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Dear Hazel

APB Consultation: Provision of non audit services by auditors

We note with interest your consultation paper on audit firms providing non audit services to listed companies that they audit. We do not believe that the provision of non audit services by a company's auditors unduly compromises auditor independence and audit quality.

Recent developments through the introduction of an ethical framework, better disclosure in company accounts and greater responsibility for audit committees have all impacted the provision of non audit services. We do not share the view that further regulation in this area would be of benefit. We believe that the current framework of 'threats and safeguards' addresses effectively the risks in this area.

AstraZeneca's Board of Directors are more conscious than ever of their duty to ensure that cost effective services in all areas of the business are undertaken. The amount of audit and non audit fees paid, together with the objectivity and independence of our auditors are reviewed periodically by the Group's Audit Committee. From time to time, the Committee will undertake a formal tendering programme to consider how the requirements of the Group are best served against the prevailing economic background.

We believe that regulation which restricts audit firms for competing for non audit work reduces the choice available to companies and increases risk and cost. The provision of non audit services by a company's auditor allows the auditor to better understand the nature of its business and allow auditors to bring more knowledge to bear on audit matters.

We believe that improvements to shareholder understanding through enhanced disclosures, distinguishing the nature of non audit services provided and the reasons for the auditor providing them would provide clarity to users of accounts and improve investor confidence.



Paul Kenyon
Senior Vice President, Group Finance