



### **Walker report takes on board ICSA's recommendations**

26 November 2009: Many of ICSA's recommendations on boardroom behaviours, risk management, the time commitment of non-executive directors and board evaluation are encompassed in Sir David Walker's final report, published today. The report also concludes that an adequately resourced department under the group secretary will provide more dependable support for NEDs than external resources.

Specific ICSA recommendations endorsed in the report include:

- The Combined Code remains fit for purpose, with the onus being placed on the board to 'comply and explain' where necessary
- The need for a 'material change of culture' in the boardroom to provide an environment which encourages disciplined rigorous challenge of the executive, as highlighted in ICSA's report '*Boardroom Behaviours*'
- The necessity for effective monitoring and management of a company's risk appetite
- The time commitment of NEDS should not be over-prescribed as this limits the potential pool of suitable candidates
- The importance of formal and rigorous board evaluation, with external evaluation every second or third year
- The relaxation of the 'nine year rule' for service as a NED

David Wilson, ICSA's Chief Executive comments:

'We're delighted that many of ICSA's recommendations have found their way into the report. There are a number of very practical solutions which are relevant to non-financial institutions. However, we do not support compulsory risk committees for non-BOFIs, nor a separate risk report by their Boards. For most UK companies, reporting on the way in which risk is analysed and identified by a company, on the board's policy on tolerance of risk for the company and its implementation on a day-to-day basis by management, are matters that, in our view, are integral to the disclosure to investors of the company's objectives, business strategy and general corporate governance. As highlighted at the recent ICSA Hermes Awards on Transparency in Governance, risk disclosure is at its most effective when it is marbled throughout the directors' report, rather than being considered in isolation'

Ends

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### **Editors' notes**

ICSA's *Boardroom Behaviour* report can be found [here](#)

The Institute of Chartered Secretaries and Administrators (ICSA) is the qualifying body for company secretaries and a leading authority on corporate governance. It publishes guidance notes and best practice guides and through its subsidiaries provides events, information and training, boardroom performance evaluation and dedicated software. The ICSA has 36,000 members worldwide and is represented in over 70 countries.