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2. Business auditing, accounting and reporting (<https://www.gov.uk/topic/business-enterprise/business-auditing-accounting-reporting>)

Policy paper

Restoring trust in audit and corporate governance

This white paper sets out proposals to strengthen the UK's framework for major companies and the way they are audited.

From:

Department for Business, Energy & Industrial Strategy (<https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>)

Published:

18 March 2021

Documents

Restoring trust in audit and corporate governance

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970676/restoring-trust-in-audit-and-corporate-governance-command-paper.pdf)

Ref: ISBN 978-1-5286-2401-5, CCS0221978662 03/21, CP 382 PDF, 1.53MB, 232 pages

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Details

This white paper sets out proposals to strengthen the UK's framework for major companies and the way they are audited. The proposals set out how:

- companies should report on their governance and finances
- reports should be audited
- audit and the audit market should change
- these should be overseen by a new regulator

The objectives of these reforms are to:

- restore public trust in the way that the UK's largest companies are run and scrutinised
- ensure that the UK's most significant corporate entities are governed responsibly
- empower investors, creditors, workers, and other stakeholders by giving them access to reliable and meaningful information on a company's performance
- keep the UK's legal frameworks for major businesses at the forefront of international best practice

The proposals respond to recommendations made by 3 independent reviews commissioned by the government in 2018:

- Sir John Kingman's Independent review of the Financial Reporting Council (<https://www.gov.uk/government/publications/financial-reporting-council-review-2018>)
- the Competition and Market Authority's statutory audit market study (<https://www.gov.uk/government/consultations/statutory-audit-services-initial-consultation-on-the-competition-and-markets-authority-recommendations>)
- Sir Donald Brydon's independent review of the quality and effectiveness of audit (<https://www.gov.uk/government/publications/the-quality-and-effectiveness-of-audit-independent-review>)




Respond to the consultation

Please provide your views on these proposals (<https://www.gov.uk/government/consultations/restoring-trust-in-audit-and-corporate-governance-proposals-on-reforms>): the consultation closes on 8 July 2021 at 11:45pm.

You can respond to the consultation online (<https://beisgovuk.citizenspace.com/business-frameworks/audit-and-corporate-governance-review>).

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-  Check
-  Change
-  Go

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