

UK Governance Code 'highly influential' in shaping risk management

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The latest version of the UK Corporate Governance Code covering corporate governance and financial reporting for listed companies has been published.

The new edition of the Code, which takes effect from 29 June, follows considerable review and consultation with investors and listed companies, including the Institute of Risk Management (IRM).

"IRM argued in its response to the consultation exercise that explicit requirements should be included in the Code in respect of risk management and we are very pleased to see this reflected in the new Code," says Steve Fowler, Chief Executive of IRM. The IRM expects the Code to be, "highly influential in shaping the approach to governance by organisations not only amongst its target audience of UK listed companies but also on a wider basis."

The introduction of explicit guidance in relation to risk management and internal control systems is no surprise to Methodware's VP of EMEA, Martin Price. *"The importance of integrated risk management and the need for effective software in this area is becoming increasingly realized. Most companies are moving in this direction anyway, simply with a view to improving their business - the regulatory guidance validates this approach."*

Along with increased emphasis on risk management, the Code details a number of new principles related to boardroom selection, leadership, accountability to shareholders, and guidance on performance-related pay. Specific details on application of the Code will come with the revised Turnbull Guidance, which is planned for completion in October 2010.

For more information on the IRM response, click [here](#).

The Code is published by the Financial Reporting Council. For more details, click [here](#).