

# Annual Governance Report 2022-2023

FSA 23-12-09 This paper considers the Annual Review of Board Effectiveness, updates on a review of FSA and Board Governance.

## 1. Summary

1.1 The Board is asked to:

- **consider** the Annual Review of Board Effectiveness comprising the conclusions to the recommendations from the 2022 External Board Effectiveness Review, **agree** the outcome of the review of the Business Committee and **reaffirm** the Terms of Reference for the Business Committee.
- **consider** updates on a review of FSA Governance and **agree** to adopt the FSA Code of Conduct for Board Members 2023.
- **consider** updates on Board Governance, **agree** revisions to the Audit and Risk Assurance Committee's Terms of Reference and the Standing Orders for the Board and its Committees and **reaffirm** the Terms of Reference for the FSA Board.

## 2. Introduction

2.1 The Food Standards Act 1999 provides that the Agency may regulate its own proceedings. Good governance requires that the Board and its Committees operate to clear, agreed Terms of Reference (ToR) and in accordance with Standing Orders (SOs). Since 2014, the Board has reviewed its suite of ToR and SOs annually.

2.2 In line with the ToR, the Board delegates to Committees certain functions mainly associated with implementation and corporate governance of the Agency. Committees currently constituted under this power are the Business, and the Audit and Risk Assurance Committees.

2.3 The Board agrees and reviews the ToR of the Business and the Audit and Risk Assurance Committees annually, together with the ToR and SOs for the Board.

2.4 We also annually consider the effectiveness of the Board. Over the last year this has involved taking forward the recommendations from the last external effectiveness review, including Board member appraisals and a review of the Business Committee.

## 3. Annual Review of Board Effectiveness

3.1 The [Corporate Governance Code for Central Government Departments 2017](#) requires that a Board effectiveness evaluation is carried out annually and with independent input at least once every three years.

3.2 This year's internal Board Effectiveness Review has comprised the conclusion of the recommendations from the 2022 External Board Effectiveness Review.

## **Conclusions to recommendations from the 2022 External Board Effectiveness Review**

3.3 An external Board effectiveness review was conducted between November 2021 and June 2022 with [the final report from the review](#) being published and discussed at the [June 2022 FSA Board meeting](#). At the [December 2022 Board meeting](#) the Board accepted the recommendations from the Working Group on the Review and since then all actions from the accepted recommendations have been completed.

3.4 Appraisals have all been carried out for all Board Members and have proven to be a useful process in helping to identify training and development needs. This will be repeated annually. We are considering an appropriate system for peer feedback.

3.5 In conjunction with the Chairs of the Food Advisory Committees (FACs) and the FSA Executive Director with responsibility for Wales and Northern Ireland, the Chair discussed how we can improve how the FACs operate and interact with the Board. There was agreement that themed meetings are a good opportunity for FAC members to feed in wider perspectives from their own experience and networks and that, where possible, these themes would come early in policy development. There was also agreement that the FACs would be used to discuss policy which was in early stages of development within the FSA. The FAC Chairs will work together and decide how they are going to manage that most effectively across the two Committees.

3.6 At the December 2022 Board meeting the Board asked for a review of the reconfigured Business Committee which has now been completed.

### **Review of Business Committee**

3.7 In October Board Members were issued with a short questionnaire. The responses were discussed by a sub-group of Board and Executive Management Team Members and their main findings are summarised below:

- it was considered that, so far, the reconfigured Business Committee (BC) had met the objectives it set out to and that the balance of information going to the BC, ARAC and the Board was correct.
- membership of the FSA Deputy Chair on both the BC and ARAC was a sensible approach which should continue.
- other areas of business suggested for BC consideration were: quarterly updates on Key Performance Indicators (KPIs), and major areas of FSA expenditure such as science, local authority engagement, borders and performance reports on service delivery; a six-monthly update on the National Food Crime Unit; and an annual update on the People Plan.
- the BC Chair's report and the minutes of the BC were effective in communicating discussions to the Board and allowed Members to raise outstanding questions.
- The potential for discussions of areas outside of the BC's remit should continue to be monitored and careful consideration given as to why any given topic could not be discussed publicly at a Board meeting instead. Members were keen to ensure that these new working arrangements did not reduce the transparency of any FSA decision-making.
- There was a suggestion of an annual in-person BC meeting for areas that may require greater scrutiny.
- changes were not deemed necessary to the [Terms of Reference for the Business Committee](#) which were agreed by the Board in March 2023.

3.8 Consequently, the following actions for the Business Committee are suggested for approval by the Board:

- Including the following areas on the BC Forward Look:

- quarterly updates on KPIs, and major areas of FSA expenditure such as science, local authority engagement, borders and performance reports on core service delivery and the portfolio of change projects; a six-monthly update on the National Food Crime Unit; and an annual update on the People Plan.
- Holding an annual in-person BC meeting if necessary for areas which may require greater scrutiny.

3.9 The Board is asked to agree the actions for the Business Committee that have come out of the recent review and to reaffirm the [Terms of Reference for the Business Committee](#).

## 4. Review of FSA Governance

### FSA Code of Conduct for Board Members 2023

4.1 As part of a review of FSA governance the current [FSA 2012 Code of Conduct for Board Members](#) has been updated to reflect best practice in the public sector and the [Cabinet Office 2019 Code of Conduct for Members of Public Bodies](#).

4.2 The Cabinet Office (CO) 2019 Code of Conduct forms part of the Terms of Appointment for FSA Board Members. Any breach of the CO Code should be viewed as a breach of the Terms of Appointment. The CO Code complements a public body's governing and administrative documents which set out the responsibilities and obligations of its Board Members such as the FSA 2012 Code of Conduct.

4.3 Comparison of the FSA 2012 Code and the CO 2019 Code has resulted in suggested changes in italics or strikethrough for the Board to consider at Annex 1. Deletions have only been made where a reference is outdated (e.g., Government Sustainable strategy) or it is felt the CO 2019 Code already covers the same point. Additions have been made to clarify or strengthen a point which the CO 2019 Code covers in more detail to avoid unnecessary repetition (e.g., exercise proper discretion when engaging in any political activities (see Cabinet Office 2019 Code of Conduct sections 3.11-3.15)).

4.4 The Board is asked to agree to adopt the revised FSA 2012 Code of Conduct for Board Members as the 2023 Code of Conduct (Annex 1).

### Conflicts of Interest

4.5 The review of FSA governance has also involved updating the FSA's procedures for recording Board Members' register and conflicts of interest. The [published Register of Board Members' Interests](#) has been updated to improve clarity and consistency and the means by which changes to Members' interests are recorded and shared with appointing authorities has been tightened up.

### Board Operating Framework

4.6 We have also begun work to draw together a Board Operating Framework, setting out in one place how the Board operates and the roles of accountabilities of the Board and Chair, its committees and advisory bodies, and the Chief Executive. This will include a scheme of delegations, setting out what functions have been reserved to the Board or delegated. Many elements of this framework already exist, but it is good corporate governance practice to have such a framework drawn together in one place and published. We are also currently agreeing a sponsorship framework document with the Department of Health and Social Care (DHSC), which envisages that we will have a Board Operating Framework in place. We intend to bring the Board Operating Framework to the Board for consideration in March 2024.

## 5. Board Governance

### Terms of Reference for the FSA Audit and Risk Assurance Committee

5.1 The 2022 ToR for Audit and Risk Assurance Committee (ARAC) were most recently reviewed by the Committee, on the Board's behalf, in September 2023 when amendments were suggested to reflect the following information requirements:

- clarification of the definition of major incidents – those relevant to governance, risk management and internal control.
- lessons learned from serious case reviews.
- a bi-annual overview of external complaints and related data.
- an annual report of FSA's Senior Civil Servant's declarations of interest.
- an annual report on and the performance of the FSA's arrangements for counter fraud, bribery and corruption.
- Information security annual report and periodic updates.
- environmental, climate change and net zero annual update.

5.2 If the Board is content with the updated ARAC ToR (Annex 2), they will be adopted as ARAC agreed them in September 2023. ARAC, and then the Board, will review the ARAC ToR again as of September 2024.

### Terms of Reference for the FSA Board

5.3 No changes are proposed to the [Terms of Reference for the FSA Board](#) and subject to the Board reaffirming them, they shall remain as the Board last affirmed them in December 2022.

### Standing Orders for FSA Board Meetings

5.4 The minutes of the June 2023 Board meeting for the discussion of the ARAC Chair's Report state that:

"A deputy chair for ARAC was due to be agreed at the next ARAC meeting."

5.5 At the ARAC meeting in September 2023 the Committee agreed to appoint Anthony Harbinson as the Deputy Chair for ARAC.

5.6 This requires an update to the [2023 Standing Orders for FSA Board Meetings \(Annex 3\)](#). The following additional wording is therefore proposed for the Board's approval:

"35. ARAC meetings shall be chaired by the Chair of ARAC as appointed by the FSA Chair. In his/her absence, the Deputy Chair of ARAC will chair the meeting. The decision of the meeting Chair on any question of procedure raised at a meeting shall be final."

5.7 The Board is asked to agree to the proposed changes to the Audit and Risk Assurance Committee's Terms of Reference and the Board's Standing Orders (Annexes 2 and 3). The Board is asked to reaffirm the [Terms of Reference for the FSA Board](#).

### Board Appointments

5.8 Appointments to the FSA Board are made by Health Ministers in Westminster, Wales and Northern Ireland. The statutory requirement for Board membership is 8-12 members, plus the

Chair and Deputy Chair. This requirement reflected there being two appointees for Scotland, which are no longer required since Food Standards Scotland was created as a stand-alone department and Board north of the border. The working assumption is therefore that the Board should be between 6-10 members, plus the Chair and Deputy Chair.

5.9 At the time of writing, a campaign is underway to recruit a permanent Deputy Chair to take over from Board Member Mark Rolfe who has been serving as interim Deputy Chair since Ruth Hussey's term of appointment as Deputy Chair came to an end on 30 June 2023.

## Boardroom Apprentice

5.10 For the second time the FSA is delighted to be participating in the [Boardroom Apprentice Scheme](#). Boardroom Apprentice is a Board learning, development and placement programme which enables those who would like to serve on a public Board to gain experience before they take that step. It seeks to enable a wider diversity of individuals to play their part on Boards.

5.11 The Apprentice will be sighted on all material circulated to the Board and included in discussions but will only have observer status at Board meetings and committees.

5.12 Board membership at time of writing is shown in the table below:

Board Position	Appointment end date	Appointee Name	Term	Notes on appointment
Chair	30 June 2024	Susan Jebb	First term of 3 years, expires 30 June 2024	-
Member	17 November 2025	Margaret Gilmore	Second term, expires 17 November 2025	-
Member	17 November 2025	Tim Riley	Second term, expires 17 November 2025	-
Interim Deputy Chair	17 November 2025	Mark Rolfe	Second term, expires 17 November 2025	Appointed Interim Deputy Chair on 1 July 2023 to 31 December 2023 or until the new Deputy Chair is recruited whichever is sooner.
Member	31 May 2024	Fiona Gately	First term, expires 31 May 2024	-
Member	31 May 2024	Lord David Blencathra	First term, expires 31 May 2024	-
Member	31 August 2025	Hayley Campbell-Gibbons	First term, expires 31 August 2025	-
Member	31 August 2025	Justin Varney	First term, expires 31 August 2025	-
Member for Northern Ireland	1 September 2025	Anthony Harbinson	First term, expires 31 August 2025	-
Member for Wales	1 September 2023	Rhian Hayward	First term, expires 31 August 2026	-

Deputy Chair	30 June 2023	Ruth Hussey	First term of 3 years as Deputy Chair, expired 30 June 2023.	Served 4 years previously as Board member for Wales.  Served as Interim Chair 1 February – 30 June 2021.
Member for Wales	31 August 2023	Peter Price	First term, expired 31 August 2023.	-

## Board Meetings

5.13 As planned, FSA Board meetings were held in public in Manchester on 22 March 2023, Belfast on 21 June 2023 and Southampton on 20 September 2023.

5.14 The Board has continued to have Keep in Touch calls with the Chief Executive and her team in the months in which there has not been a scheduled Board meeting. These are information sharing opportunities in addition to the weekly email of information circulated to the Board.

5.15 As per the Standing Orders, the dates for the 2024 Board Meeting were agreed by the end of March 2023 and published on [our website](#). They are 20 March 2024, 19 June 2024, 18 September 2024, and 11 December 2024.

## 6. Conclusion And Recommendations

6.1 The Board is asked to:

- **consider** the Annual Review of Board Effectiveness comprising the conclusions to the recommendations from the 2022 External Board Effectiveness Review, **agree** the outcome of the review of the Business Committee and **reaffirm** the Terms of Reference for the Business Committee.
- **consider** updates on an FSA Governance Review and **agree** to adopt the FSA Code of Conduct for Board Members 2023.
- **consider** updates on Board Governance, **agree** revisions to the Audit and Risk Assurance Committee's Terms of Reference and the Standing Orders for the Board and its Committees and **reaffirm** the Terms of Reference for the FSA Board.

## Annex 1: Code of Conduct for members of the Board of the Food Standards Agency 2023

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Revised and agreed at FSA Board Meeting, Wednesday 13 December 2023

## **1. Introduction**

1.1 This Code of Conduct sets out standards of conduct and probity that members of the FSA Board are expected to meet at all times.

1.2 Alongside the provisions set out in this document the provisions of the [Cabinet Office 2019 Code of Conduct for Board Members of Public Bodies](#), which is complementary to this FSA Code, must be observed. Any breach of the Cabinet Office (CO) 2019 Code of Conduct should be viewed as a breach of the Terms of Appointment.

## **2. Responsibilities of Board Members**

2.1 Board Members are responsible for upholding the values and principles of the FSA and for contributing their personal skills, knowledge and experience to the work of the Board. In addition to the CO 2019 Code of Conduct, FSA Board Members must comply with this Code of Conduct at all times.

2.2 Board Members must:

- act in good faith and in the best interests of the FSA.
- ensure that high standards of corporate governance are observed at all times.
- conduct the business of the FSA in accordance with its Code of Practice on Openness [\(footnote\)](#).
- ensure that they understand the functions and role of the FSA and their own responsibilities.
- be accountable to the 'appropriate authorities' (in practice, Health Ministers) for the effective discharge of their duties and responsibilities.
- be aware of and abide by FSA policy on information management, personal data and confidentiality - Board Members must undertake to store and dispose of papers in the securest possible way.
- ensure that the Board operates sound environmental policies and practices within the framework of the [FSA's Environmental Sustainability Strategy](#);
- register and declare any interests in accordance with Section 4 of this Code.
- comply with the restrictions on acceptance of gifts and hospitality as set out at Section 5 of this Code.
- comply with the requirements on confidentiality and disclosure of information as set out in Section 6 of this Code.
- exercise proper discretion when engaging in any political activities (see Cabinet Office 2019 Code of Conduct sections 3.11-3.15); in case of doubt, Board Members should seek advice from the FSA Chief Executive.
- comply with the provisions of equality legislation and value diversity; and treat others with respect.

2.3 Board Members must **not**

- act in a way that brings the FSA into disrepute.
- speak on a public platform or in the media or on social media (see Cabinet Office 2019 Code of Conduct sections 7.1-7.2) and present themselves as an FSA Board Member unless that has been agreed by the Chair or Chief Executive. Where Board Members speak on a public platform in other capacities, they must ensure that there is no reasonable possibility that their comments could be seen to be attributed to, or represent the view of, the FSA.



- use their position improperly for their own advantage or disadvantage or that of any connected person, firm, business or other organisation.
- bully any person including other Board Members, officials or stakeholders.
- be members of any of the FSA scientific advisory committees which advise the Board.

### **3. Attendance at Board Meetings and Standing Committees**

3.1 A Board Member is expected to attend all Board meetings and standing Committees of which they are a member. A Board Member may be removed from office if he/she is absent from more than two consecutive meetings [or more than three meetings in any twelve-month period] unless the absence is due to illness, or some other reason approved by the Chair.

### **4. Interests**

4.1 Where a Board Member has a private financial or non-financial interest which might influence, or be perceived to influence, their judgement, a conflict of interest may arise. It is important for potential conflicts of interest to be properly managed.

4.2 The FSA must ensure that Board Members are supported to make good decisions about the probity of their actions and how those actions might be perceived by others. This Code of Conduct is an important part of that support. The Code reflects best practice and the FSA's ways of working. It sets out the standards of behaviour that are expected of Board Members. Following the advice and requirements in this Code will help avoid misunderstandings about actions or behaviour.

#### **Register of Interests**

4.3 The Food Standards Act 1999 requires the Agency to maintain a register of Board Members' private interests. Board Members must register with the Board Secretariat on appointment the following interests that may affect or be affected by the work of the Agency:

Personal Interests including Consultancies and/or direct employment; Unpaid roles; Fee-paid work; Shareholdings; Clubs and other organisations; Other personal interests.

Non-personal interests including Fellowships; Indirect support; Trusteeships;

Land and property; Other public appointments; Other non-personal interests.

Board Members must inform the Board Secretariat within 28 days of any changes to their registered interests. New interests with the potential for actual or perceived conflict should be discussed with the Board Secretariat in advance of accepting them. Changes to declared interests will be shared with the appropriate appointing authority.

4.4 The known interests of a Board Member's close family members must also be registered. Close family members include a partner (i.e., spouse, civil partner or someone else with whom the Board Member lives in a similar capacity), parents and parents-in-law, children and stepchildren, brothers and sisters of the Board Member and their partner, uncle and aunt, nephew and niece and the partners of any of these people.

4.5 The Board Secretariat is responsible for making the Register of Interests available for public scrutiny and for its publication on the Agency's website.

#### **Declaration of Interests at Board Meetings and Standing Committees**



4.6 Board Members with an interest in a matter on the agenda for a Board or Committee Meeting should notify the Chair (or the Deputy Chair in the case of the Chair having an interest) in advance of the Meeting and declare the nature of the interest at the Meeting before the matter is discussed. The interests to be notified to the Chair and declared at the Meeting include:

- any which must be registered
- any other interest which affects the wellbeing or financial position of the Board Member (or a close family member)
- any other interest which the Board Member considers may affect or be affected by the matter to be discussed.

4.7 After a Board Member has declared the nature of their interest at the Meeting, the Chair (or Deputy Chair in the case of a declaration by the Chair) will decide whether the Board Member should participate in the discussion and decision on an issue. If a Board Member has a direct financial interest in a matter under discussion, the Chair will require that the Board Member leave the meeting. If the Chair considers that an observer who knows the facts might reasonably think that any other declared interest is so significant as to prejudice the Board Member's judgement, the Board Member will be required to leave the meeting. In any other case, the Chair may agree that the Board Member may remain and participate in the meeting.

4.8 All interests declared at a Board or Committee Meeting, including the nature of the interest and the reasons why the Chair decides a Board Member may remain present at the Meeting, shall be recorded in the Minutes of the Meeting.

4.9 In the event of the Chair having an interest that requires them to leave the Meeting, the Deputy Chair will chair the discussion of the relevant item.

## **5. Gifts and Hospitality**

5.1 Board Members should not accept or offer a gift, hospitality or any other benefit as a reward, either for doing or not doing something in their official capacity, or for showing advantage to someone or to an organisation.

5.2 Hospitality is defined as meals or functions such as cocktail parties, receptions, presentations, and invitations to social, cultural and sporting events. It includes overnight accommodation and travel to and from a venue at which the event is held. Hospitality does not include light refreshments, working lunches or meals provided at conferences particularly if the FSA has paid for attending such events.

5.3 Gifts of cash should **always** be refused. Gifts of a trivial nature or minor seasonal items such as calendars or diaries may be accepted.

5.4 Board Members must inform the Board Secretary of all gifts and hospitality that they receive in the course of their official FSA duties where the nominal value exceeds £25 so that the details may be recorded in the Gifts and Hospitality Register. Notification should be made within 28 days of receipt of the gift or hospitality. Gifts and hospitality captured within the Register will be published as open data on a quarterly basis.

## **6. Discussions Outside the Meeting**

6.1 A Board Member may consult external colleagues or advisers on any issue to be discussed by the Board in advance of meetings but should make clear in any discussion that policy decisions can only be made by the Board as a whole in open session. Board Members should not give those advising them the impression that views expressed will carry any more weight than views expressed by others, and members must reach their own view of matters at the Board

meeting having heard all the arguments. Should Board Members wish to discuss specific papers with others prior to wider publication of those papers, they should ensure that those whom they consult are made aware of the status of papers and the information they contain (for example, where research results are preliminary rather than final). Board Members are responsible for the acts of any person whom they consult and should therefore ensure that they are made aware of the draft, sensitive or confidential nature of any information and behave accordingly.

6.2 Board Members should treat papers for Business Meetings and other confidential information that may be circulated as confidential to them and not for discussion outside the FSA. Board Members must take responsibility for the safekeeping of such information.

## **7. Collective Responsibility**

7.1 The Board will take collective responsibility for its decisions. Board Members are therefore expected, if questioned on a matter on which the Board has taken a view, to represent the views of the Board. If Board Members are questioned on a matter that falls within the remit of the FSA but on which the Board has not taken a view, they are free to give their own personal view but should stress that this does not necessarily represent the view of the Board.

## **8. Attendance at Conferences and Industry/Stakeholder Events**

8.1 All invitations to attend or speak at conferences and industry or stakeholder events as an FSA Board Member should be referred to the Chair, who will consult with the FSA's External Stakeholder Engagement Team before advising on whether the invitation should be accepted.

## **9. Failure to Observe the Code of Conduct**

9.1 The following paragraphs of this Code of Conduct apply where any Board Member is the subject of allegations that they have failed to comply with this Code. The nature of such allegations can vary widely, and the procedure for handling them needs to be flexible, to reflect the circumstances. In all cases of allegations concerning the conduct of Board Members the following principles should be followed:

- Board Members of the FSA are not employees and the relationships between a Board Member and the Board and between any Board Member and the FSA are not the same as the relationships between an employee and their employer. Allegations against a Board Member will be dealt with in accordance with this Section of the Code and not through the policies adopted by the FSA for dealing with matters concerning its employees.
- allegations must be dealt with fairly, thoroughly and as quickly as practicable, and in a manner which upholds the reputation of the FSA, and of its Board Members and employees.
- the Chair (or, if the allegations concern the Chair, the Deputy Chair) is responsible on behalf of the Board for determining in any case the detailed process for handling an allegation, including the timescales within which any actions are to be taken and the appointment of any person to conduct any investigation (In the remainder of this Section 9 references to the Chair are references to the Chair or, if the allegations concern the Chair, the Deputy Chair as appropriate).
- in determining how to handle allegations the Chair will normally consult the Chief Executive and will consult with such other Board Members and seek such legal and other advice as seems to the Chair appropriate in the circumstances.

9.2 On becoming aware of any allegations concerning the conduct of a Board Member, the Chair will first consider their seriousness and decide whether they can be dealt with informally by the Chair with the Board Member(s) concerned, or whether further action is required including referral

to the appropriate appointing authority. If allegations are dealt with informally the Chair will advise the person who has made the allegations as to how the matter has been dealt with.

9.3 In the case of serious allegations, where the Chair decides that formal action may be required, the Chair will arrange for the allegations to be investigated by someone independent of the FSA. In such cases the Chair will write to those involved – including the Board Member against whom the allegation has been made and any person who has made the allegation – and explain the nature of the allegations and how they will be dealt with (including the timescales for dealing with them). The Chair may request that the Board Member concerned play no part in the proceedings of the FSA until the allegations have been finally disposed of.

9.4 The result of any investigation into allegations that a Board Member has breached this Code of Conduct will be considered and decided by a panel of three Board Members appointed by the Chair for that purpose. The Board Member against whom the allegations have been made will have an opportunity at a meeting with the panel to put to the panel any matters which that Board Member wishes to be taken into account before deciding what, if any, action is appropriate. The Board Member concerned may be accompanied at that meeting by another person of their choice. Any such meeting also will be attended by an advisor to the panel and a note-taker.

9.5 The panel will determine, taking into account the nature of the allegations, the outcome of any investigation carried out and any representations made by the Board Member, the appropriate action to take. That action may include a recommendation to the Chair on behalf of the Board that the Chair seek the Board Member's removal from the Board of the FSA on the basis that the conduct of the Board Member has been such that the Board Member is unfit to carry out their duties. Where the panel makes such a recommendation the Chair shall first offer the Board Member an opportunity to have the matter referred to a special meeting of the Board members.

9.6 If a Board Member elects to have the question of their suitability to remain a Member of the Board of the FSA reviewed by the Board Members a special meeting for this purpose shall be convened as quickly as practicable. The Board Member concerned shall be entitled to address the meeting and to be accompanied when doing so but shall not otherwise attend or play any part in the meeting. The Board's decision on behalf of the FSA in relation to the allegations shall be final. Where the Board decides that the Board Member is unfit to carry out their duties the Chair shall forthwith write to the relevant ministers requesting that the Board Member be removed from the Board of the FSA. Where the Board reaches any other decision in relation to the allegations that decision shall be communicated in writing to the relevant Board Member by the Chair.

9.7 The Chair will ensure that all involved in the matter, including the Board and the person or persons who made the allegations, are kept informed and notified of the Chair, or Board's decision in relation to the allegations.

## **Annex 2: Audit and Risk Assurance Committee Terms of Reference 2023**

(For agreement by the Board December 2023)

### **Purpose**

The Audit and Risk Assurance Committee (ARAC) is an advisory Committee of the FSA Board with no executive powers. It is responsible for reviewing, in a non-executive capacity, the comprehensiveness and reliability of assurances on governance, risk management and the control environment.

The ARAC will approve the Annual Reports and Accounts (ARAs) on behalf of the FSA Board, with the recommendation that the Accounting Officer sign the accounts on approval. It shall additionally have responsibility for reviewing the integrity of financial statements.

## **Membership**

A minimum of four Members of the FSA Board appointed by the FSA Chair under delegated powers following consultation with the Committee Chair. At least one of those appointed will be a Board Member for Wales or Northern Ireland.

The term of appointment will normally be coterminous with an individual's term of appointment to the FSA Board and will automatically cease if an individual ceases to be a Board Member.

At least one of the Committee members should have recent and relevant financial experience.

All new members will be provided with induction training and the FSA will provide for any additional development which is deemed necessary for the member to fulfil their role on the Committee. The Chair of the ARAC will hold an annual review with each member and any training or development needs will be taken forward with the agreement of the Chair and Accounting Officer.

## **Committee Chair**

Appointed from the membership of the Committee by the Chair of the FSA under delegated powers. The term of appointment will normally be coterminous with an individual's term of appointment to the FSA Board.

## **Co-option**

The Committee may co-opt additional members (whether members of the FSA Board or not) for a period of up to one year to provide specialist skills, knowledge or experience. Co-opted members will have a right to speak, but not vote. Co-opted members will not be included in any calculation of the quorum.

## **Quorum**

Three Non-Executive Board Members.

## **Attendance**

The Chief Executive, as Accounting Officer, the Director of People and Resources, the Deputy Director of Finance and Planning, the Head of Planning and Performance, the Head of Internal Audit, the Head of Delivery Assurance and a representative of the external auditors would normally be invited to attend.

Directors and other officials will be invited to attend as required.

## **Reporting**

The ARAC Chair will provide the Chair of the FSA and the Board with a written update on the key elements of Committee meetings. The ARAC will report formally in writing to the Board, annually, to support the finalisation of the accounts and the Governance Statement and to update the Board on the work of the Committee, internal and external audit and any areas requiring specific attention.

Additionally, the members of the Committee will meet with the Head of Internal Audit and, separately, the External Auditors, annually, in closed meetings when the efficacy of the processes, trust, co-operation and any other issues can be discussed, and future action agreed.

The FSA Chair, the Board or the Accounting Officer may ask the ARAC to convene further meetings to discuss specific issues on which they want the Committee's advice.

## **Responsibilities**

The ARAC will advise the FSA Board and Chief Executive on:

1. The strategic processes for risk management, the high-level control and governance framework and the effectiveness of its operation in practice.
2. The contents of the Governance Statement.
3. The accounting policies, the accounts, and the annual report of the FSA, including the judgements used in producing the accounts, the adequacy of disclosures, the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
4. The effectiveness of the design and operation of financial systems and controls.
5. The planned activity and results of internal, regulatory and external audit and the results of other, external assurance reports.
6. The resourcing and effectiveness of the internal audit function.
7. Provide independent scrutiny of the audit process of the regulatory audit system.
8. The adequacy of the management response to issues identified by audit activity, including external audit management letters.
9. Assurances relating to the corporate governance requirements for the organisation.
10. Proposals for tendering for either internal or external audit services or for the purchase of non-audit services from contractors who provide audit services.
11. Counter-fraud and internal whistle-blowing policies and processes, and arrangements for special investigations; and
12. The Committee's effectiveness having reviewed its own performance, constitution and terms of reference and recommending any changes it considers necessary.

## **Information Requirements**

The ARAC will be provided with, where appropriate:

1. Any changes to the organisation's Corporate Risk Register that are relevant to the responsibilities of the Committee.
2. The risk management strategy.
3. Management assurance reports, and reports on the management of major incidents (which are relevant to governance, risk management and internal control) 'near misses' and lessons learned including those from serious case reviews.
4. A bi-annual overview of external complaints and related data.
5. An annual report of FSA's Senior Civil Servant's declarations of interest.
6. An annual report on and the performance of the FSA's arrangements for counter fraud, bribery and corruption.
7. Information Security annual report and periodic updates.
8. Environmental, climate change and net zero annual update.
9. Progress reports from both the Head of Internal Audit and Head of Delivery Assurance summarising:
  - work performed (and a comparison with work planned)
  - key issues emerging from their respective audit work
  - management action in response to issues identified and agreed
  - changes to their respective audit plans
  - any resourcing issues affecting the delivery of their objectives
10. Progress reports from the External Audit representatives summarising work done and emerging findings.
11. External assurance and compliance reports in relation to the FSA's activities.
12. Internal audit and regulatory audit strategies and annual plans.
13. The Head of Internal Audit's Annual Opinion and Report.
14. An annual report summarising the results of regulatory audits including an overall assessment / opinion on the effectiveness of official controls.
15. Quality Assurance reports on the internal audit and regulatory audit functions.
16. The draft accounts of the organisation.

17. The draft Governance Statement.
18. Any changes to accounting policies.
19. Proposals to tender for audit functions.
20. Summary of findings of every internal audit and regulatory audit report.
21. External Audit's management letter; and
22. A report on cooperation between the FSA auditors and external auditors.

The ARAC will work with the FSA's Executive Management Team to ensure that the Board can be confident that risk management processes, content, mitigating and recovery actions are appropriate and correctly resourced.

#### **Notes**

1. The Chair of the ARAC will have free and confidential access to the Chair and Chief Executive of the FSA whenever appropriate.
2. The Head of Internal Audit and the representatives of External Audit will have free and confidential access to the Chair of the Committee.
3. The Committee may procure specialist ad-hoc advice at the expense of the FSA, subject to the cost being agreed by the Chief Executive as Accounting Officer.

## **Annex 3: Standing Orders for Food Standards Agency Board Meetings**

(For agreement by the Board December 2023)

#### **Preamble**

1. These Standing Orders apply to all Committees exercising powers or functions delegated by the Board (currently the Business and Audit and Risk Assurance Committees). They do not apply to the Scientific Advisory Committees.
2. Unless otherwise stated, any action required by these Standing Orders to be undertaken by the Chair may, in his/her absence, also be undertaken by the Deputy Chair.

#### **Date and Time of Meetings**

3. The FSA Chair (Chair) shall, by the end of March, annually determine the dates, times and places of ordinary Open and Business Committee meetings for the year following, but the Board shall meet at least four times in each calendar year. The Chair may re-arrange the date, time and place of any ordinary Board meeting, convene an additional meeting or cancel any meeting where there are no matters for decision or discussion.
4. The locations for Board meetings shall be set so as to ensure that at least one meeting every year is held in Wales or Northern Ireland.



5. Any Board meeting may be conducted wholly or in part by electronic means including by video conference, an internet video facility or telephone conference.
6. The location of a meeting held by electronic means shall be deemed to take place where the largest group of those Board members participating is assembled or, if there is no group which is larger than any other group, where the Chair of the meeting is located.

## **Agenda**

7. The Board Secretary shall send an agenda for each Board meeting by email and/or by post to every Board member at least ten clear working days before the date of the meeting or, in the event of urgency, at the earliest possible opportunity.
8. Failure to send or deliver an agenda to any Board member shall not invalidate the proceedings.
9. A copy of the agenda for each Board meeting shall be published on the FSA website at least three clear working days before the meeting.

## **Business to be Transacted**

10. The Board Secretary shall maintain a list of future agenda items for the year ahead. This list shall be compiled following discussion with the Chair, other Board members and the Chief Executive. However, the Board Secretary shall additionally consult the Chair and the Chief Executive on the business to be transacted at each meeting prior to the distribution of the agenda.
11. Any Board member may request the Chair to consider including an item on an agenda provided he or she has given at least 15 clear working days' notice before the meeting to the Chair or the Board Secretary.
12. Only the business specified in the agenda for the meeting may be transacted save that business of an urgent nature that is not included in the agenda may also be discussed and determined at any meeting.

## **Chairing of Meetings**

13. Board meetings shall be chaired by the Chair of the FSA or, in his/her absence, the Deputy Chair. In the event that neither the Chair nor Deputy Chair is present, the Board members present may appoint one of their number to chair the meeting. The decision of the meeting Chair on any question of procedure raised at a meeting shall be final.

## **Quorum**

14. The quorum for Board meetings shall be the Chair of the meeting plus five other Board members of whom one must be one of the members for Wales or Northern Ireland.
15. If there is no quorum within 30 minutes of the scheduled start of a Board meeting, or if the meeting becomes inquorate during the proceedings, the meeting shall be adjourned and the business postponed either to: a. a date, time and place fixed by the Chair of the meeting at the adjournment; or b. the next ordinary Board meeting.
16. Where Board members are not able to attend a meeting, they shall send their apologies in advance to the Board Secretariat. A Board member shall not be absent from more than two consecutive meetings without the prior agreement of the Chair.

## **Interests to be Declared at Meetings**

17. A Board member shall notify the Chair (or the Deputy Chair in the case of the Chair having an interest) in advance of the meeting of any interest that they may have in any agenda item and declare the nature of the interest at the meeting before the matter is discussed. In accordance with the provisions of the Code of Conduct, the Chair shall decide whether the Board member may remain present at the meeting for the discussion on that item and any decision thereon.

18. The Board Secretary or such other person present to take the minutes of the meeting shall record the declaration of interest, its nature and whether the individual left the room in the minutes of the meeting.

## **Minutes of Board Meetings**

19. The Board Secretary shall arrange for minutes to be prepared for all Board meetings. The minutes of a meeting shall be confirmed as a correct record at the next following Board meeting. When the next meeting is an additional meeting, the minutes may be confirmed at the next ordinary Board meeting. Once confirmed, the minutes are conclusive evidence of the decisions of the Board.

20. A copy of the minutes of Board meetings shall be published on the FSA website.

## **Decisions and Voting**

21. Decisions of the Board shall be taken by such method as the Chair chooses to ascertain the views of those present at the meeting. Where any matter is voted upon, it shall be decided by a majority of those present.

22. In the event that a vote is tied, the Chair shall have a second or casting vote.

23. Any Board member may request that his or her vote or abstention is recorded in the minutes.

24. The Board Secretary or such other person present to take the minutes of the meeting shall record all Board decisions in the minutes of the meeting.

## **Written Resolutions**

25. A written resolution signed by at least three quarters of appointed Board members shall be as valid as if it had been agreed at a Board meeting. Such a resolution may consist of several documents in the same form each signed by one or more Board members including electronic signatures.

## **Delegation of Powers and Inter-Sessional Work**

26. The Board has authorised the Chair to discharge such powers of the Board as he/she deems necessary in order to deal with the business of the Agency between Board meetings. Where, in the opinion of the Chair, significant operational or other matters require approval by the Board between meetings papers shall be circulated for approval by written resolution. Where, in the opinion of the Chair, full Board consideration is not justified or when circumstances make it impractical or unnecessary to consult the Board collectively, the Chair shall report to the Board at the earliest opportunity on any action that he or she may take.

## **Variation or Suspension of these Standing Orders**

27. The Board shall review these Standing Orders annually, along with the terms of reference for the Board and each of its Committees, to ensure their continued effectiveness.

28. These Standing Orders shall not be varied or suspended unless a majority of those present at the meeting where the matter is considered so agree.

## **Committees of the Board Which Exercise Powers or Functions On Its Behalf**

### **Application to Committees - General**

29. Standing Orders 7, 9, 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 shall apply to Committees with any necessary modifications and subject to the provisions of Standing Orders 31 to 36 below.

### **Date and Time of Meetings**

30. Each Committee shall annually determine the dates, times and places of its ordinary meetings for the year ahead but shall meet at least once each year or on such number of occasions as the Board might specify in terms of reference for each Committee.

31. The Committee Chair may re-arrange the date, time and place of any ordinary meeting, convene an additional meeting or cancel any meeting where there are no matters for decision.

### **Agenda**

32. The Board Secretariat shall send an agenda for each Committee meeting by email and/ or by post to every Committee member at least five clear working days before the date of the meeting or, in the event of urgency, at the earliest possible opportunity.

### **Chairing of Meetings**

33. The Chair of each Committee shall be appointed by the FSA Chair for such term as he/she may determine, but ordinarily to run concurrent with the remainder of a Board member's term of office.

34. Business Committee meetings shall be chaired by the Deputy Chair of the FSA or, in his/her absence, the FSA Chair. In the event that neither the Deputy Chair nor the FSA Chair is not present, the Board members present may appoint one of their number to chair the meeting. The decision of the meeting Chair on any question of procedure raised at a meeting shall be final.

35. Audit and Risk Assurance Committee (ARAC) meetings shall be chaired by the Chair of ARAC as appointed by the FSA Chair. In his/her absence, the Deputy Chair of ARAC will chair the meeting. The decision of the meeting Chair on any question of procedure raised at a meeting shall be final.

### **Membership**

36. Membership of each Committee shall be in accordance with the terms of reference for each Committee.

### **Quorum**

37. Unless otherwise stated the quorum for any Committee meeting shall be a minimum of three or such greater number as the Board may state in the terms of reference for the Committee.

## **Definitions**

**Agenda** – means the reports or papers for the meeting together with the cover sheet listing the items for consideration at a meeting.

**Clear Working Days** – excludes the day on which the agenda is distributed, the day of the meeting, Saturdays, Sundays and Public Holidays.