

News story: Independent review of the Financial Reporting Council (FRC) launches report

The [Independent Review of the Financial Reporting Council \(FRC\)](#) led by Sir John Kingman has today (Tuesday 18 December 2018) published its report to government. The review recommends that the FRC be replaced with an independent statutory regulator, accountable to Parliament, with a new mandate, new clarity of mission, new leadership and new powers. The new regulator would be called the Audit, Reporting and Governance Authority.

Sir John was asked by Secretary of State, Greg Clark, in April to lead a root-and-branch review of the FRC as part of the government's modern Industrial Strategy commitment to strengthening the UK's world-leading business environment. The report sets out 83 recommendations.

Alongside the review report, Sir John Kingman has published his [letter to the Secretary of State](#) in response to the request put to him to consider whether there is any case for change in the way in which audits are currently procured, and audit fees and scope are set, particularly for major companies of public interest.

The FRC regulates auditors, accountants and actuaries in the UK, sharing this responsibility with the professional membership bodies.

Business Secretary Greg Clark said:

I wish to thank Sir John Kingman for his excellent independent review which proposes extensive and fundamental reform for one of our key regulators in respect of audit, corporate reporting and corporate governance. I requested a root and branch review of the FRC and Sir John has duly delivered.

The UK has a world leading business environment making us one of the most attractive places to invest, start and grow a business but it is right we continuously keep our corporate governance regime under review to maintain that high competitive standard. The government will take forward the recommendations set out in the Review to replace the FRC with a new independent statutory regulator with stronger powers. This body will build on our status as a great place to do business and form an essential part of the government's continued efforts to grow trust and public confidence in business and the regulations that govern them.