

Councils combine to heap pressure on audit laggards

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Council pension funds with a combined £70bn (€106bn) in assets have launched a shareholder campaign to put pressure on UK companies to improve their audit controls.

The [Local Authority Pension Fund Forum](#), a group of 39 council funds, will use tactics such as targeted voting at companies' annual general meetings, and engagement with management, to lobby for best practice in auditing.

The effort is aimed at companies in the [FTSE All-share](#) index that do not have an audit committee or where this committee does not work in shareholders' interests.

Councillor [Darrell Pulk](#), chair of the forum, said: "Credible financial reporting is the lifeblood of efficient capital markets, which is why we as shareholders attach so much importance to audit quality and auditor independence."

The [LAPFF](#) said it would work with other investor groups to drive reform, including its research and engagement partner, UK proxy agency [Pirc](#).

In August, the [National Association of Pension Funds](#), the UK trade body for workplace pension schemes, said shareholders should be able to vote on whether to approve or reject annual company audits.