

72% of the public polled
recently support the introduction of
joint audit



Open to read the detail of our recent survey



Audit

The public has real concerns and demands action

Mazars commissioned Survation, the only polling company to predict a hung parliament in the 2017 General Election, to conduct a representative opinion poll of 2,000 people across the UK: it asked a range of questions about the broader economy and the audit system.

Mazars believes the public has a real interest in an audit system that makes our economy stronger through improved transparency and accountability.

The poll shows that the public:

- strongly supports audit reform
- fears the economy will get worse over the next 12 months
- is “**disgusted**” and “**angry**” that not enough is being done to protect it from corporate collapses



People said that they are ...

- Worried about the economy over the next 12 months

- **54%** think the economy will get worse “as it affects them personally”, while only **15%** see it getting better

- **48%** think it is likely the economy will go into recession over while **24%** do not

- Not convinced those responsible for last recession have been held to account

- **53%** held banks and major corporations most responsible for the last recession with **30%** saying the government was most responsible

- **72%** say not enough has been done to hold those responsible accountable

- Deeply concerned about the impact of the collapse of Carillion

- **69%** had heard of the collapse of Carillion

- **81%** were concerned about 3,000 employees being made redundant

- **81%** were concerned about 30,000 suppliers, many of them small businesses, were owed about £1 billion

- **79%** were concerned about a third of apprentices were without work 3 months later

- Lacking in trust for the current audit system

- **62%** don't have trust in the current audit system to provide independent and accurate assessments

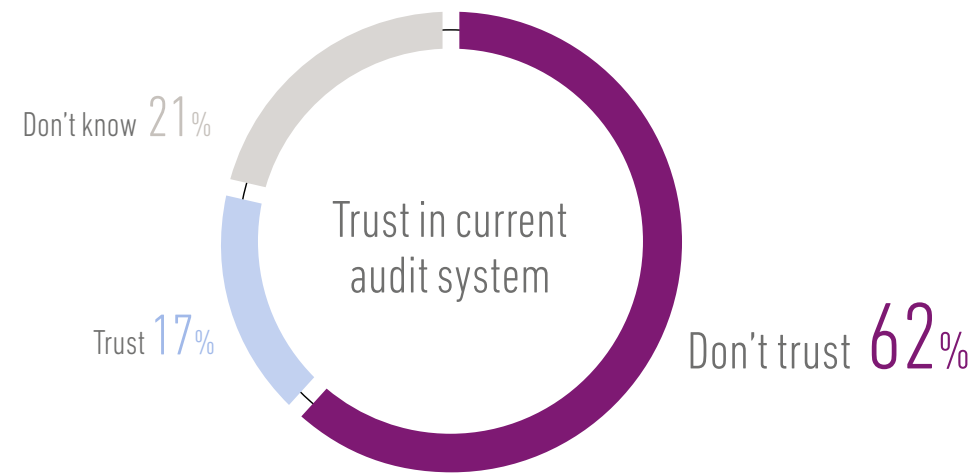
- **17%** do of a company's financial position compared to

- Supportive of joint audit in the next election

- **72%** support the introduction of joint audit with only **11%** opposed

- Support for joint audit runs across supporters of all parties, and both Leave and Remain voters

62% lack confidence in the audit system



We asked the following questions about their confidence in the audit process.

For balance, respondents were given one positive and one negative line about audit reform:

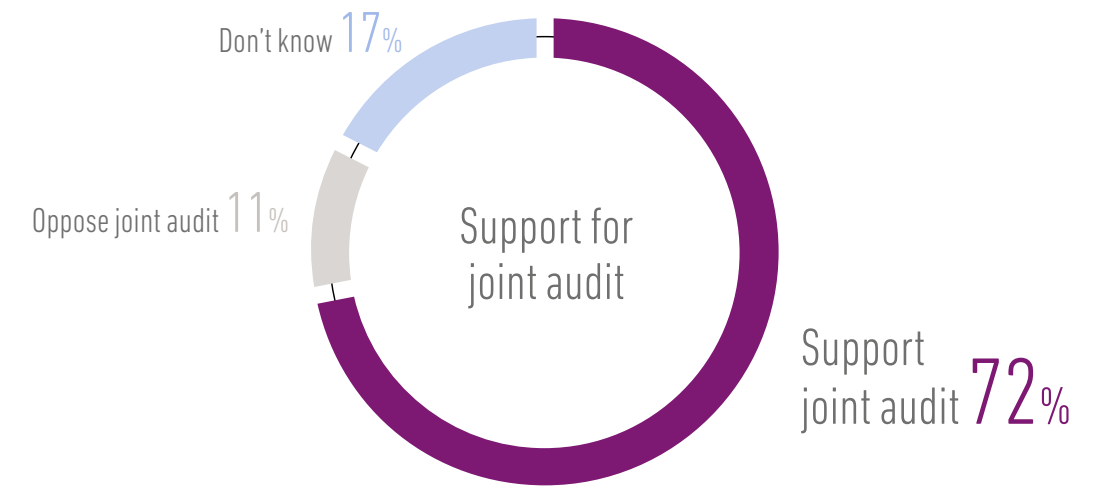
An auditor's job is to express an independent, objective opinion on the financial accounts of a company so shareholders, governments, workers and interested members of the public can understand a company's true financial position.

One of the criticisms made by the parliamentary inquiry into Carillion is that the accounts misrepresented the reality of the business, and the Big 4 accounting firms

that provide audits were accused of operating as a "cosy club", with Carillion's auditors singled out for their "complicity" in signing off Carillion's "increasingly fantastical figures".

Others have expressed confidence in the UK audit system, with a government minister saying: "The UK has always been a world leader in audit and accounting services, with world-class frameworks for corporate reporting, corporate governance and regulatory oversight."

72% support joint audit



We asked the following questions about respondents' support for joint audit.

For balance people were given one positive and one negative line about joint audit:

The government is now consulting on proposals to reform the way audit works, one of which is to introduce joint audits.

Currently 97% of the top 350 companies use one of the Big 4 accounting firms solely to conduct the audit. The joint audit proposal is to change the law so that the largest 350 companies in the UK must hire two firms to undertake its audit jointly and that one of them must

not be one of the big 4 accounting firms. joint audit means that responsibility for the audit opinion, and audit liability, would rest with both auditors who would therefore have to be confident in the accuracy of each other's work.

Some have said that a joint audit system would create more red tape.

Others have argued that France has had joint audit for 50 years and has not had a major Carillion-style collapse.

Respondents were asked...

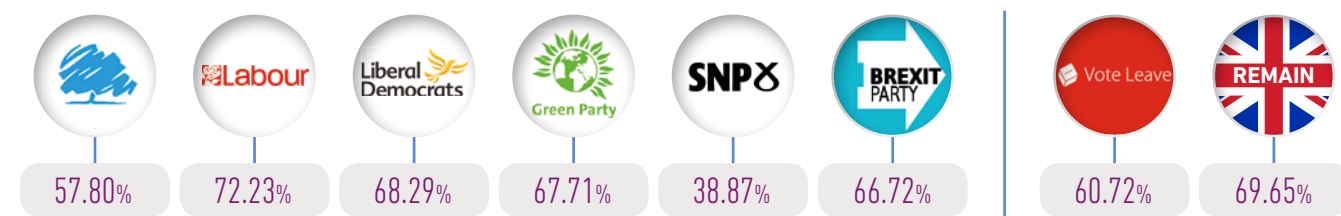
Which of the following statements is closest to your view?

- I have trust in the current audit system to provide independent and accurate assessments of a company's financial position
- I don't have trust in the current audit system to provide independent and accurate assessments of a company's financial position
- Don't know

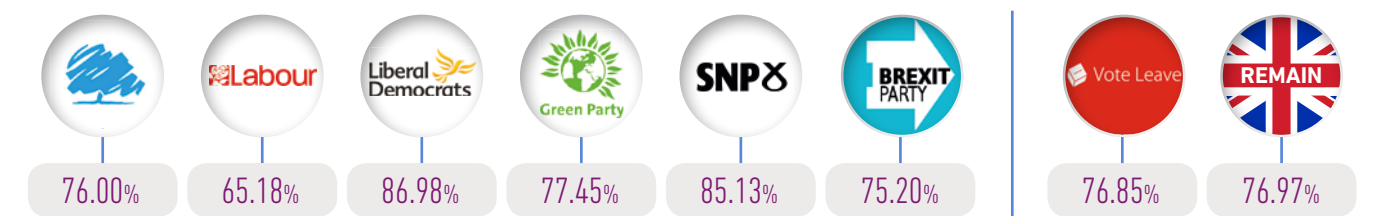
Respondents were asked...

Would you support or oppose the introduction of a joint audit system for large companies in the UK?

PERCENTAGE OF SUPPORTERS OF EACH POLITICAL PARTY WHO DO NOT TRUST THE CURRENT AUDIT SYSTEM



PERCENTAGE OF SUPPORTERS OF EACH POLITICAL PARTY WHO WOULD SUPPORT JOINT AUDIT



How people feel about the Carillion collapse

This illustration shows the words that people chose to best describe their feelings about the Carillion collapse. Over 160 felt “disgust” and over 120 felt “anger”.



An inquiry conducted by MPs of all parties into the collapse of Carillion issued a report last year that said the following about Carillion:

Carillion’s rise and spectacular fall was a story of recklessness, hubris and greed. Its business model was a relentless dash for cash, driven by acquisitions, rising debt, expansion into new markets and exploitation of suppliers. It presented accounts that misrepresented the reality of the business, and increased its dividend every year, come what may. Long term obligations, such as adequately funding its pension schemes, were treated with contempt. Even as the company very publicly began to unravel, the board was concerned with increasing and protecting generous executive bonuses. Carillion was unsustainable. The mystery is not that it collapsed, but that it lasted so long

Respondents were asked to write a single word that best described their feelings about the behaviour of those responsible for Carillion collapse.

Joint audit: the basics

What is joint audit?

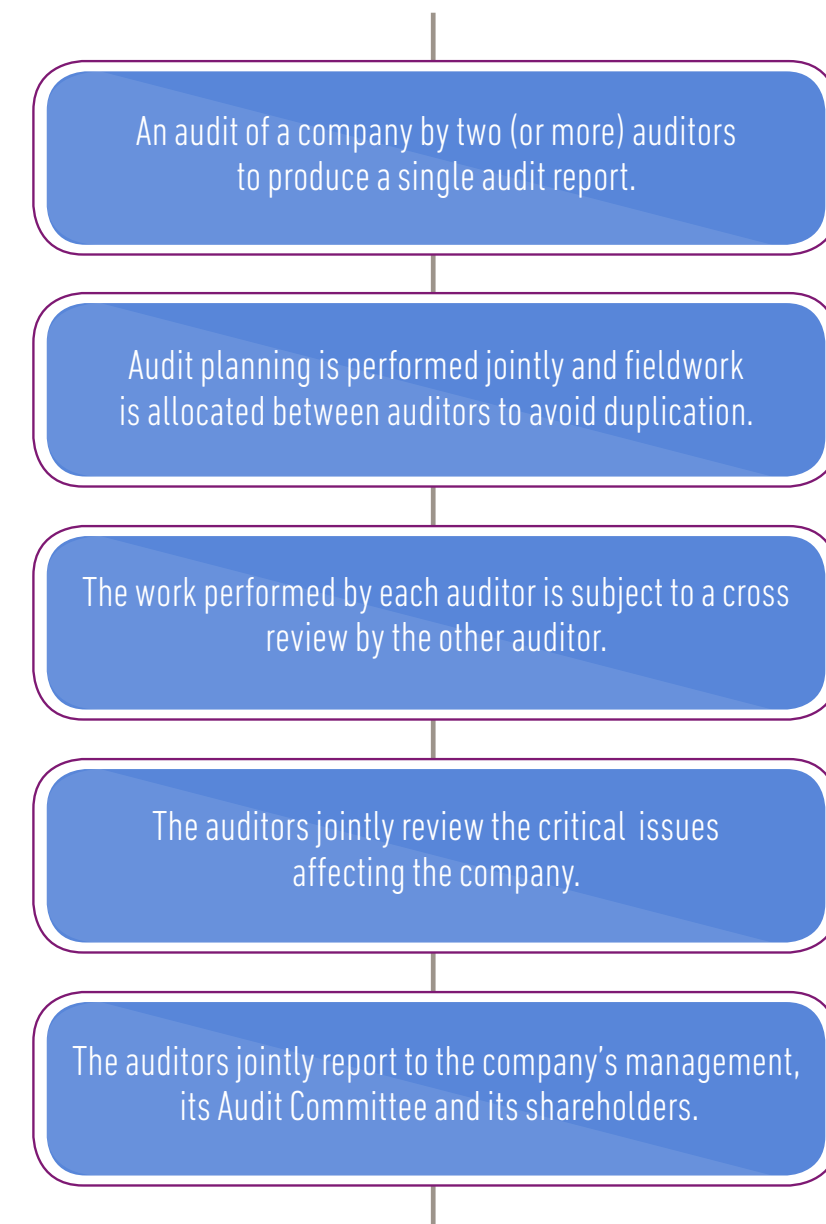
A joint audit is where two separate audit firms are appointed by a company to express a joint opinion on its financial statements.

- It is fundamentally different from a ‘dual’ audit (or ‘shared’ audit) whereby one audit firm (or sometimes more) auditing parts of a group reports to another audit firm that ultimately signs off on the group audit.

- Statutory joint auditors **MUST** belong to separate audit firms.

Joint audits usually involve two audit firms but a small number of companies have decided voluntarily to appoint three audit firms to perform their joint audit.

How does joint audit work?



Contact us

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