

**Financial Reporting Council (FRC) Research Project:  
*Understanding citizens' views on the work of the Financial Reporting Council: including audit, corporate governance and reporting***

***Summary***

The FRC has a good and continuously developing record of engaging stakeholders through, for example, round table discussions and consulting widely on changes in regulations and guidance. The stakeholders who engage with the FRC tend to be from the professions the FRC regulates – audit, accountancy and actuarial work – plus their representative bodies, and those who rely on the information they produce – investors, pension fund trustees, company directors etc.

The FRC would like to better understand what is most important to a wider public in the conduct of its mission to promote transparency and integrity in business (for further detail visit the FRC website), and therefore for the development of its strategy. This research involves direct engagement with members of the public who, as investors in shares, on their own account or in ISAs or pensions, or as customers or employees of businesses, do not tend to engage with the necessarily technical consultations on proposed and actual changes to regulations and guidance.

The customer for the work is the FRC.

The FRC expects that research methods such as a citizens' jury, citizens' assembly, focus groups or surveys would be used, singly or in combination and to allow for:

- the provision of information as a pre-cursor to successful discussions and outputs, to engage the general public as opposed to expert practitioners,
- the exploration of any tensions arising between their views in different stakeholder roles – for example as investors, savers, consumers and employees - and with businesses and wider society
- the relative importance of elements of the FRC's work and views on how it achieves its mission.

The FRC would welcome proposals with recommended options and/or alternative approaches as options, with associated benefits and costs. Depending on the approach recommended, the project is expected to take place over a period of months, starting as soon as possible in 2019.

***Background***

The FRC regulates auditors, accountants and actuaries, and sets the UK's Corporate Governance and Stewardship Codes. The FRC's mission is to promote transparency and integrity in business. Our work is aimed at investors and others who rely on company reports, audit and high-quality risk management. Read more on the FRC website.

This work complements the FRC's Stakeholder Survey. The 2017 results are on the FRC website; the 2018 report is currently being finalised.

### ***Research objectives***

The FRC wants to ensure that the concerns and views of a representative sample of the general public are represented in the conduct of its work and development of its strategy, both to reflect the economic and social significance of the listed and large businesses that the FRC works with in the lives of many people in the UK, and to understand any gaps in expectations between what the public perceives to be important and what the FRC delivers and can deliver. The FRC wants to avoid the “group think” which may result from relying on engagement solely with those in “the industry”: investors, auditors, accountants, professional bodies, commentators and business leaders.

The FRC wants to understand the views of the general public in relation to its mission as a whole. Bids should give details of how that could best be achieved. Some examples of the sorts of questions that we have been considering on some specific topics are below. This is intended as an illustration and the bidder should recommend the best methods and costs and how much ground could be covered effectively.

For example, to better understand:

- what citizens value about what businesses deliver for the UK, its citizens and economy, as investors, savers, employees and consumers and to assess their relative importance and surface any tensions between those elements
- what citizens like and don't like about how businesses operate, the duties of directors and who they should be to, and to explore the preferred balance between those
- what citizens think about how businesses should be regulated and how much flexibility there should be
- citizens' expectations regarding what an audit is, does, and what they think it *should* do
- citizens' perceptions of the actions and incentives of those investing on their behalf and, for example, their preferred balance between socially responsible investing and investor returns.

### ***Target participant group***

The FRC would like the research participants to be a randomly selected mixture of people with different genders, ethnic backgrounds, ages, social classes and job roles including retirees. The sample need not necessarily be statistically representative (“democratically balanced”) of the public, but the FRC would like advice and costed options for how a diverse sample and/or representative sample could be achieved.

### ***Suggested approach and analysis***

The FRC recognises that members of the public would need to be given information about the professional function of audit and FRC's wider activities, including on the Corporate Governance Code and Stewardship Code. Also, that they would need time to discuss and interrogate that information before being asked for their views and opinions.

The FRC would welcome proposals which include alternative approaches as options, with associated benefits and costs.

### ***Budget***

The budget for this project, including expenses and any respondent incentives, is up to £90,000 excluding VAT. A detailed breakdown of costs is required.

### ***Form of proposal***

The proposal should not exceed 8 -10 pages (excluding annexes) and contain the following:

- a succinct summary of the proposal
- details of the approach, steps you would take to make sure it was successful, and your rationale for choosing it and/or the costs and benefits associated with any options including how well they would achieve our objectives
- a demonstrable understanding of the research approach
- any external data sources to be used in building the sample or conducting the project, including input required from the FRC
- details of your experience in executing projects using the proposed research methods and any lessons learned
- details of the personnel to be involved including their role in the project and prior experience
- arrangements for managing this work and quality assuring outputs
- a detailed budget, including a breakdown of time and costs per activity and per team member.

### ***Evaluation criteria***

The project proposal will be evaluated against the following criteria:

1. Evidence of understanding the brief
2. Suitability of proposed methodology
3. Experience undertaking similar projects
4. Cost

### ***Closing date for tenders***

5pm, 10 January 2019. Please submit to [h.grimshaw@frc.org.uk](mailto:h.grimshaw@frc.org.uk)