

GROUP PROFILE: CORPORATE GOVERNANCE POLICY GROUP

TERMS OF REFERENCE

GENERAL MISSION

This expert group through its work will:

- contribute to the Accountancy Europe strategic priority on corporate governance (taking into account the EU developments on corporate governance)
- emphasise the role corporate governance plays in risk management and internal controls
- look into the correlations between a good corporate governance system and audit (3 lines of defence)
- take into consideration emerging initiatives on corporate governance by other stakeholders
- increase the relevance of the profession among EU stakeholders, notably by providing the profession's views and suggestions for relevant pieces of EU legislation
- explore the role of corporate governance in green transition
- discuss the profession's own governance and internal organisation

TOPICS

Within the overall Accountancy Europe strategy, this policy group together with Accountancy Europe team will bring forward topics that the group should be working on. As a starting point the group will consider the following topics:

- ESG governance - the evolving role of boards and audit committees
- EC Corporate Sustainability Due Diligence Directive (CS3D) & supply chain due diligence verification
- Board membership, expertise and responsibilities
- Audit committee and other board committees
- Risk management and internal controls
- Directors' duties
- Stakeholders' role and rights, including shareholders
- Embedding ESG in company culture

RELEVANT STAKEHOLDERS

As part of its work, this expert group closely follows the work of and seeks to influence the following stakeholders:

- EU policy makers (European Commission, European Parliament)
- Other EU stakeholders active on the topic, including relevant associations such as ecoDa, ECIIA, Chapter Zero as well as civil society organisations

COLLABORATION

Based on the current strategy, it is expected that this expert group will hold:

- 2 full-day in-person meetings in Brussels per year
- 3 2-hour conference calls per year
- Ad hoc calls depending on the needs of the projects/consultations

RELATIONSHIPS WITH OTHER EXPERT GROUPS [IF APPLICABLE]

This policy group reports directly to the Board.

This policy group will draw upon the expertise of existing Accountancy Europe expert groups, as necessary:

- Sustainability Policy Group
- Sustainability Reporting Standards Working Party
- Corporate Reporting Policy Group
- Audit & Assurance Policy Group
- Anti-Money Laundering Working Group
- Professional Ethics and Competences Working Group

SPECIFIC CRITERIA FOR MEMBERS

This policy group will be looking into a wide range of matters as indicated above. In order for the group to carry out its work, its members must have expertise at least in a few of the following areas:

- expertise in or understanding of the EU regulatory framework on company law and corporate governance
- understanding of risk management, internal controls, governance systems and sustainability challenges
- experience as members of Board, audit committee, other board committees
- understanding the shareholders' role and responsibilities
- understanding of sustainability reporting and assurance
- desirable: understanding and practical experience with environmental and human rights supply chain due diligence and verification