

# Feedback on Responses to Consultation Paper: Draft Revised Ethical Standards for Auditors

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## 1. Background information

- 1.1. The APB Ethical Standards for Auditors (ESs) were finalised in 2004 following extensive consultation and consideration of the issues associated with setting standards for auditor integrity, objectivity and independence. At that time, the Auditing Practices Board (APB) announced that it would review the ESs after they had applied to two audit cycles (i.e. December 2005 and December 2006 audits). The APB commenced this review in Spring 2007 by gathering views of interested parties, undertaking its own research<sup>1</sup> and drawing on available third party research.
- 1.2. As a result of this review, the APB concluded that the existing ESs are proportionate to their purpose, are comparable with the highest standards internationally and are working in practice. Accordingly, the APB believes that there is currently no need to make major changes to the ESs other than those that:
- Are required by UK and Irish legislation arising from the implementation of the EU Statutory Audit Directive<sup>2</sup> (the SAD);
  - Should be considered in order that the ESs continue to adhere to the principles of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (the IFAC Code);
  - Add to the clarity of the existing standards and assist their implementation in practice.
- 1.3. A consultation paper was issued in October 2007 together with draft revised ESs. The consultation paper reflected this assessment and raised a number of specific questions.

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<sup>1</sup> The results of this research were published in July 2007 and are available from the APB website at <http://www.frc.org.uk/apb/publications/pub1360.html>.

<sup>2</sup> Directive 2006/43/EC on Statutory Audits of Annual and Consolidated Accounts (8<sup>th</sup> Company Law Directive).

## 2. Summary of responses to consultation

- 2.1. The comment period expired on 31 January 2008 and 38 responses were received, including a number received some time after this date. Respondents were from the accounting profession, organisations and individuals representing the corporate sector, and investors. A full list of respondents is given in the Appendix to this paper.
- 2.2. The APB has carefully considered the issues on which commentators expressed views. This feedback document summarises the main issues raised and sets out the APB's response to them. It does not address less significant issues even where, in some cases, the points have been accepted and detailed drafting changes have been processed.
- 2.3. In general those commentators who gave a view agreed that:
  - Not making major changes to the ESs is the correct approach for the APB to take.
  - Strengthening the ESs with respect to valuations, actuarial valuations and litigation support services is supported.
  - Relaxing the ESs with respect to certain business relationships is appropriate.
- 2.4. The consultation paper outlined the background to ES – Provisions Available for Smaller Entities (ES – PASE) and stated that the APB continues to be concerned about situations where the same person both prepares a set of accounts and audits those accounts. Although the APB does not believe that it would be appropriate to withdraw ES – PASE at this stage, it does intend to review this matter again once there is greater clarity as to the alternatives to voluntary audits for smaller entities. Against this background commentators supported the retention of ES - PASE.
- 2.5. On the question of costs arising from the proposed revisions to the ESs, the only change that was signalled as giving rise to an increase in costs was that arising from the change in the definition of key audit partner. This change results from the implementation of the SAD and therefore, the APB does not believe that any significant costs arise from its own proposals.
- 2.6. In the consultation paper the APB indicated that the timetable for the review of the ESs had been set to accord with the UK Government's timetable for the implementation of the SAD. The APB recognised that this timetable was tight, but believed that it would be possible for audit firms to implement any necessary changes. This position was supported by commentators although a small number of issues were raised, which have been addressed by further transitional provisions.
- 2.7. A number of issues raised during the consultation period will require further work and the APB has decided to complete this as a separate exercise to be undertaken later in 2008. These issues, which include the appropriate period for the rotation of the audit engagement partner and engagement quality control

reviewer on the audit of listed companies, are set out in section 6 of this feedback paper.

- 2.8. At the date of publication of the revised ESs, legislation implementing the SAD in the Republic of Ireland had not been finalised. It is not envisaged that this legislation will require further amendment of the ESs, but if this is necessary, the APB intends to do this concurrent with the other changes listed in section 6.

### **3. Rotation of audit partners**

- 3.1. The major issue identified in the APB's initial review of the ESs was that there were different views as to whether the rotation periods for partners involved in listed company audits strike the right balance between auditor objectivity and relevant knowledge and experience. The consultation confirmed that stakeholders have differing views on this issue and the APB intends to undertake further work in this area in 2008, making no changes to the rotation periods at the current time.

#### **Period on the audit**

- 3.2. The threats to auditor independence that arise from long association with the audit engagement are addressed in ES 3. In respect of listed companies there is currently a requirement that the audit engagement partner and the engagement quality control reviewer should rotate off the audit after five years. In respect of audit engagement partners, this position is consistent with the previous partner rotation requirements of the accountancy bodies that was supported by the 2003 report of the Co-ordinating Group on Audit and Accounting Issues.
- 3.3. In the consultation paper the APB concluded that the arguments as to whether to retain the five year rotation period or move to seven years, appeared to be evenly balanced. In response to the question about whether to retain the current period, the majority of commentators by number who expressed a view thought that the rotation period should be extended to seven years. There were a number of reasons given for this view:

#### **(a) An improvement in audit quality**

Some commentators thought that a longer rotation period could enhance audit quality, as less frequent changes of audit partner could increase the overall knowledge of the audited entity within the engagement team which is particularly valuable in the audit of complex multinational specialised businesses. This view supports the view of a number of commentators to the FRC's '*Promoting Audit Quality*' paper. Here it was argued that sound professional judgment and robust challenge is most effectively provided when the audit engagement partner has a deep knowledge of the business and is trusted by the management.

#### **(b) Improved continuity**

Some respondents from the corporate community argued that extending the rotation period would minimise disruption to the audited entity. Some

responses from the audit profession expressed a similar view, but expressed it by saying that having the same audit partner can bring stability to an audit engagement which can be particularly important during a time of disruption (for example, rapid business expansion or a change in finance director).

**(c) Increased choice of audit firm**

It is suggested by some that rotation every five years can be a barrier for mid-tier practices tendering for an audit requiring specialist knowledge<sup>3</sup>.

This supports the concerns expressed in the FRC Market Participants Group interim report '*Choice in the UK Audit Market*' that the UK requirements on auditor rotation could act as a disincentive for companies to change auditors.

**(d) Aligning the UK with international standards on auditor independence**

There is a growing body of opinion that there should be worldwide harmonisation of ethical standards and it would therefore be desirable to align the UK rotation period for audit engagement partners and engagement quality control reviewers on listed companies with that of the IFAC Code and the SAD, both of which have a seven year rotation period.

3.4. While the majority of responses expressed the views set out above, responses received from some members of both the investor community and the corporate sector supported the existing requirement for rotation after five years. In the consultation paper, the APB set out the arguments in favour of retaining the five year period:

- Changing the audit partner can improve audit quality as a fresh view is taken on the key judgments.
- A shorter rotation period allows audit partners to broaden their experience by working on more listed company audits during their career.

3.5. Some of the commentators who expressed a preference for maintaining the current rotation period recognised that there may be circumstances where breaking the thread of continuity could act against the interests of the audited entity. While there is already an element of flexibility allowed in ES 3<sup>4</sup>, these commentators argued that this flexibility might be extended provided that this was discussed with, and approved by, the audit committee. A small number of stakeholders thought that shareholder views on this matter also needed to be obtained. Such an approach would be consistent with one of the conclusions contained in recent research<sup>5</sup>, that there could be greater recognition of the important role that audit committees can take in the context of audit quality. Indeed some commentators who supported a move to seven years also proposed this type of flexibility as an intermediate solution. However, the APB

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<sup>3</sup> During the consultation period the ICAEW conducted a brief survey of small and mid-size audit firms' views on the rotation period for listed entities. Approximately 50% of the firms surveyed thought that extending the rotation period to seven years would enhance their ability to undertake listed company audits. In particular smaller firms commented that this would enable them to service AIM clients.

<sup>4</sup> Existing ES 3, paragraph 14.

<sup>5</sup> '*Assessing the impact of the APB's Ethical Standards for Auditors on audit firms and their clients*' published in October 2007 by the Audit and Assurance Committee of ICAS.

recognises that there are a number of disadvantages to providing such flexibility, including the potential for uncertainty and inconsistency which it creates.

- 3.6. A number of the responses that expressed a preference for maintaining the current five year rotation period were received after the closing date for comments. Due to the tight timetable for this review of the ESs, the APB has not had an opportunity to engage in further debate with the stakeholders concerned. Views on this issue appear to be polarised:
- Audit professionals and a majority of corporate respondents (predominantly audit committee chairs) want the UK to move to a seven year period;
  - Commentators from the investor community and some other corporate respondents are generally not supportive of such a change.
- 3.7. The APB believes that a further period of dialogue with interested stakeholders is needed. Any changes proposed as a result of this dialogue will be the subject of further consultation, the timing of which will tie in with the further work to be completed later in 2008, as set out in section 6 of this feedback paper.

### **Period off the audit**

- 3.8. In the consultation paper the APB stated that it felt that the period of time when an audit engagement partner is not able to participate in a listed company audit following a rotation should be maintained at five years on the basis that a two year period is not likely to be long enough to refresh auditor objectivity.
- 3.9. A two year period off the audit was thought by many respondents (61% of those who answered this question) to be appropriate for the following reasons:
- Both the IFAC Code and the SAD specify a two year period. The environment in the UK is not thought to be inherently any more risky than elsewhere.
  - The pace of change in today's business environment means that after two reporting cycles there could well be a different entity to audit, both internally and in relation to the market environment. This will provide a sufficient amount of difference and distance to lower a partner's familiarity with the entity and robustly test their objectivity.
  - Cost savings could arise to compensate for the additional costs and difficulties associated with the extension of the definition of key audit partner (see paragraph 3.15).
- 3.10. However, nine respondents (including 62% of 13 corporates, audit committee chairs and investors expressing a view) agreed with the APB's view. They thought that a shorter required period off the audit could lead to more frequent changes in the audit engagement partner which would be disruptive to a company's operation.
- 3.11. The APB continues to believe that the five year period off the audit should be retained. However, as this issue is linked to the period on the audit, this will be

kept in mind when the issue of whether the rotation period for the audit engagement partner and the engagement quality control reviewer should be retained at five years or moved to seven years is considered.

### **Activities during the period off the audit**

- 3.12. In the draft revised ESs issued for comment the requirement for partners who have rotated off the audit to ‘not hold positions of responsibility in relation to the audit’ was changed to require such partners to ‘not participate in the audit or hold any position of responsibility in relation to the audited entity’. This change was made to conform to the proposed wording in the revised IFAC Code and to prevent newly rotated audit engagement partners moving into other positions that would allow them to influence the new audit engagement partner.
- 3.13. However, a number of commentators felt that the original phrase addressed the relevant threats adequately. Additionally, the wording ‘hold any position of responsibility in relation to the audited entity’ was considered to be unclear, particularly since supporting guidance<sup>6</sup> envisaged that the partner could have an ongoing non-audit role.
- 3.14. The APB continues to believe that restricting partners rotating off an audit from ‘participating in the audit of the entity’ is the correct phrase to use. However, reference to holding any position of responsibility in relation to the audited entity has been deleted and the guidance now clarifies the APB’s view that responsibility for the firm’s relationship with the audited entity should be precluded. Furthermore, some flexibility has been introduced to enable a partner, who is subsequently involved in a technical advisory role within an audit firm, to be consulted on technical or industry specific issues in respect of new issues or new types of transactions or events after a two year period off the audit.

### **Key partners involved in the audit**

- 3.15. Compliance with the SAD requires the extension of the definition of key audit partner to include partners who are responsible for the audit of material subsidiaries.
- 3.16. Since the draft revised ESs were published the statutory instrument implementing the SAD in the UK has been finalised and the revisions to the IFAC Code have been approved. Both the IFAC Code and now the relevant UK legislation use the term ‘key audit partners’ to refer to a group of partners that includes the audit engagement partner and the engagement quality control reviewer, while the ESs do not include these individuals in this definition. There is therefore potential for some confusion about who is included in this definition.
- 3.17. To avoid this potential for confusion, the APB has decided to change the term used in the ESs to ‘key partners involved in the audit’. Additionally the detail of

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<sup>6</sup> Draft revised ES 3, paragraph [A]

the definition has been amended to make it clear that it includes non-audit professionals, such as tax partners who are responsible for key audit decisions or judgments on significant matters.

## 4. International harmonisation

- 4.1. A number of commentators expressed support for the international convergence of ethical standards and the role that the APB has played to this end. Indeed a number of respondents would like the APB to adopt the independence sections of the IFAC Code for audits in the UK and Ireland as soon as possible to avoid extra-territoriality and additional compliance costs. It was suggested that the adoption of clarified ISAs might be a suitable opportunity to reconsider this position.
- 4.2. The APB is pleased that its ESs are being used as a benchmark internationally for high quality standards on auditor independence and that the changes being made to the independence sections of the IFAC Code are largely consistent with them. While the APB actively supports the current improvements to the IFAC Code this work is not yet complete. Additionally, the revised IFAC Code is not likely to be implemented internationally until 2010. The APB will continue to monitor progress on the IFAC Code and international reaction to it.
- 4.3. Some commentators believe that the APB needs to have strong justification where the requirements of the ESs exceed international norms. They cited the following areas where the APB should revisit its conclusions:
  - The rotation periods for audit engagement partners and engagement quality control reviewers (see above).
  - The ‘all partner’ prohibition on financial investments in audited entities.
  - The ‘cooling off’ period when certain partners join an audited entity.

### ‘All partner’ prohibition

- 4.4. Commentators stated that the ‘all partner’ prohibition on financial investments in audited entities means that the UK is out of step with the international approach. They felt that this prohibition has led to added complexity within the ESs, illustrated by the need for specific provisions such as those relating to:
  - interests held by immediate family members as a result of their employment or other contractual arrangements<sup>7</sup>; and
  - holdings in an authorised unit or investment trust, an open ended investment company or an equivalent investment vehicle<sup>8</sup>.
- 4.5. Such commentators observed that while the largest audit firms have adopted an ‘all partner’ rule internationally, this is largely for operational reasons and to avoid the risk attached to perceptions, were a large number of partners found to be investing in entities audited by the firm. These commentators argue that

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<sup>7</sup> Draft revised ES 2, paragraph [A]

<sup>8</sup> Draft revised ES 2, paragraph 9

firms are able to grant dispensations to individuals if this is just a firm rule, rather than one imposed by external regulation.

- 4.6. The APB believes that no significant changes should be made in this respect. The ‘all partner’ prohibition on financial interests has been in place in the UK and Ireland for a number of years. When the APB consulted on this issue in 2003, retention of this prohibition was supported by a variety of parties.
- 4.7. Problems in practice seem to arise when new partners are appointed from outside the firm (see paragraph 6.1) and due to the fact that the prohibition extends to the immediate family of all partners. Guidance relating to interests held by immediate family members as a result of their employment or other contractual arrangements was added in the draft revised ESs<sup>8</sup> to provide some flexibility as it was recognised that it is increasingly common for a partner’s spouse to be financially independent with a separate career. The APB has now extended this relief so as to allow financial interests to be held by an immediate family member of a partner not involved in the audit, where this results from a business or employment arrangement, provided this has been discussed with the ethics partner.
- 4.8. Additionally, commentators thought that the proposed amendment to include all partners in the scope of restrictions on trustee financial interests was unnecessary. They suggested that partners not involved in the audit of an entity should be allowed to act as a professional trustee. The APB has clarified the position in the revised ESs by referring to the provisions relating to trustee financial interests in paragraph 7 of ES 2. A new paragraph has also been inserted to allow partners (other than those in a position to influence the audit) to be a trustee in situations where they are not a beneficial owner.

### **‘Cooling off’ provision**

- 4.9. Both the IFAC Code and the UK legislation implementing the SAD prohibit key audit partners from being appointed in certain roles in listed companies. A requirement in the existing paragraph 44 of ES 2 extends this to require the audit firm to resign as auditor in situations where:
  - partners in the chain of command within the audit firm join a listed entity audit client; and
  - audit engagement partners, engagement quality control reviewers, key partners involved in the audit and partners in the chain of command join non-listed entity audits (except where ES - PASE applies).
- 4.10. Some commentators asserted that this paragraph could be removed altogether from ES 2 as revised audit regulations being issued by the Recognised Supervisory Bodies will prevent key audit partners from joining listed company audit clients. They argued that partners joining non-listed entities and any concerns about partners in the chain of command joining listed company audit clients could be dealt with by a threats and safeguards approach under the existing paragraph 45 of ES 2.

- 4.11. The APB believes that no changes should be made in this respect as it believes that the threats to auditor objectivity associated with partners joining an audited entity can be substantial. In 2004 the APB was concerned to address situations in non-listed entities as well as when a senior partner within a firm joins a listed audited entity and is in a position to influence the actions of the audit engagement partner for whom he or she previously had a management responsibility or a mentor role. These concerns were founded in experience and the APB does not think that the possible threats in these circumstances have changed since the original ESs were issued.

## 5. Other matters arising

### Network firms

- 5.1. The existing ESs extend the requirements in respect of non-audit services specific to individual audits to all network firms<sup>9</sup>. Recognising the recent work to strengthen the IFAC Code, in the draft revised ESs this was replaced with a requirement for the audit firm to be satisfied that all network firms comply with the IFAC Code<sup>10</sup>. Some respondents thought that this would require some form of confirmation from each network firm on each audit and that this would add unnecessary cost. In order to make it clear the extent of the confirmation procedures required, the APB has amended this requirement in ES 1 and the guidance following it to indicate that a firm only needs to confirm that the global independence policies and procedures of the international network comply with the IFAC Code.
- 5.2. The guidance in draft revised ES 5<sup>11</sup> that linked to this requirement for compliance with the IFAC Code has also been removed. However, guidance on communicating relevant information on non-audit services provided by network firms in the case of listed company audits has been retained.
- 5.3. The position is different when the network firm is involved in the audit, as a requirement for a confirmation is already in place in auditing standards<sup>12</sup>. The APB has inserted a cross reference within the guidance in ES 1 to the relevant auditing standard.

### Public interest entities

- 5.4. A number of paragraphs within the ESs provide guidance for audit firms to set policies and procedures to consider whether additional requirements for listed company audits should be extended to other audit engagements. References to

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<sup>9</sup> Existing ES 5, paragraph 8 specifies that in the case of a group, non-audit services included services provided by a network firm to the audit client or any of its significant subsidiaries.

<sup>10</sup> Draft revised ES 1, paragraph [D].

<sup>11</sup> Draft revised ES 5, paragraph [A].

<sup>12</sup> ISA (UK and Ireland) 600, includes a requirement to obtain sufficient appropriate audit evidence, that the work of the other auditor is adequate for the principal auditor's purposes, and this is supported by guidance in paragraph 9(a) that the principal auditor would advise the other auditor of the independence requirements and obtain written representation as to compliance with them.

these paragraphs were grouped together in guidance in paragraph [C] of draft revised ES 1. A number of commentators thought that this guidance included an implicit requirement that should be made a bold type paragraph.

- 5.5. The APB agrees that the need for audit firms to have such policies and procedures should be converted to a bold letter paragraph. Additionally the APB has inserted guidance that follows the approach of the IFAC Code regarding circumstances where a regulator or legislation specifies that the audit of an entity should apply the additional independence standards.

### **Current or deferred tax calculations for the purpose of preparing accounting entries**

- 5.6. Some commentators were concerned by the restriction on preparing accounting entries relating to deferred tax calculations for listed companies<sup>13</sup>. They thought that many smaller AIM companies, for example, may not have their own in-house tax expertise, and may rely on the taxation department of the audit firm.
- 5.7. In the consultation document the APB indicated that this work was already prohibited by the requirements in ES 5 relating to accounting services. In the final revised ESs, the requirement has been clarified in line with amendments made when finalising the revisions to the IFAC Code. An additional paragraph of guidance has also been added, based on an existing paragraph in the section on accounting services.

### **Amendment of UK pension scheme threshold in ES – PASE**

- 5.8. The criteria which set out the level of applicability of ES – PASE for the audits of organisations other than companies were discussed with relevant regulatory bodies in 2004 when the standard was developed. During the consultation period, the APB asked the relevant regulatory bodies to give consideration as to whether these thresholds continue to be appropriate.
- 5.9. The Pensions Regulator in the UK raised a concern that the threshold for a small pension scheme of 1,000 scheme members appeared high in relation to the size of the employer funding the membership. It appeared that the auditor of many schemes would be able to apply ES – PASE even though the auditor of the sponsoring employers would not. An alternative threshold of 100 scheme members was proposed. The Pensions Regulator estimated that this would mean that approximately 2,800 additional defined benefit schemes<sup>14</sup> (about 60% of such schemes) would move above the threshold, but defined contribution scheme audits (approximately 70 – 75,000 in total) would be unaffected as the vast majority of such schemes have less than 100 members.
- 5.10. The APB has been in consultation with The Pensions Board in Ireland, but has not yet been able to establish whether a similar amendment to the threshold

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<sup>13</sup> Draft revised ES 5, paragraph [K].

<sup>14</sup> Figures taken from the Purple Book 2007, based on information from scheme returns provided to The Pensions Regulator which were issued in autumn 2006.

would be appropriate for the audits of pension schemes in the Republic of Ireland.

## Definition of listed company

- 5.11. In the glossary of terms accompanying the draft revised ESs, the definition of listed company was extended to make it clear that this would include AIM companies. This reflected the APB's original intention, as well as guidance given by the accountancy bodies through responses to Frequently Asked Questions on the ESs. One commentator raised the question of whether PLUS Markets listed companies should also be included in the definition.
- 5.12. In view of the fact that PLUS Markets plc has been granted Recognised Investment Exchange status by the FSA, the position as regards the need for auditor independence for companies listed on this exchange seems to be equivalent to AIM companies. The APB therefore believes that they too should be regarded as listed companies and has amended the definition accordingly.

## 6. Matters to be dealt with later

- 6.1. As set out above in paragraph 2.6 the timetable for the review of the ESs has been set to accord with the UK Government's timetable for the implementation of the SAD. In addition to requiring further dialogue on the issue of partner rotation, a number of new issues have arisen during the consultation period that will require further work to be completed before it will be possible to consult on any resulting changes to the ESs. The APB has therefore issued the revised ESs, without addressing these points, but has agreed to undertake further work on each of the issues set out below:
- ***Restructuring and refinancing services.*** One respondent to the consultation on the draft revised ESs raised a concern that there will always be a conflict of interest where the same firm is providing both auditing services and restructuring advice. The APB will explore this issue alongside issues highlighted in the Treasury Select Committee report on Northern Rock that was published on 24 January 2008.
  - ***Internal audit staff working directly for the audit team.*** During the consultation period a question has arisen as to whether internal auditors, working directly for the external audit team, are sufficiently independent to carry out audit procedures, even when this work is supervised by the external auditor. Involving internal audit staff in the audit means that these individuals fall within the definition of the audit team. Such a situation would seem to be equivalent to dual employment which is not permitted by ES 2, but the full implications of clarifying this have not been explored.
  - ***Financial interests of new partners joining the firm arising from previous employment.*** One commentator stated that the 'all partner' prohibition on financial interests can limit a firm's ability to appoint new partners from outside who may have existing financial arrangements involving audited entities that they are unable to unwind without

significant penalties. Although some relief has been provided in this area by the change to guidance referred to in paragraph 4.7, the APB will give further consideration to this issue.

- ***Managers with a long association with an audited entity becoming key partners involved in the audit.*** When a manager is admitted to partnership, it is sometimes beneficial for that individual to retain an involvement in the audit of a listed company, possibly as a key partner involved in the audit or as the audit engagement partner. ES 3 currently does not include the time served as manager within the periods specified before rotation is required. The APB understands that individual firms have adopted their own policies to cover such circumstances, the detail of which differs. Further guidance may help to produce some consistency in the application of the threats and safeguards approach<sup>15</sup>.
- ***Definition of affiliate.*** A number of commentators suggested that the APB should align the definition of affiliate with the definition of a related entity that is used in the IFAC Code. The definition of affiliate in the ESs was derived from the EC Recommendation<sup>16</sup> and is thought by the APB to be easier to understand and apply. However, the APB recognises that there are differences between the entities that are included in each definition and is prepared to reconsider what actions might be taken with a view to bringing them into line with each other.
- ***Amendments to align with agreed IFAC Code revisions.*** The majority of the revisions to the independence sections of the IFAC Code were finalised in January 2008. It is understood that final decisions on internal audit, economic dependence and contingent fees will be made by mid 2008. The APB may wish to make further amendments in order to align with decisions made about remaining undecided issues.

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<sup>15</sup> As required by existing ES 3, paragraph 6.

<sup>16</sup> 'Statutory Auditors' Independence in the EU: A Set of Fundamental Principles' published in May 2002.

## **Appendix – List of respondents to Consultation Paper on Draft Revised Ethical Standards for Auditors**

### **Accountancy bodies**

Association of Chartered Certified Accountants  
Association of International Accountants  
Chartered Accountants Regulatory Board  
Consultative Committee of Accountancy Bodies  
Institute of Chartered Accountants in England and Wales  
Institute of Chartered Accountants in Ireland  
Institute of Chartered Accountants of Scotland  
London Society of Chartered Accountants – Regulation and Ethics Review Panel

### **Accountancy Firms**

Deloitte & Touche LLP  
Ernst & Young LLP  
Ernst & Young - Ireland  
Grant Thornton UK LLP  
KPMG LLP  
Mazars LLP  
PKF (UK) LLP  
PricewaterhouseCoopers LLP  
THR

### **Corporates and audit committee chairs**

Ashtead Group plc  
David Best  
BG Group plc  
Candover Investment plc  
Confederation of British Industry  
David Challen  
Confidential response  
DSGi plc  
Gamingking plc  
Nigel McNair Scott  
Mears Group plc  
David Richardson  
Rurelec plc  
Russell Walls  
WSP Group

### **Investors**

Association of British Insurers  
Hermes Focus Asset Management Limited  
Investment Management Association  
National Association of Pension Funds

### **Regulators**

Charity Commission  
The Pensions Regulator