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Dear Ms O'Sullivan

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

We are writing in response to the recent Auditing Practices Board (APB) consultation paper on audit firms providing non-audit services to listed companies that they audit. As the Chief Financial Officer and Chairman of the Audit Committee respectively we have responsibility for monitoring the services provided by our auditors.

It is currently the responsibility of the audit committee to consider the guidance contained within the Combined Code and the FRC Guidance on Audit Committees, and to determine whether it is appropriate for the external auditor to carry out non audit services. Your own consultation paper explains that, since the guidance was issued, audit committees have exercised their judgement in this area and indeed the proportion of non-audit fees to audit fees has fallen. Any further restrictions would undermine the role of the Audit Committee in this area. Your consultation paper also acknowledges that there is no evidence that the provision of non audit services has adversely impacted audit quality.

In our view the current principles based approach of assessing non audit work through looking at threats and safeguards is working and is generally consistent with that adopted by the G20. For the UK to have more restrictive rules would

result in the UK diverging from global ethical standards and further increase the cost of global groups being listed in the UK.

We consider the real problem to be one of perception by the press and politicians rather than by institutional investors. In our experience appropriate non audit services often increase the auditor's understanding of the business being audited and as a result the overall quality of the audit often improves. Therefore rather than introducing further restrictions we believe that the improved disclosure of the nature of non-audit services is a better way of dealing with this issue.

We appreciate your consultation on this matter and hope you find our views constructive in forming your opinion.

Yours sincerely,



Nigel Wilson

Chief Financial Officer



Henry Staunton

Chairman of the Audit Committee