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Darren Jones MP
Chair
Business, Energy and Industrial Strategy Committee
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Dear Darren,

Further to our exchange of letters in April, regarding audit reform and the Financial Reporting Council, I am writing to give a further update in the context of today's Queen's Speech.

I'm pleased to inform you that during this upcoming session of Parliament, the Government intends to prepare and publish a draft Bill to rebuild trust in the UK's audit and corporate governance regime and the insolvency regulatory framework.

This draft Bill will set out key measures to create a strong new statutory regulator, tackle the dominance of the Big Four audit firms and make directors of big companies more accountable, as well as reinforce the UK's reputation as a great place to do business and invest while helping prevent sudden big company collapses to better protect jobs.

This is one part of our ambitious programme for reform, covering a range of measures, which the Government will set out soon in the Response to the consultation *Restoring trust in audit and corporate governance*.

Publication in draft will improve the Bill through additional input to and scrutiny of the clauses themselves. This is a broad and technical set of proposals, with significant implications for auditors, major companies, investors and other interested parties and professions – so external experts will be well placed to comment on the effectiveness of the draft legislation. There is also a wide range of interest and expertise across both Houses. It is important we get the details right.

I know the Committee have a keen interest in these reforms and I look forward to further engagement as this important legislation is prepared.

Yours sincerely,

RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy & Industrial Strategy