



New voluntary code for businesses

by Joe Dermody

IRISH business may rebuild international credibility with a combined voluntary code of corporate governance practice for private companies and state bodies.

Developed by the National Standards Authority of Ireland (NSAI) and the Institute of Directors in Ireland (IoD), the Swift 3000 certification will be judged by a pool of independent assessors who cannot audit any company with which they have had ties for 24 months either side of the assessment.

Industry sources suggest that new faces will dominate the pool of assessors in a bid to create a clean break with Ireland's damaged recent past.

The Association of Accredited Certification Bodies (AACB) — which brings together the NSAI, Certification Europe and other certification bodies — is welcoming applications from individuals and organisations to fill these roles.

John Smyth, chairman of the committee that developed the new code, said: "Ireland's corporate reputation has had a lot of bad

publicity. This is one step on the road to regaining our credibility. There isn't anything like this anywhere else in the EU. When it gets momentum, it will have a very positive outcome in the private and state sectors. The first organisations are expected to be assessed by September."

The corporate governance assessment will focus on board composition, board processes, and fulfilment of board responsibilities.

The assessor will look at the separation of chairman and CEO functions. The assessor will interview senior

directors and review company compliance with relevant corporate governance codes. The code will be reviewed every three years.

NSAI chairman and IoD president Ann Riordan said: "The principles are very similar to the government's code of corporate governance practice for state bodies, and it is laid out similarly to the UK's Financial Reporting Council."

Ms Riordan said: "This is a crucial step in re-establishing confidence and rebuilding Ireland's reputation as a country to do business with."