



FINANCIAL REPORTING COUNCIL

Holborn Hall, 100 Gray's Inn Road, London WC1X 8AL Telephone 071-404-8818 Fax 071-404-1

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4 June 1992

cc Sir Adrian

Nigel Peace Esq
Secretary
Committee on Financial Aspects
Corporate Governance
P O Box 433
Moorgate Place, EC2P 2BJ

Dear Nigel

COMMENTS ON THE COMMITTEE REPORT

I have had a couple of comments on the Cadbury Committee Report which I will pass on before I forget them:

- (a) is the text of the Code as set out in the appendix to the report, or is that a just brief indication of the subject headings and is the Code really the full text of paragraphs to which reference is made. I suggest we need to make that clear;*
- (b) we are enjoining the Code on the boardroom, and giving the auditors a substantive role, whilst the partnerships of which the auditors are members, are not required to report anything like the information, with outside verification, which they will enjoin on companies.*

These are points which have been made to me by the Chief Executive of a substantial listed company, who is himself an accountant by background, who made the point, 'quis custodiet ipsos custodes' with some asperity.

John [unclear]