

Corporate Governance Reporting

Ray Tidbury, AFM conference 2012 – Strategic Reporting, 18 October 2012



Corporate Governance Reporting

Video extract

Corporate Governance Reporting

Some authoritative quotations:

“Good governance aims to ensure that boards make the right decisions for the long-term financial benefit of the company, and thus the shareholders, rather than tying people up in administrative knots”

“Appropriate behaviour is the most important factor in good governance and the company’s success”

“Clear explanations of how the company is run are likely both to demonstrate and encourage good governance”

Anyone disagree?

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Some history

- The UK Governance code
- Equitable Life, the annotated code and the AFM
- The current environment, future development of governance reporting for mutuals

....The Mazars' review of the "ACC" process

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Mazars' review:

- About the ACC process (... not about the code itself)

Covers:

- The AFM's role – data collection and reporting
- Members' part
 - How is the governance review process working?
 - What do members' think of the ACC process?
- Is the process “fit for purpose”?

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Work done:

AFM end

- Review of documentation – the code annotations, guidance, questionnaire, online form and the final report
- Interview – CEO, a member of the code “Steering Group”

Members

- Survey all eligible member mutuals – “short form”
- Indepth interview and review of reports with a selected few, covering range of size, nature

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Questions asked.....

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The tools and the product

Reporting

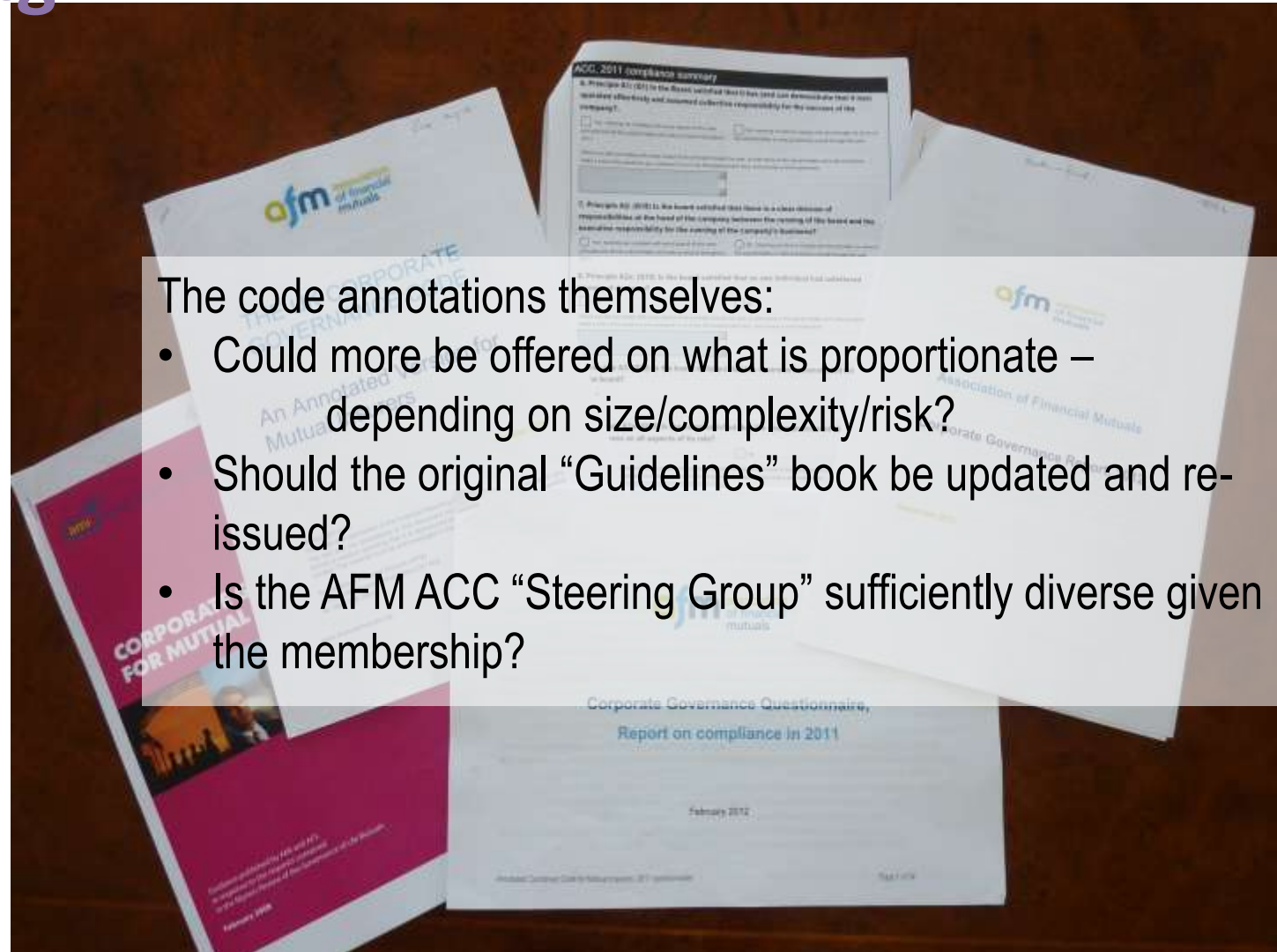


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The annotations themselves Reporting

The code annotations themselves:

- Could more be offered on what is proportionate – depending on size/complexity/risk?
- Should the original “Guidelines” book be updated and re-issued?
- Is the AFM ACC “Steering Group” sufficiently diverse given the membership?

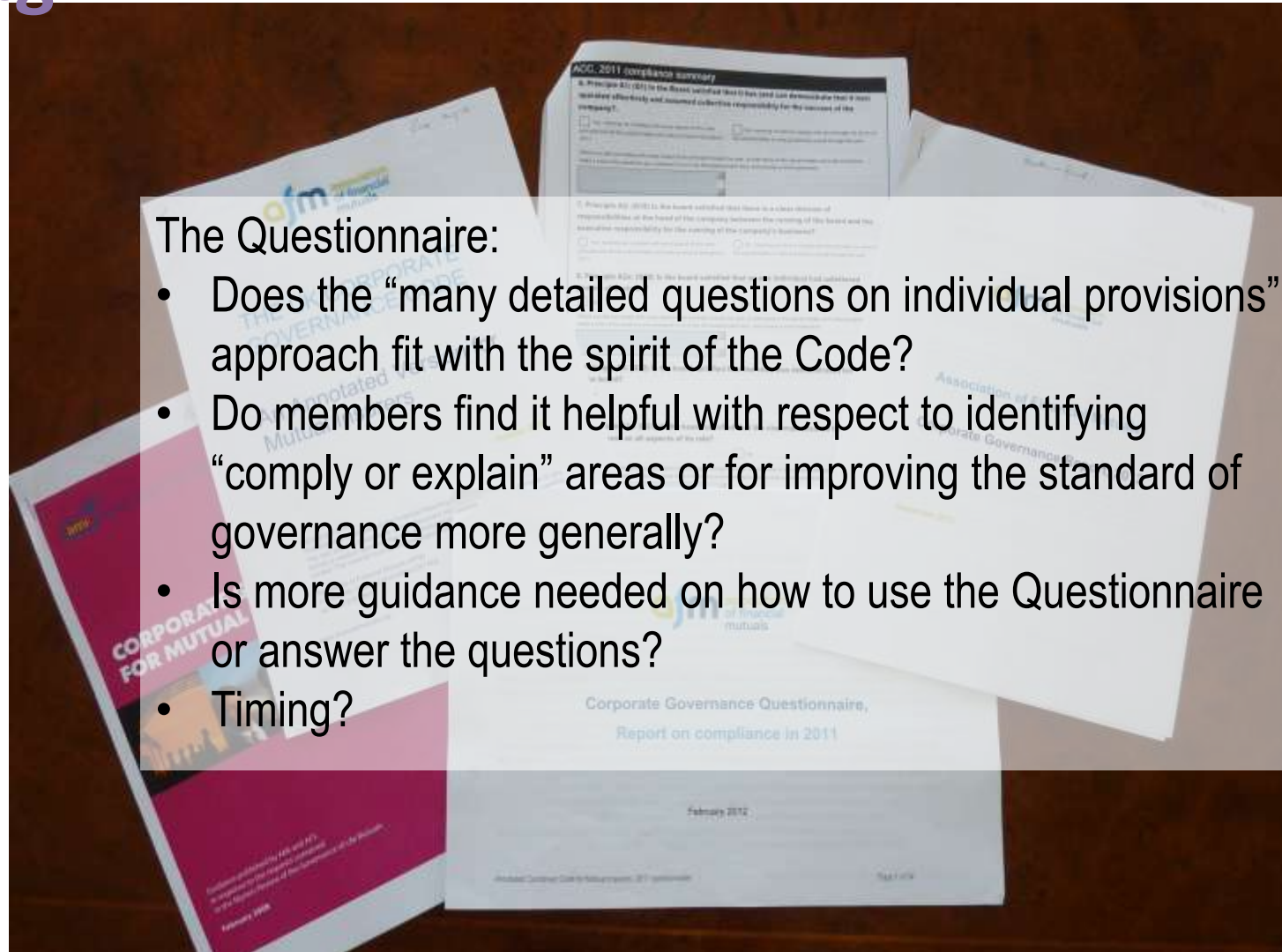


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The Questionnaire Reporting

The Questionnaire:

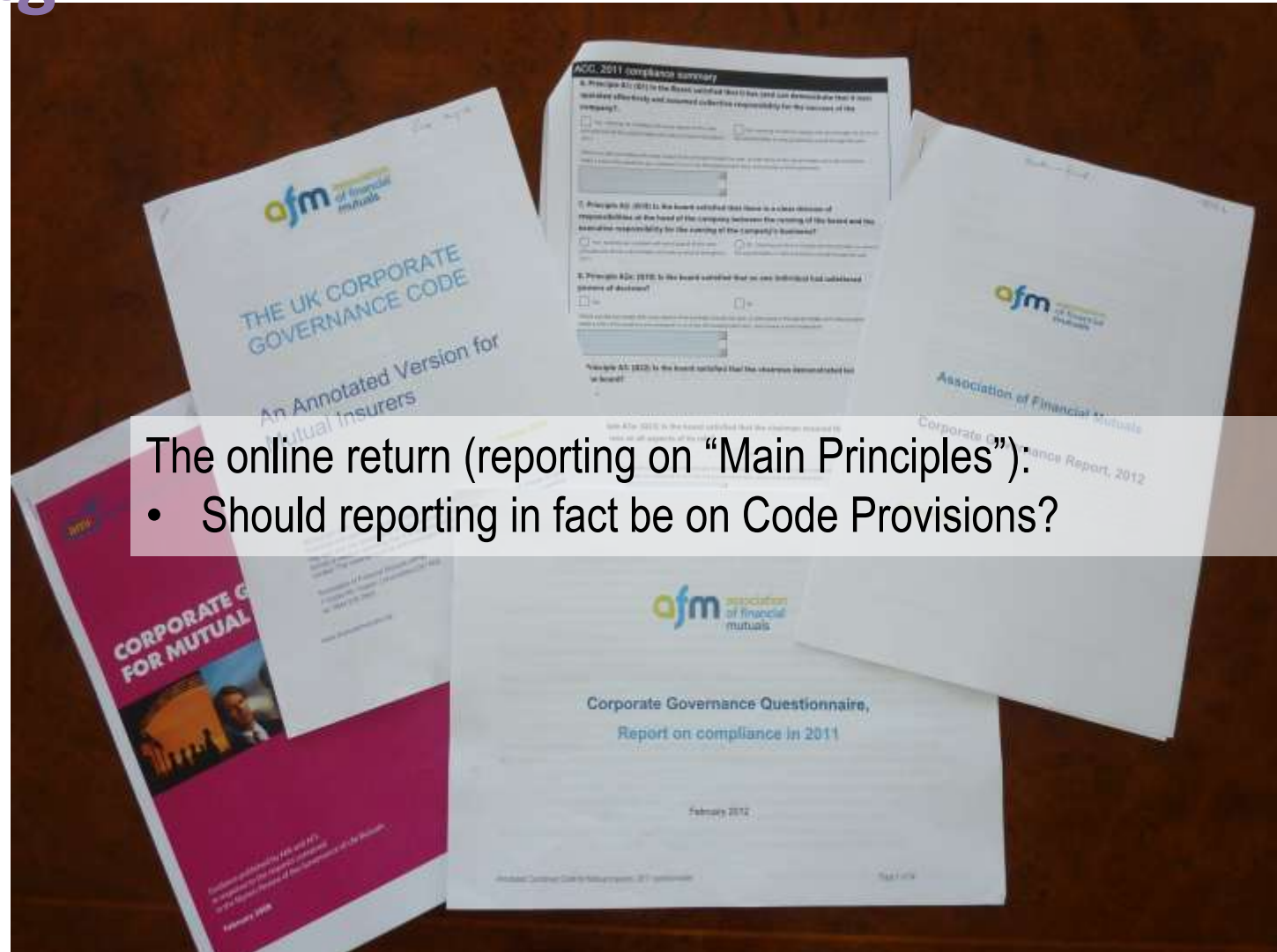
- Does the “many detailed questions on individual provisions” approach fit with the spirit of the Code?
- Do members find it helpful with respect to identifying “comply or explain” areas or for improving the standard of governance more generally?
- Is more guidance needed on how to use the Questionnaire or answer the questions?
- Timing?



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The online return

Reporting



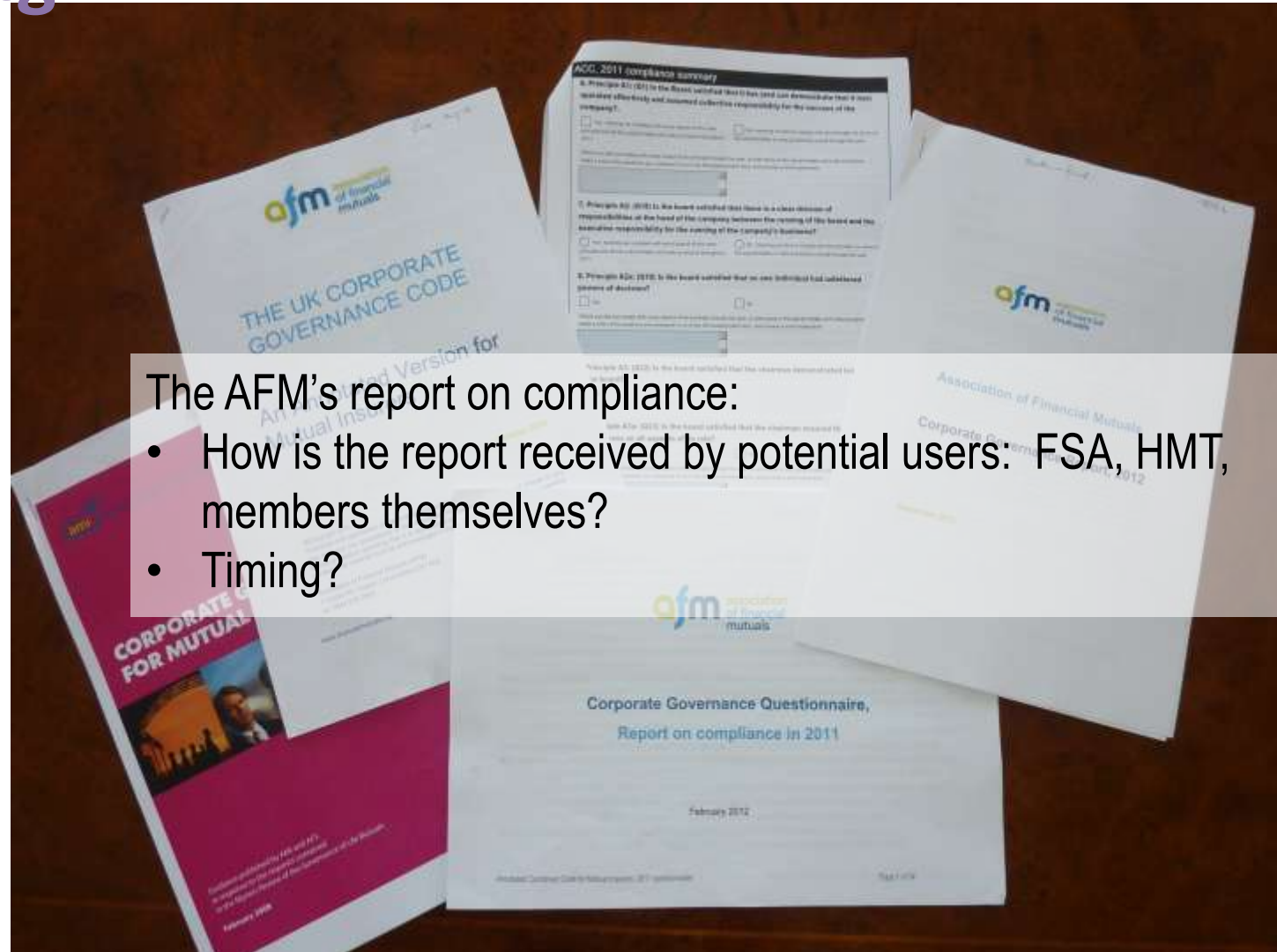
The online return (reporting on “Main Principles”):

- Should reporting in fact be on Code Provisions?

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The AFM's report on compliance

Reporting



The AFM's report on compliance:

- How is the report received by potential users: FSA, HMT, members themselves?
- Timing?

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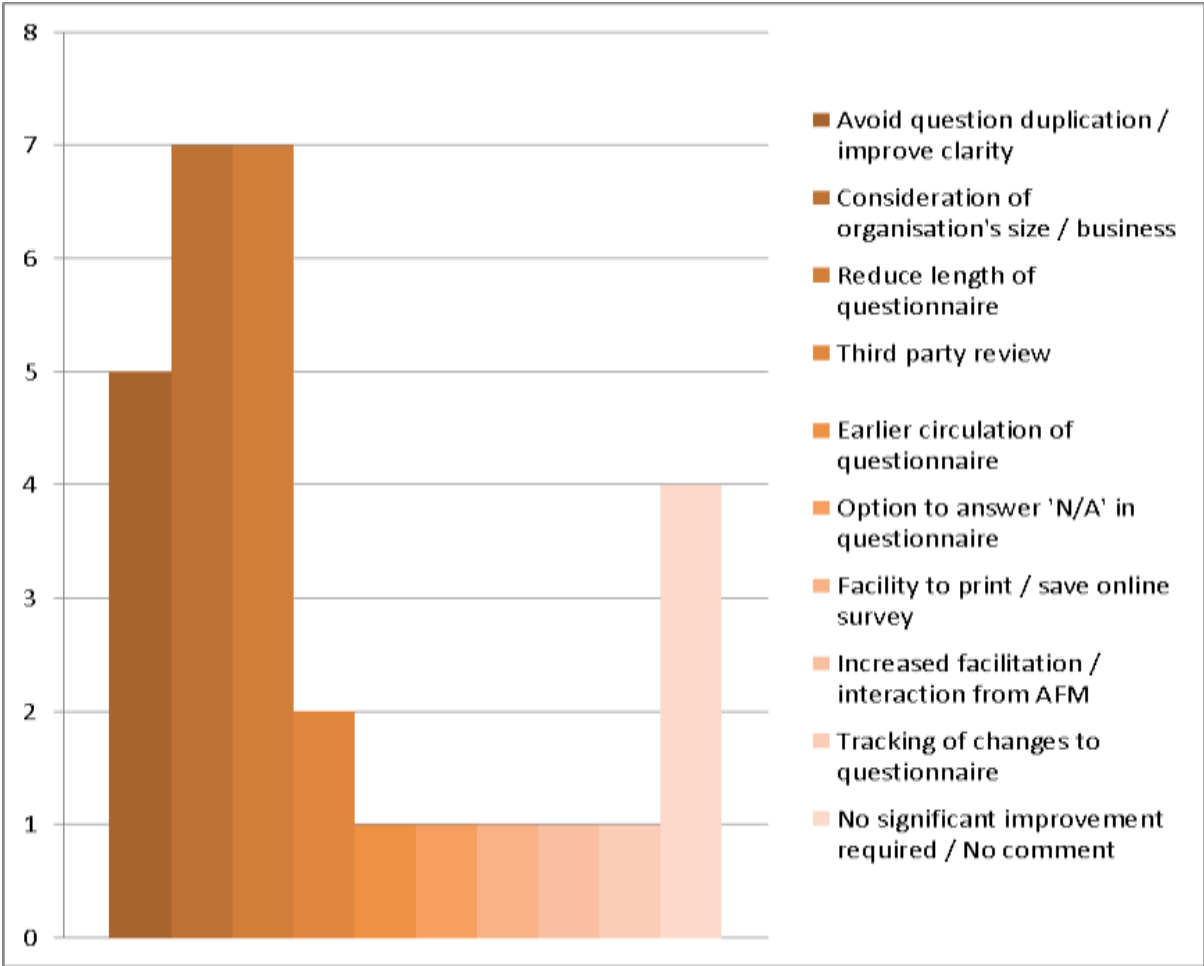
The tools
and
the Product



Corporate Governance Reporting

The Survey

How could the process be improved to make it more useful or relevant to your organisation?



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“Comply or Explain” in practice...

.... What is expected?

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And finally...

Would you like to influence the ACC process?

.... Speak now ...



Should you require any further information, please do not hesitate to contact:

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