9/1/2023

Mrs J COPLESTON

AQA Accountancy

A close-up of a text

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**Accountancy bridging work** – (please complete the following and bring to your 1st Accountancy lesson)

1. Define the term ‘bookkeeping’. [2m]

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1. Define the term ‘accounting’. [2m]

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1. Define each of the following terms:
2. Assets :

……………………………………………………………………………………...........

1. Liabilities:

……………………………………………………………………………………...........

1. Capital:

……………………………………………………………………………………...........

Accounting equation:

“Assets= Liabilities + Capital”

**Read the following report.**

1. **Who are the ‘Big 4’? List some companies that they represent.**
2. **Choose one of the following scandals and write a short summary (1 side A4 ) of the main issues and the outcomes of the scandal .**
   1. **Tesco 2014**
   2. **Toshiba 2015**
   3. **BT 2017**

**High profile scandals saw UK’s audit watchdog hand out record £46.5m in fines last year (2021/22)**



The UK’s Financial Reporting Council (FRC) issued a record £46.5m in fines over the past year, after the audit watchdog handed out a series of huge fines to Britain’s top accounting firms in the wake of a series of high-profile accounting scandals.

The value of fines issued by the UK’s Financial Reporting Council (FRC) more than tripled over the previous year, from sums of £16.5m in 2020/21 to £46.5m in 2021/22, the watchdog said.

The surge came as the total number of fines handed out by the watchdog more than doubled from 28 in 2020/21 to 62 the following year, after the FRC handled a record number of cases.

The watchdog said the record sum reflects both the seriousness and high number of cases it has dealt with over the previous year.

The figures come after the FRC this week fined Big Four accounting firm KPMG a record £14.4m for misleading the watchdog during spot checks of its audits of collapsed construction firm Carillion and outsourcing company Regenersis.

The record fine came as the latest in a string of multi-million-pound fines against the UK’s top auditors, including a £2m fine against Deloitte for its audit of Mitie Group and a £2.3m fine against Grant Thornton over its audit of Patisserie Valerie.

The FRC’s data shows the watchdog is increasingly handing out non-financial sanctions to major accounting firms, in a shift aimed at amending behaviour within the UK’s audit sector.

The FRC’s executive director of enforcement, Elizabeth Barrett said: “The level of financial sanctions imposed in the year underscores the important dissuasive role they continue to play, while the further increase in the use of bespoke non-financial sanctions reflects the ongoing emphasis placed on identifying the underlying causes of failure and effecting long term positive change.”