

# Annual Governance Report

FSA 24/12/10 - Report by Timothy Riley, Deputy Chair of the FSA Board

## Annual Governance Report 2024

Report by Timothy Riley, Deputy Chair of the FSA Board

### 1 Summary

1.1 The Board is asked to:

- **Consider** the recommendations from the Board Effectiveness Review.
- **Consider and agree the:**
  - Audit and Risk Assurance Committee's Terms of Reference
- **Reaffirm the:**
  - Business Committee's Terms of Reference
  - Terms of Reference for the FSA Board and
  - Standing Orders for the Board and its Committees.

### 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. This year, 2024, a light touch review was done to understand where the Board and its Committees were performing well. The review also wanted to identify where opportunities for improvements in internal governance might be available.

### 3 Board Effectiveness Review

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 took place in September 2024 and comprised one to one interviews by telephone with each of the Non-Executive Board Members (NEDs), the Interim CEO and the Director of People and Resources. Each interview took between 30-45 minutes and followed the format of topics set out in Cabinet Office guidance. The full report can be seen at Annex 1.

3.3 The findings of the Review confirm that the Board and its Committees, Audit and Risk Assurance Committee (ARAC) and Business Committee (BC), and the Welsh Food Advisory Committee (WFAC) and the Northern Ireland Food Advisory Committee (NIFAC) provide an effective governance structure and function for the FSA, as judged by feedback from respondents.

3.4 The Board is led well and with clear purpose by the Chair and notwithstanding changes in Board membership, there is a strong and cohesive culture across the Board.

3.5 Recent changes in the Board NED membership, a change in CEO and the uncertainties that follow any change in Government, raise concerns as to the scope and depth of expertise available to the Board. New appointments for NEDs are in train as is the appointment of a new CEO. NED expertise in Public Health, Food Business and Production, and an understanding of Commercial Finance were identified as desirable skills to add.

3.6 The Secretariat provides effective and valued support and manages well the scheduling and oversight of papers to Committees. A shared observation between NEDs and Executive is that scope may exist to rationalise the detail and length of papers between the different Committees. The objective would be to optimize Executive time, reduce burden on the Secretariat and better enable the Board to focus on where challenge and support might be best directed.

3.7 A key finding of the 2022 Review was the restructuring of the Business Committee so that the success or failure of Strategy rollout could be monitored through clear measures and key performance indicators. Respondents viewed the Business Committee to be developing well. It was suggested that papers and decisions of the Business Committee be shared with non-BC member NEDs to engage and input more effectively leading up to Board. This could also assist an across-the-Board clarity on Business Committee function.

3.8 ARAC was universally cited as a case where leadership and improved function on risk assurance had developed well over the previous year. Deep dives and proactive mitigation were seen as a positive support to effective governance oversight.

3.9 WFAC and NIFAC operate well by engaging Wales and Northern Ireland input into the Board. To avoid duplication in Board meetings it was suggested that each Committee item might be abbreviated where a significant input had been offered within earlier Board agenda items.

3.10 Relationships between the Executive and NEDs were identified as strong and supportive from both perspectives with welcome scrutiny and constructive challenge.

3.11 The recommendations from the Review are summarised below:

### **Board**

1. Strategy: Address inertia where there is opportunity for timely and proactive communication of ideas/policy. Get the FSA more on the front foot.
2. Membership: New appointments for NEDs to include skills and expertise in Public Health, Food Business and Production, and an understanding of Commercial Finance.
3. Membership: Look for opportunity to accommodate representative diversity in the new appointments NEDs.
4. Secretariat: Revisit the recommendation from the 2022 Review to rationalise the detail and length of papers between the different Committees. Produce more concise papers in plain language. Add cover sheets which describe prior history, and which Committees and decisions have been engaged earlier. Set out a clear objective for the specific Committee in terms of decision required and leave explanation of complications/hurdles to the main paper.
5. Aim to allow more than one week between ARAC or Business Committee and the Board to allow their recommendations to come to Board in time.
6. Engage Board in feedback on the value and effectiveness of IT solutions and improve where possible.
7. Make KIT calls less formalised without the need for teams of officials to attend.

### **Business Committee**

8. Prior to Business Committee meetings, papers re-shared with non-BC member NEDs to engage and input more effectively leading up to Board meetings.
9. Keep the agenda under review to avoid potential duplication with Board and to maintain the focus on high level operational performance.

### **ARAC**

10. Review case examples of risks that merit being passed forward from ARAC to the wider Board. Specifically, risks that are unmitigated or unresolved and which impede delivery of FSA strategy or operations at a significant level. The purpose being to assure that outstanding risks are being reported to Board and effectively resolved/mitigated.
11. Dedicate Committee time to horizon scanning strategic and operational risks to anticipate and plan to minimize risk and reactive mitigations.

### **Scientific Advisory Committees**

12. Formulate a simple framework to represent to Board how the Science Council and Science Advisory Committees feed into or are commissioned to inform risk evaluation on innovative or unevaluated food technologies.

3.12 **The Board is asked to consider** the recommendations from this year's Board Effectiveness Review.

## **4 FSA Governance**

4.1 As part of our continuous improvements to the clarity and transparency of our governance structures, the FSA Board adopted a new Board Operating Framework in [March 2024](#). This

document draws together all the existing governance documents of the organisation and has been published on the FSA website: [Board Operating Framework | Food Standards Agency](#)

4.2 As part of this update, the Board also agreed new guidance on the usual [delegations from the Board to the Executive](#). Our early informal evaluation suggests that this work has been successful, as senior leaders in the FSA now report greater clarity on the decisions and functions which are delegated to them. Internal Audit plan to evaluate the effectiveness of the FSA's delegations in 25-26.

## 5 Board Governance

5.1 Every year the Board considers the ToR of the Audit and Risk Assurance and Business Committees together with the ToR and SOs for the Board, all of which sit within the Board Operating Framework.

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

5.2 The 2023 ToR for ARAC were most recently reviewed by the Committee, on the Board's behalf, in September 2024 when the following changes were made:

Membership section:

- Inclusion of: The Deputy Chair, Chair of the Business Committee, will attend ARAC to ensure effective communication and co-ordination between the committees.

Attendance section:

Deletion of: Head of Delivery Assurance as a Standing Attendee.

Information Requirements section:

- Inclusion of: A bi-annual overview of current litigation and associated risks.
- Inclusion of: An annual overview of the FSA's assurance map.
- Inclusion of: An annual overview of the Business Appointment Rules.
- Inclusion of: Periodic updates summarising significant Projects and Programmes
- Deletion of: An annual report summarising the results of regulatory audits including an overall assessment / opinion on the effectiveness of official controls.

5.3 If the Board is content with the updated ARAC ToR (Annex 2), they will be adopted as ARAC agreed them in September 2024. ARAC, and then the Board, will review the ARAC ToR again as of September 2025.

### Terms of Reference for the FSA Business Committee

5.4 No changes are proposed to the [Terms of Reference for the FSA Business Committee](#) (Annex 3) and subject to the Board reaffirming them, they shall remain as the Board last affirmed them in December 2023.

## Terms of Reference for the FSA Board

5.5 No changes are proposed to the [Terms of Reference for the FSA Board](#) (Annex 4) and subject to the Board reaffirming them, they shall remain as the Board last affirmed them in December 2023.

## Standing Orders for FSA Board and its Committees

5.6 No changes are proposed to the [Standing Orders for FSA Board and its Committee](#) (Annex 5) and subject to the Board reaffirming them, they shall remain as the Board last affirmed them in December 2023.

5.7 The Board is asked to:

- **Consider and agree the:**

- Audit and Risk Assurance Committee's Terms of Reference (Annex 2).

- **Reaffirm the:**

- Business Committee's Terms of Reference (Annex 3)
- Terms of Reference for the FSA Board (Annex 4) and
- Standing Orders for the Board and its Committees (Annex 5).

## 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 Two Board Members, Justin Varney and Hayley Campbell-Gibbons, stood down from the Board as of 30 September 2024, leaving 6 NEDs plus the Chair and Deputy Chair.

5.10 Professor Susan Jebb's first three-year term of appointment as FSA Chair was initially extended until 31 December 2024. Professor Jebb's second three-year re-appointment as FSA Chair from 1 January 2025 until 31 December 2027 was announced on 5 November 2024.

5.11 At the time of writing, FSA officials are working with the DHSC appointments team to prepare for a recruitment campaign to fill the vacancies on the Board.

## Board Membership

Name	1 <sup>st</sup> Term of Appointment	Duration of 1 <sup>st</sup> Term Contract	2 <sup>nd</sup> Term of Appointment	Duration of 2 <sup>nd</sup> Term of Contract
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Professor Susan Jebb OBE, PhD, FRCP (Hon), FmedSci (Chair)	1 July 2021	3 Years Extended: 01 July 2024 – 31 December 2024	1 January 2025	3 years
Dr Timothy Riley PhD FRASE	18 November 2019	3 Years	18 November 2022	3 Years
Dr Timothy Riley PhD FRASE (Deputy Chair)	1 January 2024	3 Years	-	-
Margaret Gilmore	18 November 2019	3 Years	18 November 2022	3 Years
Mark Rolfe	18 November 2019	3 Years	18 November 2022	3 Years
Fiona Gately	1 June 2021	3 Years	1 June 2024	3 Years
Lord David Blencathra	1 June 2021	3 Years	1 June 2024	3 Years
Dr Rhian Hayward MBE	1 September 2023	3 Years	-	-
Anthony Harbinson	1 September 2022	3 Years	-	-
Hayley Campbell-Gibbons	1 September 2022	3 Years Stepped down from Board as of 30 September 2024		
Justin Varney	1 September 2022	3 Years Stepped down from Board as of 30 September 2024		

## Board Meetings

5.12 As planned, FSA Board meetings were held in public in Leeds on 20 March 2024, Llandudno on 19 June 2024 and Peterborough on 18 September 2024.

5.13 The Board has continued to have Keeping in Touch (KIT) calls with the Chief Executive and her team in the months in which there is not a scheduled Board meeting. These are information sharing opportunities in addition to the weekly email of information circulated to the Board.

5.14 As per the Standing Orders, the dates for the 2025 Board meetings were agreed by the end of March 2024 and published on [our website](#). They are 26 March 2025, 18 June 2025, 17 September 2025, and 10 December 2025.

## 6 Conclusion

6.1 The Board is asked to:

- **Consider** the recommendations of the Board Effectiveness Review.
- **Consider and agree the:**
  - Audit and Risk Assurance Committee's Terms of Reference
- **Reaffirm the:**
  - Business Committee's Terms of Reference
  - Terms of Reference for the FSA Board and
  - Standing Orders for the Board and its Committees.

## ANNEX 1

### Board Effectiveness Review

Report by FSA Deputy Chair Timothy Riley

#### 1 Introduction

1.1 The FSA undertakes an annual Review of Board Effectiveness. In 2022 a detailed and in-depth Review was undertaken by an external contractor, Jo Clift and that review used a range of tools and sources to provide the Board with learnings and recommendations.

1.2 This year 2024, a lighter touch Review was done to understand where the Board and its Committees were performing well. The Review also wanted to identify where opportunities for improvements in internal governance might be available.

1.3 This Review took place in September 2024 and comprised one to one interviews by telephone with each of the Non-Executive Board Members (NEDs), the Interim CEO and the Director of People and Resources. Each interview took between 30-45 minutes and followed the format of topics set out in Cabinet Office guidance.

#### 2 Executive Summary

2.1 The findings of the Review confirm that the Board and its Committees Audit and Risk Assurance Committee (ARAC) and Business Committee (BC), and the Welsh Food Advisory Committee (WFAC) and the Northern Ireland Food Advisory Committee (NIFAC) provide an effective governance structure and function for the FSA, as judged by feedback from respondents.

2.2 The Board is led well and with clear purpose by the Chair and notwithstanding changes in Board membership, there is a strong and cohesive culture across the Board.

2.3 Recent changes in the Board NED Membership, a change in CEO and the uncertainties that follow any change in Government, raise concerns as to the scope and depth of expertise available to the Board. New appointments for NEDs are in train as is the appointment of a new CEO. NED expertise in Public Health, Food Business and Production, and an understanding of Commercial Finance were identified as desirable skills to add.

2.4 The Secretariat provides effective and valued support and manages well the scheduling and oversight of papers to Committees. A shared observation between NEDs and Executive is that scope may exist to rationalise the detail and length of papers between the different Committees. The objective would be to optimize Executive time, reduce burden on the Secretariat and better enable the Board to focus on where challenge and support might be best directed.

2.5 A key finding of the 2022 review was the restructuring of the Business Committee so that the success or failure of strategy rollout could be monitored through clear measures and key performance indicators. Respondents viewed the Business Committee to be developing well. It was suggested that papers and decisions of the Business Committee be shared with non-BC member NEDs to engage and input more effectively leading up to Board. This could also assist an across-the-Board clarity on Business Committee function.

2.6 ARAC was universally cited as a case where leadership and improved function on risk assurance had developed well over the previous year. Deep dives and proactive mitigation were seen as a positive support to effective governance oversight.

2.7 WFAC and NIFAC operate well by engaging Wales and Northern Ireland input into the Board. To avoid duplication in Board meetings it was suggested that each Committee item might be abbreviated where a significant input had been offered within earlier Board agenda items.

2.8 Relationships between the Executive and NEDs were identified as strong and supportive from both perspectives with welcome scrutiny and constructive challenge.

### **3 Background**

#### **Context for the FSA and Board**

3.1 The FSA is a non-Ministerial government department governed by a Board, rather than directly by Ministers. Board arrangements are set out in statute and its function is to ensure the FSA meets its legal obligations to ensure that all decisions or actions consider scientific advice and the interests of consumers.

3.2 The Board is the senior decision-making body for the FSA. It provides strategic leadership to the FSA and takes collective responsibility for the long-term success of the organisation. The Board is comprised of the Chair, the Deputy Chair and currently six other NEDs.

3.3 The Board is mainly appointed by the Secretary of State for Health and Social Care. One member is appointed by the Welsh Health Minister, and one by the Northern Ireland Health Minister. The Chair is appointed by the Health Ministers from England, Wales and Northern Ireland. The Board operates directly with the following two Committees: ARAC) and the Business Committee. The Board also interacts with the Wales and Northern Ireland Food Advisory Committees, the Science Council and the Scientific Committees.

3.4 The FSA Board meeting is held in public and is available to livestream via the FSA website. The Wales and Northern Ireland Food Advisory Committees are also held in public.

3.5 The Terms of Reference for the Board include the following key responsibilities [\(footnote 1\)](#):

- setting strategy, strategic priorities, and strategic outcomes



- identifying and monitoring strategic, reputational, and corporate risk; determining the FSA's risk appetite
- taking major decisions on the regulatory and controls framework
- taking major decisions on policy and key issues of principle

## Membership

3.5 The Board consists of the Chair (Professor Susan Jebb, appointed 2021) and Deputy Chair (Dr Timothy Riley, appointed January 2024), plus no less than six and no more than ten, other Board members. Professor Susan Jebb's first three-year term of appointment as FSA Chair was initially extended until 31 December 2024. Professor Jebb's second three-year re-appointment as FSA Chair until 31 December 2027 was announced on 5 November 2024.

3.6 There are currently six NED members (excluding the Chair and Deputy). Two Members, Dr Justin Varney and Hayley Campbell-Gibbons have stepped down ahead of their full term due to taking up leadership roles elsewhere. Two further Members complete their second term in November 2025: Mark Rolfe, and Margaret Gilmore. An upcoming recruitment campaign will seek replacements and additional Board Members.

## 4 Findings and Recommendations

**Q: How well does the Board and Committees support the Chief Executive (CE) in the discharge of her role as Accounting Officer? (To meet the requirements as set out within managing Public Money).**

4.1 This encompasses, Board, Business Committee and ARAC. All respondents believed that effective support is provided to the CEO directly by Board scrutiny and through the delegated functions of ARAC and Business Committee. Possible improvements to further increase effectiveness were identified in this Review and are detailed in the body of this report.

4.2 This Review found that Board meetings are working well. More detailed comments on Board skillset, relationship building, papers, culture and timings follow in this report.

**Q: Risk management: is the risk appetite clear and understood by the Board; the Board is confident in the identifying and reviewing principal risks, the Board is able to, and does take full account of risk in decision taking**

4.3 All respondents believed there to be a clear and well-established process for agreeing and setting the risk appetite. The Board is well informed of risk and makes informed judgements on mitigating principal risks. All respondents considered that assessment of risk and its mitigation are delegated effectively to and managed well, through ARAC.

4.4 One area identified for possible development is to review a small number of case examples of risks that pass forward from ARAC to the wider Board. These would be risks that have remained at risk of being unmitigated or unresolved and which impede delivery of FSA strategy or operations at a significant level. The review would test that, between ARAC and Board, outstanding risks are being addressed and resolved.

4.5 Board Members did appreciate and understand how the risk analysis process, the risk appetite exercise, the corporate risk register, the strategic risk management process and the risk analysis process relate to each other.

4.6 Respondents valued the ARAC Reports to Board although it was thought helpful if Reports were simplified in plain language. This would assist understanding and engagement on risks and allow the Board to know where it should focus attention.

**Audit and Risk Assurance Committee [\(footnote 2\)](#) (ARAC)**

**Q: Is there a proper discussion by Board of the reports of ARAC and the Business Committee (BC) ensuring all members are aware of the issues discussed and their resolution. The Board is satisfied that ARAC is effectively discharging its responsibilities, and the Board are clear on the role of the Business Committee and how it differs from the Board and ARAC?**

4.7 ARAC was widely cited as showing leadership and being able to be proactive in signalling where mitigations are required.

4.8 All Board respondents commented on their confidence in ARAC and the management of ARAC meetings.

4.9 Respondents identified a significant improvement in working practice in the previous eighteen months with the ability to do deep dives on selected areas of potential and actual risk and to be able to do this in an “in person” workshop format.

4.10 It was observed that a further improvement could be achieved if there was horizon scanning of risks to avoid more reactive mitigation. ARAC might also offer to the Board opportunities to engage more directly with a small number of outstanding risks that impact on strategic direction.

#### Business Committee

4.11 The Business Committee (BC) was observed as having developed well in progressing the delegated Board oversight of operational and financial performance and supporting the CEO and Finance Director functions.

4.12 Business Committee:

- Provides appropriate high-level oversight of financial and operational matters at Board level
- Scrutinises financial and other performance information
- Identifies and monitors operational and delivery risks

4.13 The Business Committee receives the Performance and Resources Report and covers budget, people issues and operational matters. The Deputy Chair of the FSA serves as Chair to the Business Committee, and its membership includes five Board NEDs. The BC Chair also sits on ARAC to provide continuity with Business Committee.

4.14 All respondents understood the BC remit in providing performance oversight (although one or two newer Members who had not been on the Board when BC was an integral part of a “Board Day”), felt the current model still needed development.

4.15 It was observed that papers other than the Performance Dashboard ran the risk of repetition and /or overlap with Board papers. It was seen as important that the Committee’s agenda and Board agenda were complementary. NEDs and the Executive considered close attention was required to avoid overlap with the Board agenda.

4.16 Respondents considered that papers to Business Committee could be set out with a clear explanation of issues and proposed remedial actions if needed, so that BC Members’ input could be used efficiently. This comment did not apply to the Performance Dashboard which was well designed.

4.17 A forward plan of 'focus' topics for performance review might be selected so that Business Committee could engage on performance issues where additional attention and discussion adds value.

## **5 Food Advisory Committees (Wales and Northern Ireland) and the Science Committees**

5.1 A comment from the 2022 externally commissioned Board Effectiveness Review was that the relationship between WFAC/NIFAC and the main Board was one of formal reporting rather than joint exploration. Respondents now considered there was a more proactive relationship between the FSA Board and WFAC/NIFAC.

5.2 In managing WFAC and NIFAC input to the Board it was questioned whether there was occasional overlap between individual inputs to agenda items and the specific FAC reports to Board. It was suggested that where possible this might be minimised to make best use of time.

### **Science Committees**

5.3 The current structure consists of:

- a. the Science Council
- b. the Advisory Council on Novel Foodstuffs and Processes
- c. the Advisory Council on the Microbiological Safety of Food
- d. the Committee on Toxicity
- e. the Advisory Council on Animal Feeding Stuffs
- f. the Advisory Committee on Social Science.

5.4 The Science Council is viewed as a valuable resource in addition to the other scientific advisory committees. However, there were thoughts that it might serve FSA more proactively in relation to horizon scanning and by providing insight on the science behind the large number of new technologies underlying novel food. These comments also applied to the other Scientific Advisory Committees and perhaps were a reflection that the framework in which science knowledge was applied to the FSA agenda, might be better described.

## **6 The Boardroom and Culture**

**Q: The tone set by the Chair and Chief Executive gives clarity on, and leadership to the purpose, direction, and values of the agency. How well does the Board work together as a unit (membership, diversity) and with the Executive Management Team (EMT). Papers and discussions are of quality and timely; the Chair ensures sufficient debate for major decisions or contentious issues- encouraging constructive challenge.**

6.1 All respondents commented that the tone set for the Board is open to challenge, constructive and accepting of new ideas and perspective. Leadership from the Chair is viewed as clear and unafraid of navigating complex and difficult issues. Summaries and recording of Board decisions and required actions were thought of as well articulated and well led. The Chair is well respected and strongly supported by the Board.

6.2 The relationship between the Board and EMT was viewed as positive, complementary, challenging and constructive where needed. A healthy and positive working tension was evident between CEO and Chair, as was cohesive co-operation on delivering the FSA's business. Recruitment is underway for a new CEO, and it was observed that clear leadership

and purpose was desirable in assuring FSA's independent and objective stand as a Non-Ministerial Government Department. A strength on timely operational and strategic delivery was also identified as critical to the role going forward.

6.3 A perception by NEDs was that following Board decisions, implementation could become stalled or diluted. Equally, the Executive balanced the observation with a frustration that legal and legislative constraints might be more effectively communicated and understood by NEDs. To this end, Counsel was increasingly invited to discussions to give this balance of view. Adherence to delivery and timescales on Board decisions should be picked up by Business Committee.

6.4 An observation from the 2022 Review was, "The Board pack should make it easier for Board members to understand why they are seeing a particular paper at this time, the genesis/rationale for the work and where it fits into the strategy/delivery work of the FSA". This notion was repeated by most of the respondents. It was suggested that the cover paper format used by ARAC may be one approach to summarise which Committees have previously engaged on a topic and what specific actions/decisions are being sought. In turn, this approach would inform the Chair's Brief and much of the minuted conclusion.

## **7 Board Secretariat**

7.1 All Board Members spoke well of the Secretariat and their ability to oversee papers to the Board and its sub-committees. It was commented that paper production was "quite an industry" with opportunity cost for the Executive in time spent on long papers and the additional burden of juggling timetables for the Secretariat. The timing between ARACs, Business Committee and Board was thought to be tight and meant it was difficult to meaningfully feed in the outputs of a meeting held only 7-14 days before.

## **8 Other observations**

8.1 The IT and use of SharePoint was felt to be "clunky" and problematic to access. It was recognised that there needed to be firewalls to FSA email and servers although the IT solutions got in the way of efficient working for NEDs.

8.2 The Board still struggled to represent diversity and that this will hopefully be accommodated in the new NED recruitments.

8.3 Recognition that prioritisation is complex when there is Government change but there is a Board appetite to shape change and be more on the front foot with the new Government.

8.4 Private NED/Board time to strategize and reflect is highly valued whether through closed sessions or evening dinner sessions.

8.5 KIT calls are useful but were commented on as quite formal as teams from the Executive are often called in to present. Is there scope to just have one person presenting in a more informal way to give time for discussion? (Again, this maps to the 2022 comment "Board members spoke highly of the 'KIT' calls but felt that they were most useful when not hidebound by an agenda. There was a feeling that it would be useful to hear from the CEO on these calls when there were Whitehall/business developments that it would be useful to share.")

## **9 Summary of Recommendations**

### **Board**

1. Strategy: Address inertia where there is opportunity for timely and proactive communication of ideas/policy. Get the FSA more on the front foot.

2. Membership: New appointments for NEDs to include skills and expertise in Public Health, Food Business and Production, and an understanding of Commercial Finance.
3. Membership: Look for opportunity to accommodate representative diversity in the new appointments NEDs.
4. Secretariat: Revisit the recommendation from the 2022 Review to rationalise the detail and length of papers between the different Committees. Produce more concise papers in plain language. Add cover sheets which describe prior history, and which Committees and decisions have been engaged earlier. Set out a clear objective for the specific Committee in terms of decision required and leave explanation of complications/hurdles to the main paper.
5. Aim to allow more than one week between ARAC or Business Committee and the Board to allow their recommendations to come to Board in time.
6. Engage Board in feedback on the value and effectiveness of IT solutions and improve where possible.
7. Make KIT calls less formalised without the need for teams of officials to attend.

### **Business Committee**

8. Prior to Business Committee meetings, papers re-shared to non-BC member NEDs to engage and input more effectively leading up to Board meetings.
9. Keep the agenda under review to avoid potential duplication with Board and to maintain the focus on high level operational performance.

### **ARAC**

10. Review case examples of risks that merit being passed forward from ARAC to the wider Board. Specifically, risks that are unmitigated or unresolved and which impede delivery of FSA strategy or operations at a significant level. The purpose being to assure that outstanding risks are being reported to Board and effectively resolved/mitigated.
11. Dedicate Committee time to horizon scanning strategic and operational risks to anticipate and plan to minimize risk and reactive mitigations.

### **Science Committees**

12. Formulate a simple framework to represent to Board how the Science Council and Scientific Advisory Committees feed into or are commissioned to inform risk evaluation on innovative or unevaluated food technologies.

## **ANNEX 2**

### **Audit and Risk Assurance Committee Terms of Reference 2024**

**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 Deputy Chair, Chair of the Business Committee, will attend ARAC to ensure effective communication and co-ordination between the committees.

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, 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.

**Meetings:** The ARAC will meet at least four times a year. The Chair of the Committee will convene additional meetings as necessary. The Committee has the right to sit privately without any non-members present for all or part of a meeting.

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. An annual overview of the Business Appointment Rules
8. Information Security annual report and periodic updates
9. Environmental, climate change and net zero annual update
10. Periodic updates summarising significant Projects and Programmes.
11. A bi-annual overview of current litigation and associated risks

12. 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

13. Progress reports from the External Audit representatives summarising work done and emerging findings

14. External assurance and compliance reports in relation to the FSA's activities

15. Internal audit and regulatory audit strategies and annual plans

16. The Head of Internal Audit's Annual Opinion and Report

17. Quality Assurance reports on the internal audit and regulatory audit functions

18. An annual overview of the FSA's assurance map

19. The draft accounts of the organisation

20. The draft Governance Statement

21. Any changes to accounting policies

22. Proposals to tender for audit functions

23. Summary of findings of every internal audit and regulatory audit report

24. External Audit's management letter; and

25. 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

### Terms of Reference for the FSA Business Committee

**Purpose:** The Business Committee ('the Committee') is a body to which the FSA Board has delegated functions as detailed below. It exists to provide appropriate high-level oversight of operational matters, including performance and use of resources (financial and human resources), at Board level and to hold the Executive to account on delivery of its plans and policies.

**Meetings, Reporting, and Transparency:** The Committee will not be held in public, but a report of each meeting will be included on the agenda for each FSA Board meeting and published so that it is clear to interested parties and the public on what basis it has taken its' recommendations to the Board to approve and what evidence it has considered in reaching them. Papers considered by the Business Committee will be published as an annex to the report to the Board unless there are particular reasons, such as those listed below, why specific papers cannot be published.

There are some issues that need to be discussed in private, because they relate to issues that are embargoed, commercial in confidence, are the subject of live negotiations with other countries or administrations or relate to individuals, confidential legal or criminal proceedings. This list is not exhaustive.

**Membership:** A minimum of six 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 the Board Member for Wales or Northern Ireland. The Deputy Chair will continue to attend ARAC to ensure effective communication and co-ordination between the committees.

**Chair:** The Deputy Chair of the FSA Board.

**Quorum:** Three Non-Executive Board Members in addition to the Committee Chair.

**Terms of Reference Review:** The Terms of Reference for the Committee will be reviewed annually by the Board together with the Terms of Reference and Standing Orders for the Board.

**Meetings:** The Committee shall meet at least four times a year. The meetings will be scheduled to ensure that a report and record of each meeting can be submitted to the FSA Board and published at the same time as the public meeting papers.

#### **Responsibilities:**

The Committee will, on behalf of the Board:

1. Scrutinise quarterly performance information, specifically, operational performance, use of resources – people and financial – relating to FSA delivery.
2. Identify and monitor operational and delivery risks, ensuring that ARAC is informed if these risks could become a strategic concern.
3. Approve the annual budget and business plan and maintain oversight of major resources decisions in line with that plan.
4. Consider strategic Human Resource issues such as but not limited to wellbeing, health and safety, industrial relations, staff surveys, and reward.

5. Consider such other matters as may from time to time be delegated to the Committee by the main Board

(Reaffirmed by the Board December 2023)

## ANNEX 4

### Terms of Reference for the FSA Board

**Purpose:** The Board is established by the legislation that established the FSA and constituted in line with the Food Standards Act 1999. It exists to represent the public interest and ensure that the organisation puts consumers first, to set strategy for the FSA, and to take major decisions on policy and key issues of principle, informing advice given to Ministers in Westminster and Wales and Northern Ireland. The Board has overall collective responsibility for the activities of the Food Standards Agency in England, Wales and Northern Ireland, and for ensuring that the FSA discharges its statutory duties to protect public health and consumers' interests in relation to food. The Board also, through the Chair, appoints the Chief Executive and holds her/him accountable, and supports the Chief Executive in the discharge of her/his role as Accounting Officer.

**Devolution:** The interests of Wales and Northern Ireland are taken into account in Board decisions and deliberations through advice from the Food Advisory Committees of these countries. Board papers are normally the subject of FAC consideration prior to their consideration in the Board.

**Delegation:** The Board may delegate to Committees certain functions mainly associated with implementation and corporate governance of the Agency. Committees currently constituted under this power are the Business and Audit and Risk Assurance Committees.

**Transparency:** The Board meets in the open so that it is clear to interested parties and the public on what basis it has taken its decisions and what evidence it has taken into account in reaching them, unless there are particular reasons why something cannot be considered in public. Committees of the Board will also be held in public or will have their minutes published - unless there are particular reasons why specific issues cannot be considered in public.

**Membership:** In line with the 1999 Food Standards Act the Board will consist of a Chair, Deputy Chair and between 6 and 10 other members of whom 1 shall be appointed by the Welsh Government and 1 shall be appointed by the Department of Health for Northern Ireland; the others shall be appointed by the Secretary of State.

**Chair:** The Chair and Deputy Chair of the FSA are appointed by Ministers in England, Wales and Northern Ireland acting jointly.

**Quorum:** Five Board Members, of whom one to be one of the Members from Northern Ireland or Wales plus the Chair of the meeting.

**Attendance:** Members of the Executive shall also be required to attend and participate in Board meetings.

**Reporting:** The Board will approve an annual report of our activities and performance which will be laid before the Westminster Parliament, the Welsh Government and the Northern Ireland Assembly

**Effectiveness:** The Board will undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual members in line with best practice outlined in the Corporate Governance in Central Government Departments: Code of Practice 2017.

**Meetings:** The Board shall meet at least 4 times a year. As part of their meetings the members of the Board will meet three times each year in closed session to discuss issues related to governance, the performance of the Chief Executive, and the functioning of the relationship with the Executive from the perspective of the Board.

**Responsibilities:**

The Board:

- sets strategy, strategic priorities and strategic outcomes
- identifies and monitors strategic, reputational and corporate risk; determines the FSA risk appetite
- takes major decisions on the regulatory and controls framework
- takes major decisions on policy and key issues of principle
- informs advice to Ministers, and on more prominent issues provides advice to Ministers
- has collective responsibility for FSA activities and discharge of our statutory duties
- through the Chair, appoints the CEO and holds him/her accountable; and
- approves the Annual Report

(Reaffirmed by the Board December 2023)

## **ANNEX 5**

### **Standing Orders for FSA Board Meetings**

#### **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

(Agreed by the Board December 2023)

1. [Terms of Reference for the FSA Board and Standing Orders for FSA Board Meetings - Board Operating Framework | Food Standards Agency](#)
2. [Terms of Reference for the FSA Audit and Risk Committee - Board Operating Framework | Food Standards Agency](#)