

Hazel O'Sullivan

From: ianharley25@aol.com
Sent: 25 January 2010 11:58
To: Hazel O'Sullivan
Subject: Consultation on provision of non-audit services

Dear Hazel,

I am writing, briefly, to express my views on the consultation currently under way. I won't add too much to the word count in your mail box, but feel constrained to say something!

Responding to a "perception" that the independence of auditors is compromised by the provision of non-audit services, by banning totally such provision, seems like total overkill to me. This is an area which is squarely in the remit of Audit Committees, and the present regime of oversight, approval, and disclosure has radically changed behaviour over the years. The existing process is demonstrably working, and needs no fixing. Indeed, it would be counter productive to enforce a total ban, given that it would undoubtedly add to companies' costs, and reduce their efficiency, if they were forced to retain additional advisors, rather than their auditors, for every non-audit activity.

I speak as AC Chairman at John Menzies plc and Remploy Ltd. I also spent many year as AC Chairman at Rentokil Intial plc (1999-2007) and British Energy plc (2002-2009) With my best regards, Ian Harley MA FCA FCIB