

CAD-02231

AC's notes on points made at
a meeting to discuss Draft Report.

RA. Can implement. Prohibiting ~~Accountancy~~
services improper. Declaration ~~Accountancy~~
apply to all auditors.

Any director shld. be prepared
w/able to raise issues. Audit chce
membership & attendance.

Appointed leader could create
conflict & shld. be removed.

M, B Nominating chce. Fulltd.

Size of Boards - chces, Insurance.

Chmn / cexec. Fulltime / Pttime c/mn.

Report says nothing on this.

Business Connection.

PM. Good News.

Smaller co's.

22. Combined role of Chmn. / Cexec. is basic

Appt. of dirs. — nomination other syst'd
ltd. tenure.

Names of dirs. & members specified.
Instnl. shld. ^{not} resp. for election &
renewal. of dirs.

More resp shld. be placed on auditors.

N.S. No difficulty in complying
Modest connect. no bar to shldg.
Pensions, more. Specific rather than free
Nomination / renewal other ok.

I.P. Concern over smaller cos.

NEE's of such bodies

Rem / us. balance of skills / workshops

~~Costs~~
Audit Chces. will prevent fraud.

System for bringing matters to their
attention when dealing w/ it.

Caparo — 2nd string Fidelity

Auditors

Not too familiar

Fraud. — safeguard of audit ctee.

8/2. Auditors go away lightly.
Should be in posn to assess governance
S. 26 Fraud. — shld. resign. (resign)
Impt. role of audit ctee. — no substitute for
bd. as a whole.

Listed cos smaller

P.D. Why resign. of dirs. → s/hld be

Auditors go off lightly
What about the lawyers?

Pensions governance could be extended

Resign. of exec. dirs.

Directors shld. be allowed to take advice

RA, Chmn/CEO, COO

Positive claim would not work in BP.

Auditors get away too lightly.

Conflicts of interest not an issue
(Leader emerges anyway).

Status of Code

Andrew

a) That's small cats in.

b) Don't imply "inappropriate"

Cannot require CoR to do things

Expect auditors to state posn. bring
out form of governance

— moral pressure

— measure against which CoR ~~actions~~ ^{system}
can be assessed

Provide investors with nec. info. to
make

PM Code OK, but not overkill.

— Not too many obstacles in way of driving bus. ahead.
Support provided not go further.

OG: Clarity but :-

- dir. resp. (bland)
- going concern (standard phrase)

Checks & balances :-

- whitewash of auditors, justifying lack of liability

Drive & efficiency but reports about ability.

6.6.7.7.8.

Structures & roles / behaviors.

Chmn / Cexec - are 2 roles.

4 Chmn. effect, hydra.

Audit Ctee. not worthwhile to me. - dilutes responsibility
leave up to Ctee.

Auditors' liabilities

Remuneration. (not just UK)

Financial reports. Same facts ^{don't} require same
alg treatment.

Comparability, broader brush.