quality thus reaffirming the UK's leading position in the world for standards and the profession.

As a regulator working in the public interest, we need to respond appropriately to political, economic, environmental and technological change. To deliver our mission we must be transparent and act with integrity. We aim to be a well-governed and accountable public body, independent from those we regulate, and to follow our own principles of good governance and reporting.

We cannot achieve our objectives on our own. We work with a range of regulators, Government and market participants.

We are looking for someone who can work with us across this range of challenges and provide fresh insight. You will be joining a Board tasked with demonstrating the leadership necessary to promote a shift in tone and culture and to build respect. There are already changes underway to action this, and with planned retirements upcoming, the Board will be significantly refreshed by the end of 2021.

I do hope you are excited by this opportunity and that you will be interested in applying.

**Keith Skeoch, Interim Chair of the Board**



# Financial Reporting Council

The Financial Reporting Council (FRC) sets the UK Corporate Governance & Stewardship Codes which aim to make investors more accountable to their clients and beneficiaries. The FRC also sets standards for accounting, auditing and actuarial work. As the UK's independent regulator and Competent Authority for Audit it monitors, and takes action where necessary, to promote the quality of corporate reporting and audit. It also operates independent enforcement arrangements for accountants and actuaries.

The FRC sits at the centre of the ecosystem of corporate Britain. Post pandemic and Brexit it's clear that all stakeholders who use and rely on high standards of corporate reporting and governance need to re-build confidence and trust and that the performance and prospects of companies across the UK are reported fairly and proportionately. The audit sector in the UK, and reporting by the largest UK companies, face significant change following the publication of the White Paper on Restoring Trust in Audit and Corporate Governance. The FRC is in the process of transitioning into a new regulator, to be known as the Audit, Reporting and Governance Authority (ARGA), and will be central to the once in a lifetime opportunity for reform of audit and corporate governance in partnership with Government. We are creating in ARGA a much bolder regulator with more energy, seizing this rare opportunity to build on the reform of the organisation currently underway and in the

sector more generally. We aim to distil the recommendations from the reports into a sustainable strategy for improving audit quality and corporate governance for the benefit of all stakeholders – employees, investors, consumers, supply chain participants and pensioners.

As a regulator working in the public interest, the FRC needs to respond appropriately to political, economic, environmental and technological change. It must be transparent and act with integrity. It must be a well-governed and accountable public body, independent from those it regulates, and follow its own principles of good governance and reporting.

The Board of the FRC is responsible for the long-term strategy and success of the FRC and its successor, ARGA. The Board maintains prudent and effective controls to assess and manage risk, ensures resources are in place for the organisation to meet its objectives and reviews management performance. The Board also sets the values and culture and ensures that its obligations to its stakeholders and others are understood and met. In light of the independent review by Sir John Kingman, the Board will ensure that there is oversight and strong governance while driving forward the recommended changes to create a strong and robust regulator.

# The Role

The Chair will be responsible for:

- Effective, cooperative and inclusive leadership of the Board so that it provides clear strategic direction. This will include enabling a high standard of discussion and challenge, while fostering an environment in which diverse views are encouraged and considered.
- Holding the Executive Team to account for the performance of the regulator against its objectives, duties, and impact; and ensuring it continues to improve and increase the overall quality and effectiveness of the audit, reporting, and governance landscape.
- Working with the Board to ensure that the Board, committees, and Executive Team have an appropriate range of skills, and that they promote diversity.
- Overseeing the implementation of the recommendations in the Independent Review, conducting an overhaul of the Board to ensure the appropriate skills and experience needed by the future regulator are present, and working in collaboration with the Executive Team, BEIS and other

stakeholders to take forward these recommendations and embed them within regulator.

- Leading the new regulator once it is established, ensuring the UK has a world-leading body.

The Chair will be accountable to Parliament, and to the Secretary of State for Business, Energy, and Industrial Strategy and will be expected to appear in front of the BEIS Select Committee.

This is a high-profile role, leading the Board of an organisation that is high-profile, key to delivering an important part of the Government's priorities, and of significant political interest. Candidates should have the reputation and credibility to develop relationships and command respect with the business, financial and professional services community as well as with Government, other regulatory agencies and the wider public.

## Diversity

We are committed to increasing the diversity of our boards and bringing in talent, regardless of its origins. We encourage applications from all candidates regardless of ethnicity, religion or belief, gender, sexual orientation, age, disability or gender identity. We particularly welcome applications from people with ethnicity, gender and disability characteristics currently underrepresented on our Boards.

**Arrangements for candidates with a disability:** As a Disability Confident leader, we guarantee to interview anyone with a disability whose application meets the essential criteria for the post. More details on the criteria can be found in this pack. If you wish to apply through the Disability Confident scheme, you will need to tick that option on the Diversity Monitoring form that you will submit alongside your application.

**Adjustments:** All candidates are entitled to request reasonable adjustments at any stage of the application process. If you would like to discuss reasonable adjustments prior to submitting your application, please contact the campaign manager at [publicappointments@beis.gov.uk](mailto:publicappointments@beis.gov.uk).

# Assessment Criteria

As the incoming Chair will lead a body undergoing fundamental transformational change, it is essential that the successful candidate brings:

## Essential criteria

- The ability to develop a Board and provide leadership through periods of significant change.
- Excellent influencing and communication skills, including the ability to encourage debate and challenge, and resolve conflict in a constructive manner.
- Able to command the respect of the industry, and be credible with those that are regulated by FRC.
- Strong analytical skills and a capacity to operate strategically and with influence.
- Ability to successfully implement reforms within an organisation.

## Desirable criteria

- Experience in working in a business or regulatory field at senior levels, including holding to account those responsible for delivery.

## Terms of Appointment

**Eligibility:** Under the statutory and regulatory frameworks which apply to the regulator's responsibilities there are **certain restrictions on suitable candidates for the Chair's role**. These include individuals who are or in the previous three years have been practising auditors. In view of the review's recommendations that ARGAs should take on statutory regulation of the major audit firms, candidates will need to demonstrate independence particularly in relation to those firms.

**Appointment term:** The term of Chair of the FRC is expected to be a four-year appointment, with the possibility of re-appointment, subject to Ministerial approval.

**Remuneration and time commitment:** The remuneration for this role is £125,000 per annum based on approximately 2.5 days per week.

**Nature of appointment:** The role of Chair of the Financial

Reporting Council is a Public Appointment, regulated by the Commissioner for Public Appointments, and made by the Secretary of State for Business, Energy and Industrial Strategy.

**Location:** The FRC office is based in the City of London.

**Availability:** The successful candidate will be encouraged to take up their appointment as soon as possible, following the successful completion of pre-appointment checks.

# Pre-Appointment Scrutiny

**This appointment is subject to pre-appointment scrutiny by the BEIS Select Committee.** Pre-appointment scrutiny is an important part of the appointment process for some of the most significant public appointments made by Ministers. It is designed to provide an added level of scrutiny to verify that the recruitment meets the principles set out in the Governance Code on Public Appointments.

The pre-appointment scrutiny aspect of the appointment has two parts.

First, information concerning the appointment and the Minister's preferred candidate will be shared with the relevant select committee. As part of this process you will need to be content for your name and your CV to be shared with the select committee as the Government's preferred candidate. You may also be required to complete a pre-appointment hearing questionnaire which could include, among other things:

- declarations of any relevant potential conflicts of interest;
- what you see as the priorities and key risks for the

organisation;

- questions about how you would lead the board and work with stakeholders; and
- your commitment to standards in public life and how you would handle being in the public eye.

Normally any information provided to the Select Committee by the Government or a candidate will be published.

Second, it is likely that the Select Committee will decide to call the Government's preferred candidate to a public hearing before the select committee to answer questions relating to their suitability to the role. You would not be expected to have an in-depth technical knowledge of how the body works or an exact plan of what you would do in the role, however you will be expected to provide a credible representation of your understanding of the work of the body and what your role in its future would be.

**The proposed date for a pre-appointment hearing is yet to be confirmed but is expected to be in late November 2021.**

## How to apply

**The closing date for applications is 12 noon on 8 October 2021. Late or incomplete applications will not be accepted.**

Please submit the following documents by email to [FRC@kornferry.com](mailto:FRC@kornferry.com)

- A covering letter
- A CV
- Data and diversity monitoring form

Please ensure that you include “Financial Reporting Council Chair” in the subject box.

The key to a good application is to give the reader specific information about how you meet the criteria for appointment. Think about your knowledge, skills, experience and personal attributes, and take full advantage of the space available. Provide practical evidence that best demonstrates how you meet the essential criteria for the role.

# Assessment Panel, Process and Timing

## The members of the Advisory Assessment Panel are:

**Panel Chair and BEIS Representative:** Jaee Samant, Director General, Market Frameworks, Department for Business, Energy and Industrial Strategy

**Other Panel Member:** Lord Smith of Kelvin, Chair, British Business Bank

**Independent Panel Member:** TBC

The timeline for this campaign is indicative and subject to change. Please check the advert for any updates.

Advert closes	8 October 2021
Panel sift	Late October 2021
Interviews	TBC
Candidates notified of the outcome	TBC
Pre-appointment scrutiny hearing	TBC
Announcement	TBC

## Conflicts of interest and due diligence

Public Appointments require the highest standards of propriety, involving impartiality, integrity and objectivity, in relation to stewardship of public funds and the oversight and management of all related activities. This means that any private, voluntary, charitable or political interest that might be material and relevant to the work of the body concerned should be declared. Any conflict will not prevent you going forward to interview but may be explored with you during the selection process.

It is important that those appointed as members of public bodies maintain the confidence of Parliament and the public. If there are any issues in your personal or professional history that could, if you were appointed, be misconstrued, cause embarrassment, or cause public confidence in the appointment to be jeopardised, it is important that you bring them to the attention of the Assessment Panel and provide details of the issue(s) in your application. In considering whether you wish to declare any issues, you should also reflect on any public statements you have made, including through social media. The Panel may explore issues with you before they make a recommendation on the appointment.

As part of our due diligence checks we will consider anything in the public domain related to your conduct or professional capacity. This will include us undertaking searches of previous public statements and social media, blogs or any other publicly available information. This information may be made available to the Panel and they may wish to explore issues with you, should you be invited to interview.

If you have any queries or would like to discuss further, please contact Korn Ferry at [FRC@kornferry.com](mailto:FRC@kornferry.com).

# The Seven Principles of Public Life

In 1995 the Committee on Standards in Public Life defined seven principles for public life. All candidates for are expected to demonstrate a commitment to, and an understanding of, the value and importance of the principles of public service which are:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

Further information on the principles of public life can be found [here](#).

# Complaints Procedure and Privacy Policy

## Complaints

If you feel you have reason to complain you should direct your concerns in the first instance to the BEIS Public Appointments team ([publicappointments@beis.gov.uk](mailto:publicappointments@beis.gov.uk)) who will make every effort to deal with these and respond to you within 48 hours.

If your complaint is not dealt with satisfactorily, you can find information about the steps you can take under BEIS Complaints Procedure [here](#).

The Commissioner for Public Appointments is the independent regulator of public appointments. The Commissioner's primary role is to provide independent assurance that public appointments are made in accordance with the [Governance Code on Public Appointments](#). The Commissioner also investigates complaints and may conduct an inquiry into the policies and practices followed in relation to appointments processes which he regulates. The Commissioner will not investigate complaints relating to non-selection unless it appears that the appointments process has breached the

Governance Code on Public Appointments.

You can contact the Commissioner by email at [publicappointments@csc.gov.uk](mailto:publicappointments@csc.gov.uk) or by post, as follows:

The Commissioner for Public Appointments, Room G/8, 1 Horse Guards Road, London, SW1A 2HQ.

Further information on the role of the Commissioner or the appointments process is available at: [publicappointmentscommissioner.independent.gov.uk](http://publicappointmentscommissioner.independent.gov.uk).

## Privacy Policy

For our privacy policy, please refer to the BEIS Privacy Notice document attached to the advert for this role.