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Ms Hazel O'Sullivan  
Project Director  
The Auditing Practices Board Limited  
5<sup>th</sup> Floor  
Aldwych House  
71-91 Aldwych  
London WC2B 4HN

Dear Ms O'Sullivan


**Consultation on audit firms providing non-audit services to listed companies that they audit**

This response to the APB's non audit services consultation sets out a number of reasons why I do not believe that any further regulatory restrictions are required or would be beneficial in terms of prohibiting audit firms from providing non-audit services to audit clients. These reasons are as follows

- There is no compelling argument or evidence for the APB to impose any further restrictions on auditors providing non-audit services to their audit clients. This is acknowledged in the APB paper.
- The consultation paper explains the framework that currently exists and explains that audit committees have exercised their judgement in this area, since the Smith Guidance was issued. This judgement is best exercised by the audit committee as it is well placed to determine whether the provision of a particular service by the auditor is in the interests of the company, taking all relevant factors into account.
- The introduction of further restrictions is likely to result in additional costs for companies, and a reduction in the quality of the services provided, because in many cases, due to their in-depth knowledge of the business, the company benefits from using the auditor.
- In terms of providing reassurance to investors that the audit committee is acting in the best interests of the company and therefore their best interests, improved and more extensive disclosure could be included in the Annual Report and Financial Statements.

I hope that this is helpful to your deliberations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Iain Paterson', with a long horizontal line extending to the right underneath it.

**Iain Paterson  
Chairman, Audit Committee  
Hunting PLC**