

CGI responds to UK Corporate Governance Code consultation document

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The Chartered Governance Institute UK & Ireland (CGIUKI) has welcomed the Financial Reporting Council (FRC)'s consultation on proposed amendments to the UK Corporate Governance Code.

The FRC announced that the consultation focuses largely on internal control, assurance, and resilience and has been developed by the FRC, following significant stakeholder engagement, to address the policy issues asked of it by the government in its response to the consultation: *Restoring Trust in Audit and Corporate Governance*.

In the consultation documents, the FRC took the opportunity to propose a number of other changes to the code to increase its effectiveness.

CGI director of policy and research Peter Swabey said: "Regulation and reporting requirements are often used as a means of driving market change. However, companies and other market participants desire stability so that they can focus on running their business. This is the difficult balancing act the FRC has to manage whilst ensuring the UK Corporate Governance Code continues to act as a firm foundation for companies to act with integrity and report on their activity.

"The UK's corporate governance structure is the envy of many jurisdictions around the world, but we cannot be complacent. There are still those who take the short-sighted view that corporate governance is an obstacle to business. The reality is that effective governance is an essential for every company that wants to be trusted by its investors and shareholders. Good governance helps boards to make good decisions and deliver sustainable businesses. The code is an essential guide for how this can be done and this consultation, along with the proposed changes, represent another important step in its continuous

improvement.

“I was particularly pleased to see that the work of the Chartered Governance Institute has been recognised in proposed amendments to the Code, picking up on our recommendations from the Institute’s [Review of the effectiveness of independent board evaluation in the UK listed sector](#), and that the FRC proposes ‘to incorporate many aspects of the CGI’s guidance in our revised guidance to the code’.”