

From: Keith Williamson [KeithW@btw.uk.com]
Sent: 07 November 2008 14:14
To: Keith Billing
Subject: Auditing Standards

Dear Mr Billing

I have read the first few pages (only) of the APB consultation document and write to express my concerns, based on that limited reading.

When I first began auditing, the regime was governed by the Companies Act 1948 – a long time ago! I worked for a sole practitioner and the quality and value of the average audit was, to say the least, questionable. I am, certainly, not advocating a return to those far-off times. There was, however, one feature of the process that we should, in my opinion, strive to reintroduce. This is Professional judgement. Unfortunately, what I see, increasingly, is that our work is being regulated to the point where there is no scope at all for judgement. The more prescriptive we are the more we move away from the “True and Fair” overview.

The ICAEW has taken the progressive step of allowing us to tailor our CPD to our individual needs and this I think, works well. I suggest that this attitude ought to be adopted for auditing work so that the process has enough latitude to allow Professional judgement to dictate where the work is concentrated, depending on the individual client concerned.

From this you will deduce that I deal, mainly, with SMEs. You will not be surprised to know, therefore, that I think that there should be different standards applying to businesses such as these. At the present time I am faced with having to persuade my clients to accept audit fee increases in the order of 25%. Equally, you will not be surprised to know that they are reluctant to do so! And why should they? They get little more for their money and rarely see the value of an audit in the first place. These increases are, largely, due to the additional work that is, now, required and often this amounts to over-auditing. The client doesn't benefit, nor do the other stakeholders, nor do we.

I hope that doesn't seem too much like the ranting of “yesterday's man” and that it can be of some benefit to the debate.

Regards

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On behalf of Bell Tindle Williamson

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