

CSFI

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION

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The future role of bank auditors – a helping hand for the regulator? A round-table discussion with John Hitchins (PwC), Jonathan Hayward (Independent Audit Limited), Liz Murrall (IMA) and Michael Power (LSE). To be held on Monday, March 1, 2010 from 12:30-2:15pm.

In contrast to the aftermath of the Enron scandal, auditors have not been in the line of fire for the financial crisis. But the UK Treasury Select Committee did say rather pointedly: “The fact that the audit process failed to highlight developing problems in the banking sector does cause us to question how useful audit currently is.” The profession (in the form of the ICAEW) has formed a working party to examine ways in which auditors could be more helpful to bank regulators – a touchy subject if they are not to be seen as whistle-blowers by their clients.

Accounts are, of course, prepared primarily for investors, who often complain either that banks are black boxes or that they produce so much information it is impossible to see the wood for the trees. Can auditors do more to help the users of accounts pick their way through the forest?

To discuss these issues, we are delighted to have experts on both preparing accounts and on making use of them.

- John Hitchins is the leader of PwC’s UK banking and capital markets practice. At the ICAEW, he chairs the banking committee and the working party on bank auditing. His audit clients have included Lloyds, Barclays and the Bank of England.
- Jonathan Hayward is a partner in Independent Audit Limited, a corporate governance firm that helps companies manage their audit relationships. His role as a commentator on the public policy aspects of audit was kicked off in 2003 with a CSFI report, *Thinking Not Ticking*.
- Liz Murrall is director for corporate governance and reporting at IMA, the main trade association for the asset management industry. She sits on several bodies that represent the needs of users of accounts to industry, government and the IASB. She also assisted Lord Myners in his review of the process for voting shares. A chartered accountant, she was involved in the Maxwell pension funds investigation and the review of the regulatory regime for custody.
- Michael Power is professor of accounting at the ESRC Centre for the Analysis of Risk and Regulation at the LSE. His books include, *The Audit Society: Rituals of Verification*. He is a non-executive director of St James’s Place, where he chairs the risk committee and is deputy chair of the audit committee.

If you or a colleague would like to join us, please let us know by emailing sophie@csfi.org.uk or by telephoning 020 7493 0173. As usual, wine and sandwiches will be provided.

Sincerely yours,

Jane Fuller, co-director CSFI