

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/alle to raise issues. Audit ctee  
membership & attendance.

Appointed leader could create  
conflict & shld. be removed.

M, B Nominating ctee. Fulltd.

Size of Boards - ctees, 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. / Exec. is basic

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

Names of dirs. & members specified.  
Instnl. shld. <sup>not</sup> 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 of.

I.P. Concern over smaller cos.

NEEDS of such bodies  
Rem / us. balance of skills / workshops

~~Costs~~  
Audit Chces. will prevent fraud.  
System for bringg matters to their  
attention when dealing w/ it.  
Cajaro — 2nd strip Fidelity

Auditors

Not too familiar

Fraud. — safeguard of audit ctee.

2. Auditors go away lightly.

Should be in posn to assess governance  
(resp)

S. 26 Fraud. — shld. resign.

Imp't. role of audit ctee. — no substitute for  
bd. as a whole.

Listed cos smaller

P.D. Why resp. of dirs. → s/wld be

Auditors go off lightly

What about w's lawyers?

Pensions governance could be extended

Resps 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 comply: inappropriate

Cannot require cat to do things

Expect auditors to state posn. bring  
out form of governance

— moral pressure

— measure against which cat's ~~actions~~ <sup>system</sup>  
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. <sup>are</sup> (blame)

— going concern. (standard phrase)

Checks & balances :-

— whitewash of auditors, justifying lack of liability

Drive & efficiency but reports about accountability.

6.6.7.7.8.

Structures & roles / behaviors.

Chmn / Cexec — are 2 roles.

4 chmn. effees, hydra.

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

Auditors' liabilities

Remuneration. (not just UK)

Financial reports. Same facts <sup>don't</sup> require same  
alg treatment.

Comparability, broader brush.