

If the government thinks accounting should be about the...

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I was, for almost a decade from about 2001, a contributing editor of AccountingWEB, which is a website focussed on addressing the professional needs of professional accountants outside the very largest firms. I am therefore pleased to be back on its today with an article on the future of audit, on which issue the government is consulting and on what I am doing a lot of work right now. [The article is headed:](#)

Audit reform half-heartedly extends public interest entity definition

Richard Murphy investigates a conflict at the heart of the government's future of audit white paper and asks: what information is required in the public interest?

The government says that audit must be about what it calls public interest entities (PIEs) in the future, but has then said in its White Paper that accounts should remain focussed on delivering information for the benefit of shareholders who need it for use in investment decision making.

This makes no sense. First, that's because PIEs include things like charities and universities and they have no shareholders and no investors in most cases.

Second, it makes no sense because they also include large private companies in the definition of PIEs and they are not allowed to have traded shares.

In that case either the definition of a PIE is wrong, or the White Paper's focus is wrong, because right now the two are incompatible. There is more here.

This is likely to be the first in a series.