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For immediate release

Norman Murray to lead initiative on audit firm governance

The Institute of Chartered Accountants in England and Wales (ICAEW) and the Financial Reporting Council (FRC) have announced that Norman Murray, Chairman of Cairn Energy PLC, has been appointed to chair the working group that will develop a code of best practice governance for accountancy firms that audit public interest entities.

The formation of the working group is a result of Recommendation 14 of the October 2007 final report of the Market Participants Group which advised the FRC on its Choice in the UK Audit Market project.

Commenting on his appointment Norman Murray said “The development of the code of best practice governance is an important initiative and, to succeed, we will consult widely as the project progresses. The immediate task is the formation of the Audit Firm Governance working group, the composition of which will include individuals from accounting firms, investors and listed companies.”

Commenting on Norman Murray's appointment Sir Christopher Hogg, Chairman of the FRC said: “I and my colleagues are delighted that Norman has agreed to lead this important project as Chair of the independent working group. His wide professional, commercial and governance experience in the UK and overseas will be of great value in ensuring that the results of the group's work will be both practical and effective.”

Michael Izza, Chief Executive of the ICAEW added “As part of our wider public interest remit, the ICAEW is delighted to be engaged with the FRC in this significant endeavour and look forward to supporting the independent working group under Norman Murray's leadership. We regard it as an important part of the FRC's overall project on Choice in the UK Audit Market. It is through initiatives such as this that together we can help to ensure that the UK audit profession remains world leading.”

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Notes to editors:

About the ICAEW

1. As a world-leading professional accountancy body, the Institute of Chartered Accountants in England and Wales (ICAEW) provides leadership and practical support to over 130,000 members in more than 140 countries, working with Government, regulators and industry in order to ensure the highest standards are maintained.

Our members provide financial knowledge and guidance based on the highest technical and ethical standards. They are trained to challenge people and organisations to think and act differently, to provide clarity and rigour, and so help create and sustain prosperity. The ICAEW ensures these skills are constantly developed, recognised and valued.

Because of us, people can do business with confidence.

2. The ICAEW is a founding member of the Global Accounting Alliance with over 700,000 members worldwide.

About the FRC

1. The Financial Reporting Council (FRC) is the UK's independent regulator responsible for promoting confidence in corporate reporting and governance.
2. The FRC's functions are exercised principally by its operating bodies (the Accounting Standards Board, the Auditing Practices Board, the Board for Actuarial Standards, the Financial Reporting Review Panel, the Professional Oversight Board and the Accountancy & Actuarial Discipline Board) and by the Committee on Corporate Governance.

About Norman Murray

Norman Murray (59) is Chairman of Cairn Energy PLC, a FTSE 100 company, and a non-executive director of Greene King PLC and Robert Wiseman Dairies plc.

Mr Murray is immediate past President of the Institute of Chartered Accountants of Scotland and a member of the working group that wrote *Making Corporate Reports Valuable*. He is also a past Chairman of the British Venture Capital Association and was recently appointed an Honorary Professor at Heriot-Watt University.

Mr Murray has spent many years in the City holding senior roles with Royal Bank of Scotland, Charterhouse, Morgan Grenfell and Deutsche Bank before moving to his roles in the listed company sector. Before working in the City, Norman spent his early career in the accountancy profession in Edinburgh and Hong Kong.

Recommendation 14 of the report from the Market Participants Group

Recommendation 14 of the Market Participants Group report states that "Every firm that audits public interest entities should comply with the provisions of a Combined Code-style best practice corporate governance guide or give a considered explanation."

FRC Observer and support to the working group

The FRC will have an observer on the working group and the project management will be undertaken by the ICAEW staff under the direction of Robert Hodgkinson, Executive Director, Technical.