

From: andrew auty [andrew@reliabilityoxford.co.uk]

Sent: 29 May 2009 16:19

To: Chris Hodge

Subject: Walker code review and consultation

Dear Chris,

The combined code provides the opportunity for Boards to demonstrate their integrity in a standardised way. It encourages where possible that the reasons for their views are made explicit and why the choices made were thought to be wise.

However, it refers to the audit of risk in rather simplistic terms related to accountancy.

Emerging and retrospective Financial Risks must be properly included in business plans and performance evaluation. It is not enough to measure performance by growth, profit or turnover as would be implied from the apparent focus on official accounts. Shareholders need to know about off balance sheet exposures: their identity, their value, their probability of manifestation and the timescale for manifestation and should expect explicit statements from the Board. The identity of the Board member with responsibility for the oversight of risk exposures should be explicit.

Kind regards

Dr Andrew Auty

Director

Re: Liability (Oxford) Ltd.

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