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Open consultation

# Restoring trust in audit and corporate governance: proposals on reforms

From:

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

Published:

18 March 2021

## Summary

We're seeking views on proposals to strengthen the UK's framework for major companies and the way they are audited.

This consultation closes at  
11:45pm on 8 July 2021

## Consultation description

In this white paper we're seeking views on 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>)

The consultation is open to anyone with an interest in this area, but in particular we would like to hear from:

- users of financial statements
- investors
- shareholders
- business stakeholders including creditors
- firms regulated by the Financial Reporting Council
- large public and private companies and their directors
- other regulatory bodies such as professional associations that represent their members’ interests

We have published a consultation stage impact assessment alongside this consultation. The supplementary publication on review recommendations provides further information on how each recommendation is being addressed.

We have also published the summary of responses to an earlier consultation, Statutory audit services: initial consultation on the Competition and Markets Authority recommendations (<https://www.gov.uk/government/consultations/statutory-audit-services-initial-consultation-on-the-competition-and-markets-authority-recommendations>), which should be read together with this white paper.

See the BEIS consultation privacy policy (<https://www.gov.uk/government/publications/beis-consultations-privacy-notice/privacy-notice-relating-to-consultation-responses-received-by-beis>).

Please do not send responses by post at the moment as we may not be able to access them.

## Documents

**Restoring trust in audit and corporate governance: consultation on the government’s proposals** ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970673/restoring-trust-in-audit-and-corporate-governance-command-paper.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970673/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

Order a copy (<https://www.gov.uk/guidance/how-to-buy-printed-copies-of-official-documents>)

**Impact assessment ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970770/Consultation\\_IA\\_-\\_UK\\_Audit\\_and\\_Corporate\\_Reporting\\_Reform\\_-\\_12\\_Mar\\_21.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970770/Consultation_IA_-_UK_Audit_and_Corporate_Reporting_Reform_-_12_Mar_21.pdf))**

[PDF](#), 2.34MB, 210 pages

**Supplementary publication on review recommendations ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970627/Recommendations\\_-supplementary\\_publication.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970627/Recommendations_-supplementary_publication.pdf))**

[PDF](#), 316KB, 30 pages

## Ways to respond

Respond online (<https://beisgovuk.citizenspace.com/business-frameworks/audit-and-corporate-governance-review>)




or

### Email to:

[audit.consultation@beis.gov.uk](mailto:audit.consultation@beis.gov.uk)

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-  Change
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