

The Financial Reporting Council has said we need better...

Published: January 13, 2026, 12:07 pm

I was intrigued by a [press release from the Financial Reporting Council](#), issued today. In it they said:

Early warning systems need to be enhanced to drive improvements in audit quality

Tools for flagging signs of poor quality audits should be used more effectively so timely corrective action can be taken, according to a [major review](#) of their use by the Financial Reporting Council (FRC).

The FRC's study looked at the most useful indicators of both poor and good audit quality within the UK. If used properly, Audit Quality Indicators (AQIs) are a vital tool in helping audit firms detect audits at risk of not meeting necessary standards and for Audit Committees to hold audit firms accountable.

The FRC is encouraged that these indicators are being rolled out by audit firms to highlight audits in need of remedy and to promote good practice so that this can be replicated.

However, the FRC found that most monitoring of AQIs across the largest audit firms takes place after audits are completed, rather than prior to or during the process.

Let me offer them a suggestion.

They should start with ones including the letters K, P, M and G.

And then ones including E and Y.

After which ones with P, W and C might be of interest.

The word Deloitte might also be a red flag.

After that nothing else is nearly so significant.

Just staying....hope it's of assistance.