

STATUTORY AUDIT SERVICES MARKET INVESTIGATION

Disclosures of interest

23 January 2012

Member disclosures

As disclosed on the CC register of interests, **Laura Carstensen** is a trustee of the National Museums Liverpool (NML). She has now been appointed a member of NML's audit committee. **(Update to disclosure on 21 September 2012.)**

As disclosed on the CC register of interests, **Carolán Dobson** holds a number of positions. For completeness, further details relating to the auditors of the relevant bodies are provided below.

- She has been appointed Chair of the Audit Committee at Sportscotland, whose external auditors (appointed by Sportscotland) are Grant Thornton UK LLP and whose internal auditors (appointed by Audit Scotland) are BDO LLP. **(Update to disclosure on 11 July 2012.)**
- She is Chairman of Aberdeen Smaller Companies High Income Trust plc (SCHT), which is currently audited by Grant Thornton. She is not on the audit committee of Aberdeen SCHT.
- She is non-executive director of JP Morgan European Smaller Companies plc, which is currently audited by PwC. She sits on its audit committee.
- She is Chairman of Qinetiq pension fund trustees, which is currently audited by PwC.
- She is a trustee of Avon Pension Fund, which is currently audited by the Audit Commission.
- She is a trustee of Golden Charter, which is currently audited by Grant Thornton.

Carolán Dobson has also noted that from time to time she is involved in dealings with audit firms carrying out non-audit work for these bodies and other bodies in her declaration of interests.

Update to disclosure on 31 October 2012

As noted on Carolán Dobson's Register of interests, she is an Independent Adviser to the Environment Agency Pension Fund. It has come to her attention that the Environment Agency Active Pension Fund is one of a number of signatories to a public letter signed by a number of large institutional investors and individual investor associations issued on 17 September 2012 to the European Commission on EC audit reform proposals.

Carolán had no involvement in connection with the correspondence nor has she been involved in any internal discussions or decisions regarding the EC audit reform proposals with the Environment Agency pension fund trustees. The views expressed in the public letter do not represent Carolán's views.

As disclosed on the CC register of interests, **Barbara Donoghue** holds a number of positions. For completeness, further details relating to the auditors of the relevant bodies are provided below.

- She is a Director of Manzanita Capital Ltd, which is currently audited by Frank Hirth.
- She is a trustee of Refuge, which is currently audited by Kingston Smith.

Barbara Donoghue has noted that, in her work for Manzanita Capital, from time to time she is involved in dealings with audit firms carrying out non-audit work.

- Barbara Donoghue was a non-executive director at Eniro AB from 2003 until April 2011. During this time, she served on its audit committee from 2004 until 2011, including three years as Chairman of its audit committee from 2008. During her period as Chairman of the audit committee, she reviewed its auditors and chose PwC.

As disclosed on the CC register of interests, **Richard Farrant** holds a number of positions. For completeness, we are providing further details relating to the auditors of the relevant bodies.

- He is a non-executive director of Daiwa Capital Markets Europe Ltd, which is audited by KPMG.
- He is a trustee of the National Trust, which is audited by KPMG.
- Richard Farrant is also a lay member of the Institute of Chartered Accountants Disciplinary Committee. Prior to this, he was chairman of the Investigation Committee of the Institute of Chartered Accountants in England and Wales between 2003 and 2009.

Robin Mason is Dean of Exeter Business School, which started a school-leavers programme in 2011 and a joint undergraduate degree with KPMG. Mr Mason has overall oversight of the programme, but has no involvement in the management or operations of the programme, nor is he involved with teaching on the course.

Advisers to the panel

Roger Davis, a CC reporting panel member, may be invited to take part in the proceedings of the Group or consulted by the Group with respect to matters or questions with which the Group is concerned, pursuant to paragraph 18 of Schedule 7 to the Competition Act 1998.

- Roger Davis was a partner of PwC (formerly Coopers & Lybrand) from 1975 to 2003. He was Head of Audit (the senior audit partner) of Coopers & Lybrand from 1991 to 1998 and UK, European and Global Head of Professional Affairs of PwC from 1998 to 2003.
- From 2004 to 2009, he was a non-executive member of the Professional Oversight Board (POB) which independently oversees the professional regulation of the UK accounting and actuarial professions. He was also a member of its standing sub-committee overseeing the POB's own quality inspections of the major accounting firms.
- Following his retirement in 2003, he received an annuity from PwC which terminated in 2008. Since then he has had no financial interest of any kind in the firm. He participates in the PwC health, travel and car insurance schemes available generally to retired partners.
- As Head of Audit and subsequently Head of Professional Affairs of PwC, he was a frequent public commentator on accounting, auditing and corporate governance issues, in the professional and national press and broadcast media. He wrote many articles and

lectured widely in the UK, the rest of Europe and most other continents. He does not recall taking any stance on competition as such in the profession (the issue was not then topical). Since he retired in 2003 he has not written or said anything in public fora. In his capacity as Head of Audit, he was a member of the team which made written and oral submissions to the European Commission on the merger of Price Waterhouse and Coopers & Lybrand in 1998.

Staff disclosures

- David Roberts, the Chief Financial & Business Adviser, has a son who commenced a training contract with Grant Thornton in 2012.
- Angus Murray, legal adviser working on the investigation, has a son who works for Deloitte Touche Tohmatsu Ltd who is not involved in their statutory audit work.

The CC does not believe that these matters will prejudice the ability of the Group or its staff to discharge its functions in an independent and impartial manner.

15 February 2012

External adviser

Professor Vivien Beattie will be conducting a literature review and may be consulted by the Group on particular matters:

- She has published research articles and books about the audit market and the audit process.
- She is a member of the Accounting Standards Board Academic Panel.
- She is a member of the Institute of Chartered Accountants in Scotland's Accounting Standards Board.

11 July 2012

Update to member disclosures.

21 September 2012

Update to member disclosures.