

**From:** Paul Hampden Smith [Paul.HampdenSmith@travisperkins.co.uk]

**Sent:** 04 January 2010 17:08

**To:** Hazel O'Sullivan

**Subject:** Consultation on Audit firms providing non audit services

Dear Hazel

I am responding to the above consultation document in both my capacity as Finance Director of Travis Perkins Plc and that of Non Executive Director of Redrow Plc

In relation to the six questions you pose:

1a I do not think that the provision of non audit services by auditors impacts confidence in audit independence.

There is no evidence that audit quality is adversely affected by the provision of non audit services (if anything the reverse is true). Quality breeds confidence.

1b I am not aware of any instances where audit quality has been affected by providing non audit services, as stated above I see the reverse being true.

2 Not applicable (see above)

3 No change in approach to standards required, there is not a problem to fix.

4 Not applicable

5 A good recent example of audit /non audit efficiency would be synergies between using specialist teams who have examined going concern sensitivities for the audit using a similar skill set in more detail to provide a working capital report for a subsequent rights issue. The saving is difficult to quantify but would run to many tens of thousands of pounds.

6 The company arguments are well presented in section 3.3. Well run audit committees (without prescription) can provide a strong safeguard against the use of the auditors for non audit services unless there is a clear advantage to do so. We should not be prescriptive in depriving the executive team of the ability to use the auditor for non audit services where there are clear advantages.

Yours sincerely

Paul Hampden Smith

This e-mail and any attachments are confidential and intended solely for the use of the addressee only. If you have received this message in error, you must not copy, distribute or disclose the contents; please notify the sender immediately and delete the message.

This message is attributed to the sender and may not necessarily reflect the view of Travis Perkins plc or its subsidiaries (Travis Perkins). Agreements binding Travis Perkins may not be concluded by means of e-mail communication.

E-mail transmissions are not secure and Travis Perkins accepts no responsibility for changes made to this message after it was sent. Whilst steps have been taken to ensure that this message is virus free, Travis Perkins accepts no liability for infection and recommends that you scan this e-mail and any attachments.

Part of Travis Perkins plc. Registered Office: Lodge Way House, Lodge Way, Harlestone Road, Northampton, NN5 7UG.

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