

## Endnotes

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<sup>1</sup> Taken from the BBC recordings of the SC hearings. SC 2018.

<sup>2</sup> See for example:

Siganporia, N., FCA Audit partner, HW Fisher & Company, 'Siganporia: intangible asset rules must be reviewed after Carillion collapse', *Accountancy Daily/Magazine*, 27 February 2018.

Available at:

<https://www.accountancydaily.co/siganporia-intangible-asset-rules-must-be-reviewed-after-carillion-collapse>

Accessed July 2018.

<sup>3</sup> Sweet, P., and White, S., 2018, 'Wide range of judgments' at Carillion', *Accountancy Daily/Magazine*, 29 March 2018.

Available at:

<https://www.accountancydaily.co/audit-updates-april-2018>

Accessed July 2018.

<sup>4</sup> Harwood, A., 'Qatari client disputes Carillion's testimony', *The Construction Index*, 22 February 2018.

Available at:

<https://www.theconstructionindex.co.uk/news/view/qatari-client-disputes-carillions-testimony>

Accessed July 2018.

<sup>5</sup> Op. Cit. SC 2018. The text of the letter may be viewed on the House of Commons website.

But see online:

Available at:

<https://www.parliament.uk/documents/commons-committees/work-and-pensions/Correspondence/Letter-from-KPMG-Chairman-to-the-Chairs-relating-to-Carillion-2-February-2018.pdf>

Accessed July 2018.

<sup>6</sup> Shoalb, A., 'Carillion inquiry: missed red flags, aggressive accounting and the pension deficit', *Accountancy Age*, 26 February 2018.

Available at:

<https://www.accountancyage.com/2018/02/26/carillion-inquiry-missed-red-lights-aggressive-accounting-pension-deficit/>

Accessed July 2018.

<sup>7</sup> Urwin, R., 2018, 'FRC: the watchdog that barked too late: After a string of corporate collapses, has the accounting regulator finally found its teeth?', *The Times*, 8 July 2018.

Available at:

<https://www.thetimes.co.uk/article/frc-the-watchdog-that-barked-too-late-qln3xg7zh>

Accessed July 2018.

<sup>8</sup> Op. Cit. Sweet and White 2018.

<sup>9</sup> Sweet, P., 'KPMG tells MPs of 'wide range of judgments' at Carillion', *Accountancy Daily/Magazine*, 22 February 2018.

Available at:

<https://www.accountancydaily.co/kpmg-tells-mps-wide-range-judgments-carillion>

Accessed July 2018.

<sup>10</sup> FRC, 'Financial Reporting Review Panel (FRRP)', *Financial Reporting Council*.

Available at:

[https://www.frc.org.uk/accountants/corporate-reporting-review/financial-reporting-review-panel-\(frfp\)](https://www.frc.org.uk/accountants/corporate-reporting-review/financial-reporting-review-panel-(frfp))

Accessed July 2018.

<sup>11</sup> FRC News, 2018, 'Update on FRC investigations in relation to Carillion', *Financial Reporting Council*, 16 May 2018.

Available at:

<https://www.frc.org.uk/news/may-2018/update-on-frc-investigations-in-relation-to-carill>

Accessed July 2018.

And

FRC News, 2018, 'Investigation into the preparation and approval of the financial statements of Carillion plc', *Financial Reporting Council*, 19 March 2018.

Available at:

<https://www.frc.org.uk/news/march-2018/investigation-into-the-preparation-and-approval-of>

Accessed July 2018.

<sup>12</sup> Sent shortly after the Carillion collapse, the six-page letter focussed on their reporting responsibilities in highlighting problem areas such as judgments and estimates, the importance of revenue recognition in the context of reliable estimates of contract outcomes, and completion dates. In the letter, the FRC emphasize that effective systems and balanced judgment based on all current and relevant evidence are required when estimating the cost to complete long-term contracts and future revenue streams from those contracts. They further say that this is especially important where significant risks (i.e., demand risk, costs changes and contractual targets) are borne by the company. They also added that there are some situations where management may need to quantify the key assumptions underlying their estimates to ensure shareholders and analyst understand the company's position and performance, and to facilitate intercompany comparison.