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Published: January 15, 2026, 1:29 pm

FT.com / Lex / Financial services & property - Accounting firms.

The accountancy firms are on a charm offensive. PWC spread considerable misinformation on country-by-country reporting in the Sunday Times. Now the FT says:

Accountants are enjoying a placid recession.

It adds:

Arguably, though, the most important asset accountants have maintained in this recession is their reputation.

In some ways it is surprising that the downturn has not notched up a big accounting scandal. The reasons are two-fold. First, firms and their auditors have become more conservative since the Enron and WorldCom accounting debacles. Second, Sarbanes-Oxley in the US and harmonised reporting standards elsewhere have forced greater disclosure requirements. With this has come more work for accounting firms. Indeed, strong recruiting has continued through the downturn.

No mention of Satyam for PWC.

No mention of the fact that PWC failed to notice Northern Rock was bust. Indeed, much of British and worldwide banking was bust.

It was auditor's jobs to do that. They failed.

The model of Big 4 accounting has failed. We have not swept it aside. It's another reason why another crash will happen sooner rather than later.