

**From:** Cotter, John (Collins Stewart) [JCotter@collinsstewart.com]  
**Sent:** 13 January 2010 08:31  
**To:** Hazel O'Sullivan  
**Subject:** Comments on Consultation Paper

Dear Ms O'Sullivan,

RE : APB Consultation Paper on 'Audit Firms providing non-audit services'

I am a Board Director and Group FD of Collins Stewart PLC. I am writing to you in respect of the consultation paper on provision of non-audit services, a subject I feel very strongly about. I believe that further proscription in the area is most unwelcome, and removes the vital and necessary flexibility that Firm's must have to use their Auditors, where appropriate, to perform 'non-audit' services.

I am however supportive of further transparency and requirements for clear governance and control over the decision making processes in relation to commissioning such activity.

I would like to make a number of points in relation to my Firm

- o The existing requirements are well understood and very well managed by our Board and Audit Committee, and retaining decision-making at an individual Firm level is not only appropriate but critical.
- o The current governance framework is effective and gives companies the flexibility and choice they need. In many cases using our auditors for work that is classified as non-audit work (e.g. Interim Profit's Certification for Dividend and Regulatory Capital purposes) is both necessary and appropriate (indeed using a non-audit Firm would be inappropriate, costly and inefficient).
- o Further restrictions will reduce the choice available to companies, increase their costs (in some cases significantly and unnecessarily) and may be detrimental to audit quality (and the auditing profession ultimately).
- o I do not believe that the provision of non-audit services at sensible and appropriate levels by our auditors has any impact on the confidence of stakeholders in their independence.
- o I believe that most Audit Firm's will also sensibly self regulate within Ethical Standards and not seek to provide services to the extent that their independence could be questioned.
- o I do not support further restrictions on Firm's ability to self determine how it chooses service providers, but consider that clear disclosure requirements (and definitional guidance) are appropriate, and will clearly demonstrate those Firms' that are sensibly complying with the intent of the guidance in relation to services provided by Firm auditors.

Kind Regards.....John Cotter

**John Cotter | Group Finance Director**

Collins Stewart PLC | 88 Wood Street, London EC2V 7QR | T +44 (0)20 7523 8011 | M +44 (0) 7766 167601 |

E jcotter@collinsstewart.com | W www.collinsstewart.com

**P please don't print this e-mail unless you really need to**

---

This e-mail contains confidential information. If you are not the intended recipient please notify the sender immediately and delete this e-mail. Any unauthorized copying, disclosure or distribution of the material in this e-mail is strictly forbidden. This message is attributed to the sender and may not reflect the views of Collins Stewart plc or any group company.

The information contained herein (and any attachment) is for general information purposes only and no representation or warranty, express or implied is made by Collins Stewart plc or any group company in relation to its accuracy. This e-mail may not have regard to the specific investment objectives of any recipient.

All reasonable care has been taken to avoid the transmission of viruses. No responsibility is accepted by Collins Stewart plc or any group company with regard to any damage that is caused by viruses being passed.

Collins Stewart plc is registered in England (no: 5807587) and has its registered office at 88 Wood Street, London, EC2V 7QR.

Any regulated business in the UK is conducted by Collins Stewart Europe Limited ("CSEL") registered in England (no. 1774003) and having the same registered office as above. Collins Stewart Europe Limited is authorised and regulated by the Financial Services Authority (no. 182011).

Any regulated business conducted in the Channel Islands and the Isle of Man is conducted through Collins Stewart (CI) Limited

("CSCI"), registered in Guernsey (no. 22761) and having its registered office at Hirzel House, Smith Street, St. Peter Port, Guernsey, GY1 2NG. CSCI is licensed and regulated by the Guernsey Financial Services, the Isle of Man Financial Supervision Commission and the Jersey Financial Services Commission and is a member of the London Stock Exchange, the Channel Islands Stock Exchange and the International Capital Markets Association.

Any regulated business conducted in Singapore is conducted through Collins Stewart Pte. Limited (CSPL). CSPL is regulated by the Monetary Authority of Singapore.

Any business conducted in Switzerland is conducted through the representative offices of CSEL and CSCI.

Collins Stewart Wealth Management is a trading name of CSEL and CSCI.

More information can be found at <http://www.collinsstewart.com>.

---

Click [here](#) to report this email as spam.