

Press release: Government takes next step in improving standards of UK audit market with new independent review into audit standards

- high quality audit work is critical to financial markets and the economy – this review will consider standards being delivered by UK auditors and what more can be done to make them more effective and reputable
- review will look at what the standards and requirements should be for the UK audit profession in the future
- the Brydon Review into UK Audit Standards comes as the CMA publishes its interim findings on competition in the market and Sir John Kingman publishes his proposals for replacing the FRC with a strengthened watchdog

The government will today (Tuesday 18 December) launch a new independent review into standards in the UK audit market, with the outgoing Chairman of the London Stock Exchange tasked with recommending what more can be done to ensure audits meet public, shareholder and investor expectations.

The review will be led by Donald Brydon, chairman of the Sage Group, who has extensive experience within the finance and audit sector and will be supported by an advisory board which he will appoint.

The Brydon Review into UK Audit Standards will build on the findings of two parallel reviews looking into: the independent review by Sir John Kingman of the industry's scrutiny body – the Financial Reporting Council (FRC); and the Competition and Market Authority's (CMA) market study looking at the effectiveness of competition in the audit market, both published today.

The CMA paper identified serious competition concerns in the audit sector, as well as proposing changes to legislation to improve the audit sector for the benefit of companies and investors alike. It is now putting these proposals out for public consultation. Meanwhile Sir John Kingman's independent review has recommended to government that the FRC be replaced with a new independent regulator with clear statutory powers and objectives.

Business Secretary Greg Clark said:

The UK is rightly recognised internationally for our outstanding business environment and responsible business practices, both of which are fundamental reasons why we are one of the best places in the world to work, invest and do business.

I'm delighted that Donald Brydon will be leading this review,

following the important work of Sir John Kingman and the CMA, and his work should help us improve and restore confidence in the quality and rigour of audit companies.

Audit companies need to learn the recent lessons from high profile audit failures and reform to regain public confidence, or they will be forced to do it.

This new review, building on the work of the FRC and CMA reviews, will now consider audits as a product and what the future, standards and requirements should be for audits in the future. To ensure the UK's audit sector remains world leading by constantly looking to upgrade standards, the Brydon Review into UK Audit Standards will consider:

- how far audit can and should evolve to meet the needs of investors and other stakeholders, putting the UK at the forefront;
- how auditors verify information they are signing off;
- how to manage any residual gap between what audit can and should deliver; and
- what are the public's expectations from audit.

The new Review will also test the current model and ask whether it can be made more effective as well as looking at how audit should be developed to better serve the public interest in the future, taking account of changing business models and new technology.

The review is part of the government's modern Industrial Strategy – a long term plan to build a Britain fit for the future through a stronger, fairer economy.

It comes as part of a wider package of corporate governance reforms recently introduced by the government.

A detailed Terms of Reference and project plan will be published in the New Year.

[News story: Gove launches landmark blueprint for resources and waste](#)

Businesses and manufacturers to pay the full cost of recycling or disposing of their packaging waste under government's Resources and Waste Strategy

Press release: Government announces new Code of Practice to tackle sexual harassment at work

A package of 12 announcements has been launched today to tackle sexual harassment at work, including consultations on legal protections and on additional protections for volunteers and interns.

Press release: Government announces new Code of Practice to tackle sexual harassment at work

A package of 12 announcements has been launched today to tackle sexual harassment at work, including consultations on legal protections and on additional protections for volunteers and interns.

Press release: Government announces new Code of Practice to tackle sexual harassment at work

Government will introduce a new Code of Practice so employers better understand their legal responsibilities to protect their staff as part of a package of commitments to tackle sexual harassment at work.

Responding to the Women and Equalities Select Committee report, the Government Equalities Office also promised to carry out awareness raising work with the Advisory, Conciliation and Arbitration Service (Acas), the Equality and Human Rights Commission and employers on how to prevent and address sexual harassment at work; to work with regulators to ensure they are taking action; and commission survey data on the prevalence of sexual harassment at work.

The government will also consult on:

- Non-disclosure agreements
- How to strengthen and clarify the laws in relation to third party harassment
- The evidence base for introducing a new legal duty on employers to prevent sexual harassment in the workplace

ComRes, in their 2017 research for the BBC, claim that 40% of women (and 18% of men) have experienced unwanted sexual behaviour at work at some point.

Minister for Women Victoria Atkins said:

“Sexual harassment at work is illegal, but sadly that disgusting behaviour is something that many women still experience today.

“We are taking action to make sure employers know what they have to do to protect their staff, and people know their rights at work and what action to take if they feel intimidated or humiliated.

“Everyone has the right to feel safe at work.”

Business Minister Kelly Tolhurst said:

“It continues to disappoint me that in this day and age some women still face discrimination and harassment at work.

“One part of this is the minority of cases where non-disclosure agreements are used unethically, and employees may not be aware of their protections and rights. We will be consulting on these.”

Going beyond the recommendations in the WESC report, the government has also promised to consult on whether additional protections are needed for volunteers and interns, (looking at all the protections in the Equality Act 2010, not just those on sexual harassment), and to explore the evidence for extending the time limits to bring any workplace discrimination and harassment case under the Equality Act 2010 to an employment tribunal.

Notes to editors:

The government is developing next steps on this package.

The government will:

- Introduce a new statutory code of practice on sexual harassment, which will be developed by the Equality and Human Rights Commission under its Equality Act 2006 powers
- Run awareness raising work with Advisory Conciliation and Arbitration Service (Acas), Equality and Human Rights Committee (EHRC) and employers
- Commission a survey to gather regular data on the prevalence of sexual harassment
- Consult on non-disclosure agreements
- Consult on the evidence base for a new legal duty on employers to

prevent sexual harassment in the workplace

- Consult on strengthening and clarifying the laws on third party harassment in the workplace
- Consult on whether further legal protections are required for interns and volunteers
- Consult to explore the evidence for extending employment tribunal time limits for Equality Act 2010 cases
- Ensure the public sector takes action to tackle and prevent sexual harassment
- Work with regulators for whom sexual harassment is particularly relevant to ensure they are taking appropriate action
- Consider whether further learnings can be taken from the criminal justice system to use in the employment tribunal system, to ensure vulnerable claimants have appropriate protection
- Check that the list of organisations who can receive 'whistleblowing' information includes the right bodies

The ComRes research can be found [here](#)