



Work and Pensions Committee Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

Tel 020 7219 8976/5777 Email workpencom@parliament.uk / beiscom@parliament.uk

From the Chairs

Stephen Haddrill, Chief Executive
Financial Reporting Council
8th Floor
125 London Wall
London
EC2Y 5AS

12 September 2018

Dear Stephen,

PwC audits of BHS and Taveta

We welcome the publication of the findings of your investigation into PwC's audits of BHS and Taveta, in the face of attempts to suppress your report. The record fines you have levied in this case serve to signal a new readiness, on the part of the FRC, to act robustly.

You will know that PwC had a longstanding relationship with Taveta. Between 2004 and 2017, PwC was paid £16.1 million by the Group, including £4.5 million for statutory audit services and £11.5 million for non-audit services (including very substantial pensions advice).

It is difficult to believe that the 2014 audit was an isolated case. Given the appalling extent of the audit failures, will the FRC now investigate previous PwC audits of BHS and Taveta? If not, please could you tell us why—in the light of the findings of your own investigation—you have confidence in previous audits?

With best wishes and we look forward to hearing from you,

Rt Hon Frank Field MP
Chair, Work and Pensions Committee

Rachel Reeves MP
Chair, Business, Energy and Industrial
Strategy Committee