Acting in the public interest to increase market confidence

During these challenging times for the UK economy it is even more important that investors and other stakeholders have confidence in the UK as a great place to do business, and the information companies are providing to support economic recovery.

What we do

The Financial Reporting Council (FRC) regulates auditors, accountants and actuaries in the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them.

And we monitor and take enforcement action where things do go wrong to ensure the proper operation of the market and confidence in the UK economy and the UK’s international reputation as a great place to do business.

We are committed to

Supporting the creation of a new regulator, the Audit, Reporting and Governance Authority (ARGA), which will be a strong and fit for-purpose regulator and provide increased confidence in the UK market.

Protecting and improving audit and reporting quality.

Making company reporting fit for the future.

Supporting the creation of the audit of the future.

Ensuring that the world-leading UK Corporate Governance and Stewardship Codes make the UK a great place to do business, helping support Covid-19 recovery and UK prosperity.

How we’re structured

<table>
<thead>
<tr>
<th>Regulatory Standards</th>
<th>Supervision</th>
<th>Enforcement</th>
<th>Corporate Services</th>
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<tr>
<td>• Lead the development of public and technical policy, informed by influential investor and stakeholder engagement.</td>
<td>• Deliver our statutory responsibilities for corporate reporting review and as the competent authority in respect of statutory auditors and the audit market.</td>
<td>• Drive the application of high standards in corporate reporting, auditing and actuarial work through proportionate and risk-focused enforcement action where it is in the public interest.</td>
<td>• Support the regulatory Divisions by providing a robust and resilient framework for the delivery of FRC’s wider objectives.</td>
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<tr>
<td>• Set codes, standards and guidance that support high quality corporate reporting, corporate governance and stewardship, audit and actuarial work.</td>
<td>• Monitor the application of corporate reporting and audit standards and hold to account those that fail to meet these standards.</td>
<td>• Promote improvements and innovation in these areas by communicating clear and impactful messages through enforcement cases and publications, and through the setting and monitoring of effective non-financial sanctions.</td>
<td>• Support the FRC’s transformation to a modern, forward-looking regulator as a trusted partner and adviser to the business and through our partnership with BEIS.</td>
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<tr>
<td>• Drive innovation in the public interest for our stakeholders.</td>
<td>• Promote improvements and innovation in corporate reporting and auditing work.</td>
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<td>• Influence international standard-setting and collaborate with other regulators.</td>
<td>• Promote a more resilient audit market.</td>
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Supporting the creation of a new regulator, the Audit, Reporting and Governance Authority (ARGA), which will be a strong and fit for-purpose regulator and provide increased confidence in the UK market.

Ensuring that the world-leading UK Corporate Governance and Stewardship Codes make the UK a great place to do business, helping support Covid-19 recovery and UK prosperity.

Protecting and improving audit and reporting quality.

Making company reporting fit for the future.
A strong regulator is central to creating trust in the quality of corporate governance, corporate reporting, and audit, and actuarial work, and ensuring confidence from investors.

However, there is more to do to build on the UK’s world-class financial reporting system and to ensure the market has a strong, effective regulator that best protects the interests of investors and the wider public. This is why the FRC is also delivering on a programme of reform of audit and wider corporate governance, which will lead to the creation of the new Audit, Reporting and Governance Authority, ARGA. This requires legislative change and will be brought forward when Parliamentary time allows, and we continue to work actively with colleagues from BEIS to support the timely delivery of reform.

Why this matters – protecting the public interest

Building trust brings better outcomes for all stakeholders

Strong independent regulator underpinning the system
Rigorous audit
Engaged investors
Acting in the public interest
Better governance
Better reporting
Rigorous audit

Market confidence
Acting in the public interest
Better outcomes
for all stakeholders
Better outcomes

How we are set up

The FRC is a transparent organisation that consults openly and reports to Parliament.

Our operational costs for 2021/22 were £45.5m.

£22.8m Accountancy Bodies
£18.3m Preparers
£2.8m Actuarial Funding Groups
£2.9m Other

Find out more

To find out more about the FRC, see our 2020/21 strategy here and this year’s Annual Report here.

To read our response to the BEIS Select Committee enquiry of the Future of Audit, please see here.

Please see www.frc.org.uk or contact us at enquiries@frc.org.uk for further information or to set up a meeting with our specialists.