

## THE KEY STATISTICS

### INVESTIGATIONS AND ENFORCEMENT

	2021/2022	2022/2023	2023/2024
Investigations Opened in the Year	15	10	6
Cases concluded in the Year	17	19	9
Cases Concluded by Settlement	13	11	8
Cases Closed with No Further Action	3	7	1
Active Cases	47	38	35

The average time from commencement of investigation to the issuance of an Investigation Report/Proposed Formal Complaint has improved from 34 months to 25 months from 2022/2023.

### OPEN INVESTIGATIONS



### CASE ASSESSMENT

CASES	2021/2022	2022/2023	2023/2024
Open at start of the year	20	27	40
Opened in the year	69	70	40
Closed in the year	62	57	60
Open at end of the year	27	40	20

The assessment outcomes of cases closed in 2023/2024 by CA were:

**CASE ASSESSMENT OUTCOMES**



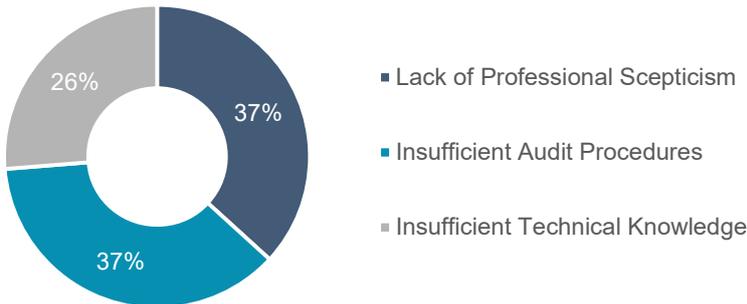
The significant decrease in opening cases from 70 to 40 is attributable to a fall in the number of referrals from other FRC teams, particularly the Corporate Reporting Review and the Audit Firm Supervision teams. In 2022/2023, c.58% of the cases opened were referrals from other FRC teams; in 2023/2024, that number fell to 45%. The number of cases initiated by horizon scanning nearly doubled from 29% to 53% and remains the largest source of case assessment matters.

Richard Moriarty, FRC's CEO, stated in the Chief Executive's Report that the FRC's "*regulation of audit activity has encouraged further improvement in audit quality*". It is unclear whether this is a factor in the reduction of opening cases.

**CONSTRUCTIVE ENGAGEMENT**

There has been an increase in constructive engagement cases from 10 to 15.

**MOST COMMON ACCOUNTING ISSUES IN CONSTRUCTIVE ENGAGEMENT CASES**



The remedial actions undertaken as part of the constructive engagement process largely involved amendments to a firm's audit procedures and/or training and guidance to introduce new procedures or reinforce the existing audit methodology and guidance.

## SANCTIONS

	2021/2022	2022/2023	2023/2024
<b>Total financial sanctions imposed:</b>			
– Pre-discount	£46.5m	£40.5m	£48.2m
– Post-discount	£34.6m	£28.5m	£33.1m
Number of financial sanctions imposed	25	22	17
Number of non-financial sanctions imposed	62	49	40
<b>Of which:</b>			
Exclusions	5	4	2
Requirements and undertakings	15	10	6

The FRC continues to impose non-financial sanctions in more cases than it does fines. The value of financial sanctions has increased while the total number of sanctions imposed has dropped year-on-year, with a corresponding increase in the average fine.