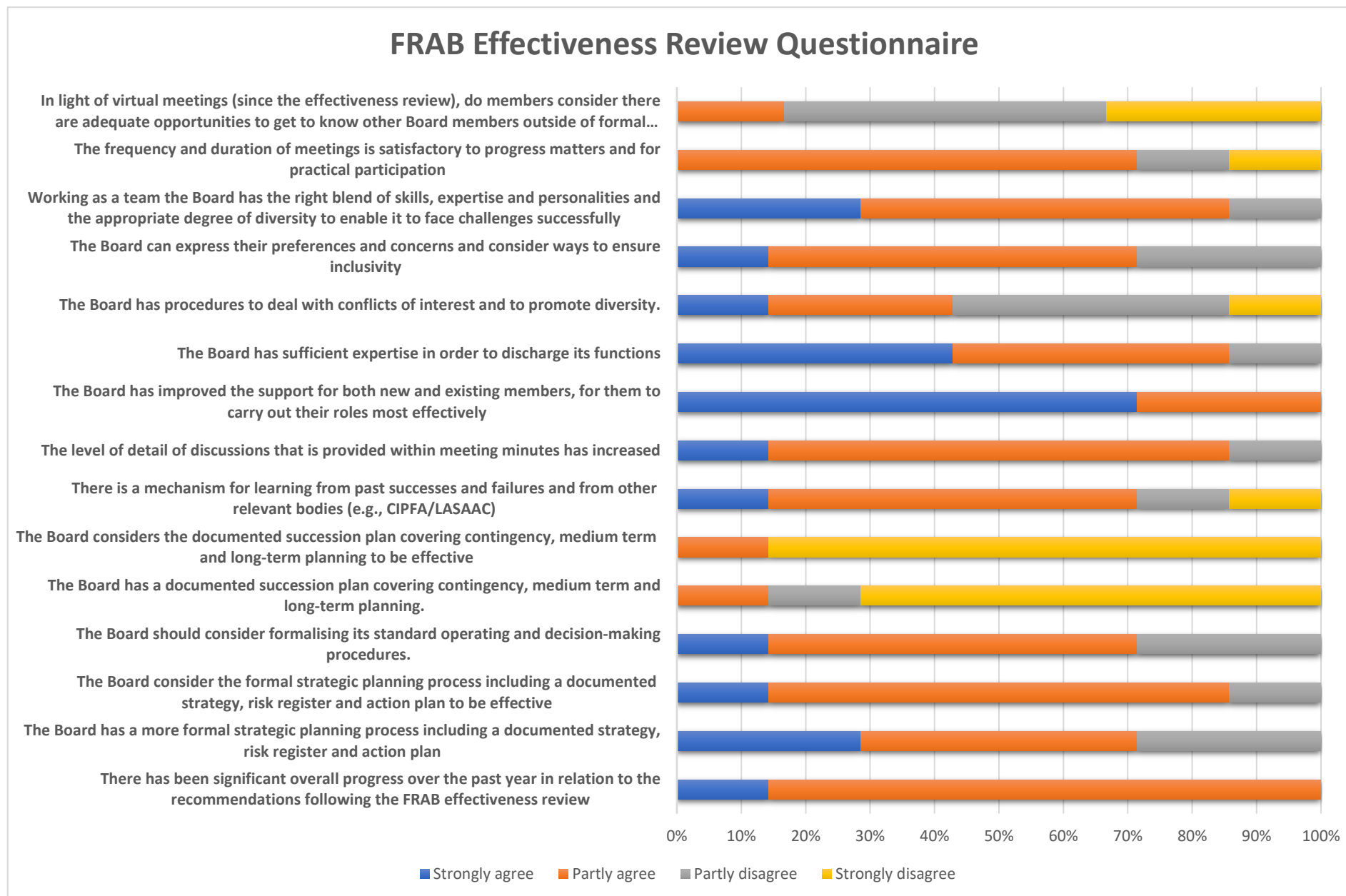


Appendix 1 – FRAB Effectiveness Review Questionnaire results – January 2022



FRAB evaluation questionnaire summary:

<u>Question</u>	<u>Member comments</u>
1. There has been significant overall progress over the past year in relation to the recommendations following the FRAB effectiveness review	<ul style="list-style-type: none"> Members acknowledged that the agenda has picked up on the actions identified from the previous review, with more structure and discipline.
2. The Board has a more formal strategic planning process including a documented strategy, risk register and action plan	<ul style="list-style-type: none"> Members have raised that they do exist and have been previously discussed, however the risk register is not prominent at meetings.
3. The Board consider the formal strategic planning process including a documented strategy, risk register and action plan to be effective	<ul style="list-style-type: none"> (same as above)
4. The Board should consider formalising its standard operating and decision-making procedures	<ul style="list-style-type: none"> Members have raised that sometimes it comes down to the Chair trying to gauge strength of opinion and questioned whether a 'vote' would be better and less subjective.
5. The Board has a documented succession plan covering contingency, medium term and long-term planning	<ul style="list-style-type: none"> Members have raised that they are not clear what this is, or it does not get enough profile, and have commented that this would be helpful. Members have questioned whether this is more a matter for the Nominations Committee to lead rather than for the main Board, but also to what extent is there involvement from the Chair and Secretariat.
6. The Board considers the documented succession plan covering contingency, medium term and long-term planning to be effective	<ul style="list-style-type: none"> (same as above)
7. There is a mechanism for learning from past successes and failures and from other relevant bodies (e.g., CIPFA/LASAAC)	<ul style="list-style-type: none"> Members have commented that there would be a benefit in a formal write up in a paper, with accompanying discussion/debate on the conclusions.
8. The level of detail of discussions that is provided within meeting minutes has increased	<ul style="list-style-type: none"> Members agree that the level of detail seems appropriate in the context of FRAB, however suggested that more focussed minutes could be an area of improvement.

<p>9. The Board has improved the support for both new and existing members, for them to carry out their roles most effectively</p>	<ul style="list-style-type: none"> • Members acknowledged the opportunities available for induction and training, which has been helpful. • Members suggested that technical briefings on new standards would be helpful. • It was also questioned whether the Board would benefit from more members with experience of applying IFRS in the private sector.
<p>10. The Board has sufficient expertise in order to discharge its functions</p>	<ul style="list-style-type: none"> • Members have commented that there is lots of knowledge amongst the Board, however there are more contributions from some members than others and it isn't clear whether this is due to the level of expertise or the diverse nature of the Board and the relevance of some topics.
<p>11. The Board has procedures to deal with conflicts of interest and to promote diversity</p>	<ul style="list-style-type: none"> • Members have commented that procedures are in place, but this does not mean that they have been effective in terms of diversity. • It was raised that with independent members being in the minority, the Board is inherently conflicted.
<p>12. The Board can express their preferences and concerns and consider ways to ensure inclusivity</p>	<ul style="list-style-type: none"> • Members have expressed that it is still not easy to disagree and there is some risk of conflict that emerges (e.g. auditors and preparers). • Members have also raised that comments are not always taken on board.
<p>13. Working as a team the Board has the right blend of skills, expertise and personalities and the appropriate degree of diversity to enable it to face challenges successfully</p>	<ul style="list-style-type: none"> • Members agree the Board has the right blend, except that it lacks sufficient diversity. • As stated above, it was also suggested that the Board would benefit from more members with experience of applying IFRS in the private sector.
<p>14. The frequency and duration of meetings is satisfactory to progress matters and for practical participation</p>	<ul style="list-style-type: none"> • Members have raised that meetings are overly long (as is the preparation) to expect ongoing engagement until the end, and so would suggest shorter but more frequent meetings, as this would also allow issues to be progressed more smoothly. It was identified that this may be difficult from a diary, commitment and secretariat perspective. • Members have commented that it is good to see more breaks being introduced to assist with the lengthy meetings and highlighted that the length of meetings is proportionate to the agenda.

<p>15. In light of virtual meetings (since the effectiveness review), do members consider there are adequate opportunities to get to know other Board members outside of formal Board meetings</p>	<ul style="list-style-type: none"> • Members have commented that there are limited or no opportunities to get to know other Board members outside of formal meetings and so they would welcome opportunities for informal discussions, and provided the following suggestions: <ul style="list-style-type: none"> a) If the meetings incorporated more breaks, would it be possible to have some of these as ‘virtual coffee’ breaks. b) Create smaller working groups or interest groups comprising board members only to discuss Board agenda items c) Use break out rooms in the meeting for certain topics. d) Consider a social element once restrictions have fully eased.
<p>16. The Board to provide their view on what to do in the future regarding in person vs virtual meetings</p>	<ul style="list-style-type: none"> • Members have commented that a hybrid model would be most appropriate moving forward, with most members either online or in person. • Members raised that face to face meetings build community, enable networking and allow more effective engagement, however recognised that virtual meetings are practical and cost effective. • It was suggested that a blended approach based on agenda cycles could determine the location of meeting, e.g. the heavy meeting in November could be virtual, as it is easier to consult notes online.
<p>17. Any other views</p>	<ul style="list-style-type: none"> • Members raised that issues come to the Board at a comparatively late stage, and so there is limited time to address any solutions. • Members questioned whether the balance of meeting time between updates and accounting issues is right. • Members commented that the Board don’t seem to have enough influence on the timeliness issue, especially in relation to the local government sector. Members questioned if something can be done to help HM Treasury.

Summary of FRAB effectiveness review recommendations and Board responses – updated February 2022:

	Recommendations	Board Response November 2020	Updated February 2022
	Strategic planning and ambition, and risk management		
a)	The Board should consider the introduction of a more formal strategic planning process including a documented strategy.	The Board accepted this recommendation and has developed a three-year strategy for 2021-24.	Extant. To update strategy in 2024.
b)	The Board should consider the introduction of a risk register based system of risk management.	The Board accepted this recommendation and is developing a risk register and system of risk management.	Risk register and action plan regularly updated.
	Functioning of the Board		
c)	Consider holding a session to agree ways of working in a virtual context, asking people to express their preferences and concerns and considering ways to ensure inclusivity.	The Board accepted this recommendation and has held discussions on the best way of working in a virtual context. The Board will regularly revisit this discussion including the potential transition to a hybrid way of working with a mixture of both in person and virtual meetings.	Kept under review. Virtual meetings still being held (until March 2022 with consideration of moving to hybrid meetings from June 2022 – to be agreed. Meeting format updated to allow for more breaks, longer meetings to allow greater discussion etc.
d)	Explore its appetite for setting up either ad-hoc or permanent working groups. Working groups might improve efficiency, while maintaining a sufficient level of engagement with issues by the main Board.	The Board accepted this recommendation and will set up ad hoc working groups to as needed.	Kept under review and established when needed – Sustainability Sub Committee established in June 2021.

e)	Consider increasing the level of detail of discussions that is provided in meeting minutes and scheduling catch-up meetings between absent members and the Chair when the absent member was unable to send a deputy.	The Board accepted this recommendation and has asked the secretariat to provide a greater level of detail in the minutes of meetings reflecting more in depth discussion. The Chair will be available to meet with members that were absent from meetings as needed.	More detail of discussion now provided in meeting minutes. Discussion with Chair or secretariat for absent members scheduled when needed.
Composition of the Board			
f)	The Board should consider whether it would benefit from introducing a senior independent member role with a job description based on appropriately adapted best practice.	The Board discussed this recommendation but did not consider the introduction of a senior independent member role to be needed at this time but will keep it under review going forward.	Kept under review.
g)	The Board should consider collecting self-reported diversity data on members to allow them to assess their success against their commitment to “providing equal opportunities for all, irrespective of race, age, disability, gender, marital status, religion, sexual orientation and transgender.”	The Board accepted this recommendation and is looking to collect diversity data.	Diversity data collected and published in the 20-21 Board Annual Report. Updated data collected as needed for publication in each annual report.
h)	The Board should consider whether a light touch succession plan would be useful to ensure the relevant balance of skills and to help improve diversity.	The Board accepted this recommendation and proposes that the terms of reference for the Nominations Committee will be updated to consider the diversity of the Board as part of succession planning.	Nominations Committee terms of reference updated to consider diversity in succession planning.
Stakeholder consultation and feedback			
i)	The Board should consider introducing more structured processes for gathering and using feedback from external stakeholders.	The Board accepted this recommendation and will consider introducing more structured process for gathering feedback.	Kept under review. Stakeholder feedback gained from regular updates from the User Preparer Advisory Group.

j)	The Board should consider systematically surveying wider end user opinion for the purpose of discussing issues such as new potential disclosure requirements. This could include a review of its relationship with the UPAG.	The Board accepted this recommendation and will look to utilise its relationship with the User Preparer Advisory Group to gain more feedback from external stakeholders.	Kept under review.
Evaluation of the Board			
k)	The Board should consider using the questionnaire developed for this review as a framework for group discussion on the operation of the Board and its performance on an annual basis and arranging for an external evaluation of its performance every three years in line with its terms of reference.	The Board accepted this recommendation and plans on undertaking regular reviews of its effectiveness.	Follow up effectiveness review held January 2022 with discussion at Board meeting March 2022. Annual streamlined effectiveness review planned with full review every 3 – 5 years.
l)	The Board should consider formalising a framework for learning lessons that looks at different perspectives to summarise successes and lessons to learn.	The Board accepted this recommendation and will look to formalise a review framework.	Post implementation reviews undertaken e.g. covid support measures for reduced reporting.
Support for Board members			
m)	The Board should consider putting in place an induction for all new members, covering the remit of the Board, the role of the member and an opportunity to talk with the Chair prior to the member's first board meeting.	The Board accepted this recommendation, and a board member induction pack has been developed. The Chair has already initiated introduction meetings with all new members to the Board.	Board induction pack developed.
n)	The Board should consider whether there is merit in putting in place structured, on-going development for board members, including both technical understanding and support to enable all members to fully discharge their role effectively.	The Board accepted this recommendation and will incorporate ongoing training and updates as part of its forward agenda.	Training programme for all members from different Board sector representative started in autumn 2021 E.g. HMT, CIPFA & Devolved Administrations (April 2022).