

Mr Chris Hodge
Corporate Governance Unit
Financial Reporting Council
Fifth Floor
Aldwych House
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London WC2B 4HN

5th March 2010

Consultation on Revised UK Corporate Governance Code

Dear Mr Hodge

Chartered Accountants Ireland ('The Institute') is pleased to respond to the above Consultation.

Overall, we are supportive of the proposed enhancements to the Code which, we believe, if applied appropriately, will enhance governance practices within those entities to which it applies.

From an Irish perspective, we are disappointed that the Financial Reporting Council ('FRC') has taken the decision to change the title of the Code. As you may be aware, the Listing Rules of the Irish Stock Exchange specifically refers to the Combined Code issued by the FRC. In addition, these Rules require companies to state how they have complied with the Code. The recent transposition in Ireland of Directive 2006/46/EC requiring listed companies to provide information on the particular governance code followed will further emphasise the relevance of the Combined Code in Ireland.

Chartered Accountants Ireland contributes to the funding of the various activities of the FRC. Through its participation in the Consultative Committee of Accountancy Bodies ('CCAB'), the Institute contributes directly in excess of £250,000 p.a. to the FRC. Of course, this also recognises the fact that a number of the constituent Boards of the FRC, for example the Auditing Practices Board and the Accounting Standards Board, issue standards that have direct application in Ireland. The precedent of FRC material applying in an Irish context has been long established.

We would ask, therefore, that the FRC consider further the need for a change in the title of the Code.

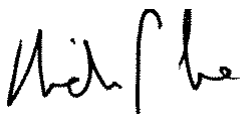
A significant proposed revision is that all directors should be subject to annual election by shareholders. While we appreciate the rationale behind this proposal, it does leave open the possibility, albeit remote, that a company could be left, suddenly, without direction should an entire

board, or significant proportion of it, fail to get re-elected. This measure, along with the proposed re-election of the chairman, could act as a disincentive to high quality candidates in deciding to undertake directorship roles and face the possible reputational risk on failing to be elected.

Chartered Accountants Ireland supports the proposed review of the Turnbull Guidance as proposed in the Consultation. While the scope of such a review is unclear at present, we would suggest that the opportunity be taken to consider its interaction with the specific duties now contained in Irish and UK law¹ for annual reports (including those of groups) to include a description of the risk management/internal control systems specifically relating to the financial reporting process.

We hope you find these comments useful.

Yours faithfully



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¹ Arising from the transposition of Directive 2006/46/EC