UKSA
UK Shareholders' Association

What do auditors do all day?

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Chairman's Comment

The end of an era this month. As those with e-mail will already know (see page 3), Bill Johnston steps down as editor and Helen Gibbons steps up to add to her already considerable portfolio of responsibilities. An appreciation of Bill by Charles Breese appears on page 3. From my much shorter acquaintance it is easy to echo Charles' comments on Bill's extraordinary insight, always expressed with a winning and self-deprecating humour. He was also a joy to work with.

Until reading Charles' note I had not known about Bill's background in helping build an AIM analysis website in the 2000s. As it happens I relied on it totally when building an AIM portfolio for my mother-in-law, which in due course passed to my wife. I now realise I owe him a lot of money, but hope he will accept a good dinner in lieu if we ever get in the same country together.

Not a good month for UKSA's interests. When Theresa May became Prime Minister her first major speech was on corporate governance – the inefficiencies of the current system, the inequities of executive pay, the resulting economic damage and social division. Action was promised.

A Green Paper followed, full of suggestions for progress. The consultation phase generated enormous response, UKSA and ShareSoc submitted a joint response of several thousand words with a range of ideas, repeating many of those that have been current for at least the 10 years since Lord Myners coined the phrase 'ownerless corporations'. The possibility of real change was in the air. The government's intentions in response to the Green Paper were published in August. 'Cop-out' is the word that springs to mind. The desire to do nothing at all for a while in view of the enormous pressures of pending-Brexit would have been a defensible position; closing the door on obvious possibilities for improvement was not.

Looking on the bright side, the head-in-sand approach to executive pay will make it that much easier to kick into open goals as some of the more egregious long-term incentive plans (not included in the pay figures until they vest) unwind in the next few years. Peter Parry's thoughts are on page 4.

Let us cheer ourselves up with a hint of a more informed future (see the news on Henley Business School on page 3). Good luck!

John Hunter
Chairman