

Accountancy Newsletter - July 2020

Published 15 July 2020



The FRC exercises Foresight - KPMG Decision Notice shows a radical development in FRC enforcement

The FRC has recently sanctioned KPMG in respect of the latter's audit of an investment company, Foresight. The approach to sanctions is a departure from previous decisions.

[READ MORE](#)



Pre-action disclosure and Carillion: in what circumstances will an auditor be required to provide pre-action disclosure?

Carillion Plc v KPMG LLP & Anor [2020] EWHC 1416 provides helpful guidance on the Commercial Court's approach to pre-action disclosure in the context of anticipated proceedings against auditors and other professionals.

[READ MORE](#)



A v B, FRC: the next chapter on disclosure of an audited entity's privileged documents to the FRC

This judgment provides welcome clarification on the legal procedure to follow when the FRC seeks disclosure of documents in the hands of its auditor, which the audit client claims are privileged.

[READ MORE](#)



Accountants were held not liable to a shareholder in connection with the demerger of a family business.

[READ MORE](#)

Accountants: no duty of care or fiduciary duty owed where professional had not assumed duty and was clearly acting for other party



FRC announces Principles for Operational Separation of audit practices

On 6 July 2020 the Financial reporting Council (FRC) announced the road map for the Big 4 Accountancy firms to achieve operational separation for their audit practices by 30 June 2024.

[READ MORE](#)



The Corporate Insolvency and Governance Act is now in force with measures to assist struggling businesses

The Corporate Insolvency and Governance Act 2020 came into force on 26 June bringing in measures to alleviate the burden on businesses during the Covid-19 pandemic and allow directors to focus their efforts on continuing to operate.

[READ MORE](#)



Duty of care owed to overseas whistleblower

Rihan v Ernst & Young Global Limited and others

In this interesting case, a UK parent company was held to owe a duty of care to provide a safe professional working environment to an employee of its overseas member firm.

[READ MORE](#)

Authors



Richard Highley

London - Walbrook
+44 (0)20 7894 6470
rhighley@dacbeachcroft.com



Rebecca Smith

Bristol
+44 (0)117 918 2597
rcsmith@dacbeachcroft.com



Kevin Hawthorn

Bristol

+44 (0)117 918 2221

khawthorn@dacbeachcroft.com

DCB
DAC BEACHCROFT