

# AccountancyAge

## FRC closes investigation into KPMG BAE audit

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**THE UK ACCOUNTING WATCHDOG** has closed its investigation into the conduct of KPMG as auditors of BAE.

In 2010, the FRC's Accountancy and Actuarial Discipline Board launched an investigation into the audits professional services advice provided by KPMG to British Aerospace/BAE Systems Group and subsidiaries in the period 1997 to 2007.

The FRC said that it had given up the investigation because it would need to investigate audit work undertaken in earlier years.

"There is no realistic prospect that a Tribunal will

make an adverse finding in respect of a complaint relating to work done so long ago," the FRC said in a statement.

The investigation focused on commissions paid by BAE to third parties and followed a bribery investigation US and UK authorities. In February 2010, BAE paid fines totalling £285m to settle for false accounting and a failure to keep reasonably accurate accounting records, to settle corruption allegations against the business.

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