

*In Adrian*

CAD-0227

*I have tidied up this list, for the record.*

*N 7/6*

EVIDENCE SUBMITTED TO THE COMMITTEE PRIOR TO PUBLICATION OF DRAFT REPORT

A) Written

Committees, Professional bodies

1. Institute of Internal Audit: submission making recommendations about audit committees, and the internal audit function.
2. Institutional Fund Managers Association: paper on Voting by Institutional Shareholders, and draft paper on Communication of Business Plans and Insider Dealing.
3. Institute of Chartered Secretaries and Administrators: letter drawing attention to ICSA's Code on Good Boardroom Practice.
4. Chartered Institute of Management Accountants: submission on Reviewing and Reporting Performance, Audit Committees, and Responsibilities of Auditors; conclusions on proposal for a statutory requirement on internal control.
5. Innovation Advisory Board: submission on importance of innovation policy, and relevance to corporate governance issues.
6. FRAG (Financial Reporting and Auditing Group of the ICAEW): four papers on the statutory definition of auditors' responsibilities, giving more power to shareholders in their dealings with auditors, the need for statutory requirements on internal control, and the form and content of annual reporting.
7. Society of Investment Analysts: general submission covering corporate structure and other aspects.
8. Institute of Public Relations, City and Financial Group: paper on enforcing compliance with regulations governing financial communications.
9. London Business School/CIMA: results of pilot study on top management remuneration and reported performance.

10. The Hundred Group of Finance Directors: submission on role and responsibilities of the Board, role and responsibilities of Auditors, and financial reporting.
11. The Institute of Chartered Accountants of Scotland: report on directors' responsibilities for financial statements, internal control systems, and audit committees.
12. CBI: preliminary evidence on a range of issues.

#### Politicians

- 1 Lord Ezra: submission on the duties and responsibilities of Non-Executive directors, and recommending legislation.
- 2 Bow Group Economic Committee: recommendations on various corporate governance issues.
- 3 Austin Mitchell MP: Fabian pamphlet 'Accounting for Change: Proposals for Reform of Audit and Accounting'; 18-page submission signed also by Jim Cousins MP and Prem Sikka (Polytechnic of East London); various papers by Prem Sikka; and letter from Nu-Enterprise Ltd.
4. Lord Holme of Cheltenham: drew attention to 1985 Code of Practice on Company Donations to Political Parties.
5. Society of Conservative Lawyers: pamphlet "Holding Fourth - thoughts and themes for the fourth term", which includes a chapter on corporate government (sic).

#### Companies and individuals

- 1 Coopers & Lybrand Deloitte: submission recommending inter alia that directors should report that they are satisfied that the business will continue as a going concern for at least one year, and that they are satisfied about the adequacy of internal controls.

2. Chief Internal Auditor, BP (Tony Groag): recommendations on audit committees and the role of internal audit. Meeting note also taken.
3. John Shaw (Deputy Governor, Bank of Scotland): letter containing proposals for better disclosure of Board pay.
4. Roy Close (ex BIM): letter on the role of Non-Executives in small and medium sized companies.
5. Ian Hay Davison: address to the ICAS Annual Conference 1991 on the Developing Role of the Non-Executive Director.
6. Sir Campbell Fraser: Macmillan Lecture on Corporate Governance.
7. Chief Executive of Caparo Group (James Leek): papers on the Caparo judgement and recommendations for change. Also meeting note.
8. Martin Lipton (US lawyer): proposal that boards should be elected for a five-year period on basis of a five-year plan.
9. Noel Falconer (small shareholder): correspondence on the role of Non-Executives.
10. Michael Lickiss (ex President, ICAEW): recommendations on the role of non-executive directors, and auditors.
11. Arthur Andersen & Co.: submission on (inter alia) role of the auditor, two-tier boards, form and content of financial reporting, interim financial reporting, going concern, and requirements of adequate internal control. Also summary of views expressed by business leaders at dinners hosted in the Midlands.
12. Simon Jenkins (Editor, The Times): role of non-executive directors
13. Ewan Macpherson (Smith & Williamson Securities): role of non-executive directors.
14. The Joseph Rowntree Charitable Trust: relations between companies and shareholders.

15. National Westminster Bank plc: long submission covering many aspects of the Committee's terms of reference. Also meeting held.
16. Professor Gray, University of Dundee: paper on social and environmental accounting.
17. Mercury Asset Management: paper on the role of institutional investors (to be treated as confidential).
18. Sir David Plastow (Chairman, Vickers): press article recommending compulsory retirement age for directors.
19. Sir David Lees (Chairman and Chief Executive of GKN): letter proposing limits on multiple directorships.
20. Mr. Simon Blunt (small shareholder): service contracts for directors.
21. George Copeman (Chairman, Wider Share Ownership Council): resistance of pensions industry to employee share ownership.
22. Michael Fowle (senior audit partner, KPMG Peat Marwick): presentation on the role of the auditor.
23. Lord Caldecote (formerly of 3i): proposal that auditors should value companies on a liquidation basis; and proposals for strengthening audit committees.
24. Dick Taverne QC: proposal that companies should set up board committees of outside directors, to establish close relations between the major investors and the outside directors.
25. Dr. Maurice Gillibrand: proposal to establish a shareholders' consultative committee.
26. Mr. Edmond Jackson (small shareholder): ways to involve private investors on corporate governance.

27. Professor S. P. L. Kennedy (City University Business School): mutual life assurance societies should be required by law to have a majority of NEDs on the board, at least one of whom should be an actuary.
28. Price Waterhouse: submission on range of issues.
29. Mr. Allen Sykes: proposal on audit trustees; and proposal for a compact between owners and managers.
30. Vanessa Finch (Lecturer in Law, London School of Economics and Political Science): paper "Company Directors: Who cares about Skill and Care?"
31. Mr. Michael Franks (Select Appointments plc): paper on role of NEDs.
32. Lord Vinson of Roddam Dene: proposals on enforcement via Stock Exchange.

#### Consultants

1. Monks Partnership Ltd (remuneration consultants): copy of client briefings on Board pay, recommending better disclosure.
2. Pensions and Investment Research Consultants Ltd: copy of client briefing calling for a Charter for Shareholder Democracy.
3. Sciteb: study (made in cooperation with CBI) on levels of investment in R&D by British industry; and notes of lunches held with senior businessmen on the technological aspects of corporate governance.
4. ITEM Group, plc: papers on 'Why Ethics Matter', and 'Shareholder Communications: the CEO's responsibility'.
5. Top Pay Research Group: survey on Remuneration Committees.
6. Drake Beam Morin Ltd: papers relating to sponsorship of DBM chair in Corporate Governance at Leeds Business School.
7. National Economic Research Associates, (Oxford Agency) - articles about the role of company accounts and auditors.

B) Oral (meeting records available except as noted)

- i) Introductory calls on Professor Tweedie (ASB), Brandon Gough (Coopers & Lybrand Deloitte), and Chris Swinson (BDO Binder Hamlyn)  
- meeting records not for circulation.
- ii) Chief Executive, Coats Viyella (Neville Bain): concerns about creative accounting and company reports, and need for effective audit committees. Also letter.
- iii) Alan Diamond (small shareholder): concerns about directors' pay. Also paper.
- iv) Jon White (lecturer in public relations): need for managers to be trained in managing relations with stakeholders.
- v) Dennis Stevenson (Non-Executive Director of Manpower plc - formerly Blue Arrow): Blue Arrow lessons, and need for Non-Executives to be properly remunerated. Also correspondence.
- vi) Lord Gregson (Chairman of House of Lords Select Committee on Science and Technolgy): dangers of short-termism.
- vii) Marjorie Mowlam MP (Opposition Front Bench spokeswoman on corporate affairs): views of the Labour Party.
- viii) James Joll (Finance Director, Pearson Group): independence of auditors.
- ix) Derek Foster (ex Technical Partner, Arthur Young): independence of auditors.
- x) Donald Main (Finance Director, THF): independence of auditors.
- xi) John Stevenson (ex Technical Partner, Touche Ross): independence of auditors.

- xii) David Fifield: contrast between British approach and longer-term thinking on continent. (Also an article).
- xiii) Sir Christopher Hogg: progress of the Committee
- xiv) Dr. Georges Selim (President, Institute of Internal Audit): importance of the internal audit function, and audit committees.
- xv) Sir Simon Hornby (Chairman, W. H. Smith): corporate governance issues generally.
- xvi) Clive Gilchrist (Chairman, NAPF Investment Committee): role of institutional shareholders.
- xvii) Charles Nunneley (Chairman, Institutional Fund Managers Association): role of institutional shareholders.
- xviii) Touche Ross (Peter Stilling and Martyn Jones): audit issues generally.

C) Other correspondents and contributors (to be acknowledged in the Committee's report)

Mr Hugh Long; Mr Andrew Slim (Careers Advisor, Nottingham Polytechnic); Mr Donald Green FCA; Mrs Elodie Robertson; Mr Tom Farthing; Mr David Howard; Mr Michael Younger; Mr. Ian Michell; Mr. Adrian Davies; Mr. D. G. Huddy; Mr. Terry Arthur;

D) Published documents

The following published documents have been drawn to the Committee's attention:

- a) PRO NED: 'Code of Recommended Practice on Non-Executive Directors' (April 1987); '9th Annual Review' (September 1991); 'Remuneration Committees' (January 1992).
- b) Institutional Shareholders Committee: 'The Role and Duties of Directors - A Statement of Best Practice' (April 1991); 'The Responsibilities of Institutional Shareholders in the UK' (December 1991).
- c) Institute of Directors: 'Guidelines for Directors' (1990).
- d) Institute of Business Ethics: 'Company Philosophies and Codes of Business Ethics' (1988).
- e) Institute of Chartered Accountants in England and Wales: 'The Changing Role of the Non-Executive Director' (May 1991).
- f) Research Committees of the ICAEW and ICAS: 'The Future Shape of Financial Reports' (1991).
- g) Chartered Institute of Management Accountants: 'Corporate Reporting - The Management Interface' (1990).
- h) ICAEW Research Board: research project on Audit Committees (1992).
- i) Financial Reporting Council: The State of Financial Reporting - a review (November 1991).

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