

Hazel O'Sullivan
Project Director
The Auditing Practices Board
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29th January 2010

Dear Ms O'Sullivan

APB Ethical Standards: Consultation on audit firms providing non-audit services to listed companies that they audit

I am writing in response to the above consultation.

I am an independent, non-executive director of Daily Mail and General Trust plc and have been a member of the company's Audit Committee since 2004, taking over as chairman of the committee in July 2009. I have served (or do serve) as a director and/or trustee on many organisations, both public and private over the last 30 years.

DMGT has written separately in response to this consultation, setting out the reasons why it would be detrimental for auditors to be barred from carrying out non-audit work. I do not propose to repeat those reasons, other than to express agreement with them.

The company has also set out the steps that it takes to ensure that the auditors' independence is not threatened by doing other work, such as a ban from them doing certain work and a requirement for Audit Committee approval of non-audit work above a certain threshold.

It is in this area that I feel my comments, as chairman of the Audit Committee, may be useful. There are certain areas of work, classified as non-audit, where it is plainly more useful for the audit for the work to be carried out by our auditors, and hence more cost effective. I have seen no evidence that the independence of our auditors is affected by whether or not they win work in other areas.

The level of that work has varied widely over recent years, as should be expected if a robust system of evaluation of the best supplier is in operation. Yet there has been no apparent change in the attitude of the auditors to their audit work or to the level of robust exchange between auditors and company management

In summary, I believe that a ban on auditors performing other work for a company would be detrimental to DMGT (and many other organisations), especially given the narrow range of alternative suppliers available to a global business such as ours.

Yours sincerely,

David Verey, CBE