



“BS 13500 is an effective tool. It’s easy to use and offers value to any organization wishing to improve its approach to governance”

Tim George, Deputy Company Secretary, Carillion plc

## BS 13500 could help to mitigate corporate governance risks, with pilot scheme businesses recommending this pioneering new standard

Published in August 2013, corporate governance code of practice BS 13500 is the first national standard of its type. Focusing on key issues such as accountability, control and direction, it’s aimed at businesses of all sizes and sectors.

Although it’s non-prescriptive, it provides a basic framework that can ensure that users have all the elements of good governance in place. It can also help to mitigate the risk of poor governance – the consequences of which can be extremely damaging, of course.

The standard defines governance as “the system by which the whole organization is directed, controlled and accountable to achieve its core purpose over the long term”. Crucially, BS 13500 explains how to evaluate governance systematically.

### Key to success

The standard was developed with expert input from the Commonwealth Business Council, Cabinet Office, Institute of Operational Risk, UK Policy Governance Association, consumer interest groups and others.

Michael Faber, Chairman of the Governance Committee at BSI and Member of the Executive Committee at the Institute of Operational Risk, says: “Governance is key to the long-term success or failure of any organization. The standard can raise the profile, understanding and effectiveness of governance, providing a standard of practice that can be applied consistently by all.”

Despite the availability of numerous codes and guidance, previously there was no harmonized standard for good governance that could be applied to organizations of all types. BS 13500 bridges that gap.

### Test results

East London-based recruitment agency BeecherMadden was selected to test the new standard ahead of its publication. Its Operations Director, Karla Jobling, says: “As a growing business, attracting the best staff is key for us. Anything we can do to demonstrate we’re a great company to work for helps with that.”

Managing Director, Owen Jobling, adds: “We like the idea of benchmarking ourselves against best practice and we’re intrinsically interested in understanding all we can about governance. I can see how BS 13500 could ensure that our risk is always managed and controlled, even as the company grows rapidly and expands

overseas. We can envisage promoting the standard to underline our credibility and enhance our reputation with clients.”

### Delivering value

Another business with experience of testing the new standard is Carillion plc, a leading integrated support services company that has a substantial portfolio of public-private partnership projects and extensive construction capabilities. Carillion already complies with the UK Corporate Governance Code, and its existing provisions measured up very well to BS 13500.

Its Director of Legal Services, Richard Tapp, comments: “Effective corporate governance creates and sustains the leadership and decision-making frameworks that enable an organization to deliver value for all stakeholders. This standard will provide guidance for companies looking to develop their corporate governance structures.”

Tim George, Deputy Company Secretary, Carillion plc, adds: “BS 13500 is an effective tool. It’s easy to use and offers value to any organization wishing to improve its approach to governance.”

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