

Audit reform is coming

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The [FT has reported](#) this morning that:

Directors will be held personally responsible for the accuracy of their company's financial statements - with fines and bans for major failures - as part of far-reaching proposals to overhaul UK corporate governance and audit oversight.

Kwasi Kwarteng, the new business secretary, will publish long-delayed reforms in a white paper as early as next week.

I am now working part time on audit reform, and will be over the next year as a result of a grant from Luminate. The work is linked in my case to that being done by colleagues at Sheffield University. We were expecting this announcement.

Quite clearly what is being trailed is not enough to transform audit failure. It's very strange that the government think it might when it is already possible for the directors of a company to have personal liability for the debts of a company if it fails, which is the only occasion when this new measure is likely to have much impact.

Rumour has it that there are at least 100 recommendations in the forthcoming consultation document. I hope many are better than this one, which seems more token gesture than something of substance.

What is certain is that there will be much to work on. And I will be talking about it here given that it is likely to dominate my work over the next few months.