

Jim Shannon MP for Strangford - submission to Consultation on Reform of FRC – regulatory and disciplinary aspect for accounting profession in UK.



**Jim Shannon
Constituency Advice Centre
34a Frances Street
NEWTOWNARDS
BT23 7DN**

Tel: 02891 827990

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Email Jim.shannon1@btopenworld.com

To Freedom of Information Manager

29 September 2011

Freedom of Information Request re Accounting regulatory activities - 2006 -2010

The current annual report format produced by the Financial Reporting Council to the Business Secretary (for example to 31 March 2011 on 19 July 2011 at page 67) sets out the number of audit related complaints for the prior 12 month period.

To develop this further if one looks at each of the individual years from 31 March 2006 to 31 March 2011 can you provide:

- (a) the **number of non-audit related complaints** against individual members and separately individual member firms which were passed to the investigation committee in each reporting Institute.
- (b) the number of audit and non-audit related investigations **instigated on its own volition by the leaders** in these Institutes for potential breaches in its Code of Ethics.
- (c) the number **of audit and non-audit related investigations** launched by each Institute in each year.
- (d) Also the number of investigations which actually led to **disciplinary actions by each Institute in each year** against an individual member and separately against an individual member firm.

1. Of these how many disciplinary cases for audit and non-audit related work were pursued by the Institutes against each individual member firm from the **BIG 4 audit member firms (PwC , Deloitte , KPMG, E&Y) in each of the prior 5 years.**

(e) For each year and each firm how many **resulted in actual disciplinary action against a BIG 4 firm**

Of these for each year how many of these BIG 4 audit firm disciplinary cases were for proven breaches

1> in the Institutes Code of Ethics and

2> separately for failures in the professional application of Auditor Scepticism?

(f) **Disciplinary Hearings - outcomes**

% of Complaints upheld where individual members are expelled from ICAEW membership

% Of Complaints upheld where individual members firms have “unlimited fines and costs”.

(h) **Number of Complaints Appealed** - by Complainant or Institute leader

- by Individual Member

- by Individual Member firm

% of Appeals upheld in favour of Complainant

% of Appeals upheld in favour of Individual member

% of Appeals upheld in favour of Individual member firm

(i) **Number and Type of Complaints referred to FRC/AADB by the Institute for each of the last five years.**

% of Complaints referred to AADB and not investigated by AADB/FRC.

Number of disciplinary complaints upheld (after any Appeal) by the AADB/FRC against each of the BIG 4 audit firms

Type and remedies imposed by AADB in each of these upheld disciplinary cases

Yours faithfully,



Jim Shannon MP for Strangford

Spreadsheet summary for FOI request to BIS from Mr Shannon MP on 29 Sept 2011

ICAF
200

(a) the number of non audit related complaints against		
1A individual members	a	b
1B individual member firms	v	w
passed to the Investigation Committee in each reporting Institute..ICAEW.		
(b) the number of audit and non-audit related investigations instigated on its own volition	0?	0
in these Institutes for potential breaches in its Code of Ethics		
(c) the number of audit and non-audit related investigations launched by each Institute	57+	70
(d) Also the no. of investigations which actually led to disciplinary cases in each year against		
(d) 1A individual members	q	r
(d) 1B Individual member firms	a	b
Of these how many (d) 1B disciplinary cases were against a BIG 4 firm PwC, DLT, KPMG,E&Y	f	g
(e) For each year and each firm how many resulted in actual disciplinary action against		
PricewaterhouseCoopers LLP (PwC)	a	b
Deloitte LLP	f	g
KPMG LLP	k	l
Enst & Young LLP	q	r
(e) of these for each year how many of these BIG 4 audit firm disciplinary cases were for		
(e) 1> proven breaches in the Institutes Code of Ethics	f	g
(e) 2> separately for failures in the professional application of Auditor Scepticism	l	m
(f) Disciplinary Hearings - outcomes		
% of complaints upheld where individual members are expelled from Institute membership	a%	b%
% of complaints upheld where individual member firms have "unlimited fines and costs"	f%	g%
(h) Number of Complaints Appealed - by Complainant and/or Institute leader against		
(h) 1A Individual members	l	m
(h) 1B individual member firms	r	s
% of Appeals upheld in favour of Complainant or Institute leader	a%	b%
% of Appeals upheld in favour of Individual member	f%	g%
% of Appeals upheld in favour of individual member firm	k%	l%
(i) Number and type of Complaints referred to FRC/AADB by the Institute		
(a) formal complaints received by Institute and then passed to FRC/AADB	z	x
(b) complaints/investigations generated on its own volition by the Institute and passed to AADB	0?	0
(c) total number of complaints taken on by the AIDB/AADB	2	0

% of complaints referred to AADB by Institute and not investigated by AADB/FRC a% b%
Number of disciplinary complaints upheld (after any Appeal) by the AADB against BIG 4 audits v w

Type and remedies imposed by AADB in each of these upheld disciplinary cases text text

ICAEW referrals taken on by AADB in

- 2006 Mayflower PLC (PwC) and I-soft - Robson Rhodes
- 2007 None reported to Business Secretary
- 2008 Worthington Nicholls (HWCA) and XL Leisure (BDO) concluded in Jan 2010 - no problems
- 2009 None reported to Business Secretary
- 2010 Lehmans (E&Y) , Connaught PLC (PwC) and Aero Inventory (Deloitte) ?

Separate information schedule required for

ICAEW
ICAS
ICAI
ACCA

Copy Mr Andrew Tyrie MP - Chair of the TSC

Lord MacGregor - Chair of the House of Lords Economic Affairs Committee

The only information provided to the Secretary of State (or requested) on an annual basis from the FRC - example for report dated 31 March 2011

C) *Complaints about Auditors*

	ACCA	ICAEW	CAI ¹⁶	ICAS
Number of new cases¹⁷				
2010	24	95	20	2
2009	27	93	17	10
2008	26	91	80	7
Number of cases passed to the AADB				
2010	0	3	0	0
2009	0	0	1	2
2008	0	2	0	0
Number of cases passed to committee¹⁸				
2010	8	66	20	2
2009	5	53	7	6
2008	5	77	32	5
Number of complaints¹⁹ closed in the year				
2010	24	89	13	1
2009	25	76	6	6
2008	13	135	86	4

¹⁶ The Chartered Accountants Regulatory Board (CARB) is responsible for handling complaints about all members of the CAI, including audit-related complaints, in accordance with the CAI Bye-laws.

¹⁷ Audit related complaints only

¹⁸ Cases passed to the committee relate to: A) the Disciplinary Committee for the ACCA B) Cases considered by the Investigations Committee and referred to the Disciplinary Committee for the ICAEW C) the Complaints Committee Disciplinary Committee and Appeal Committee for the CAI and D) the Investigation and Professional Conduct Enforcement Committee at ICAS.

¹⁹ Audit related complaints only

BIS Ref:11/1307

Your Ref:

Jim Shannon MP
Constituency Advice Centre
34a Frances Street
Newtownards
BT23 7DN

18 October 2011

Dear Mr Shannon

Thank you for your letter of 29 September 2011 where you requested information about Accounting regulatory activities – 2006 -2010.

You requested information on the following:

The current annual report format produced by the Financial Reporting Council to the Business Secretary (for example to 31 March 2011 on 19 July 2011 at page 67) sets out the number of audit related complaints for the prior 12 month period.
To develop this further if one looks at each of the individual years from 31 March 2006 to 31 March 2011 can you provide:

- (a) **the number of non-audit related complaints** against individual members and separately individual member firms which were passed to the investigation committee in each reporting Institute.
- (b) **the number of audit and non-audit related investigations instigated on its own volition by the leaders** in these Institutes for potential breaches in its Code of Ethics.
- (c) **the number of audit and non-audit related investigations** launched by each Institute in each year.
- (d) **Also the number of investigations which actually led to disciplinary actions by each Institute in each year** against an individual member and separately against an individual member firm.
1. **Of these how many disciplinary cases for audit and non-audit related work** were pursued by the Institutes against each individual member firm from the **BIG 4 audit member firms (PwC , Deloitte , KPMG, E&Y) in each of the prior 5 years.**
- (e) **For each year and each firm how many resulted in actual disciplinary action against a BIG 4 firm**

Spur 3rd Floor, 1 Victoria Street, London, SW1H 0ET
<http://www.bis.gov.uk/>

Direct Line +44 (0)20 7215 1661 | Fax +44 (0)20 7215 5882
Enquiries +44 (0)20 7215 5000 | Email Angela.Rabess@bis.gsi.gov.uk

Of these for each year how many of these BIG 4 audit firm disciplinary cases were for proven breaches

- 1 in the Institutes Code of Ethics and
- 2 separately for failures in the professional application of Auditor Scepticism?

(f) Disciplinary Hearings - outcomes

% of Complaints upheld where individual members are expelled from ICAEW membership

% Of Complaints upheld where individual members firms have "unlimited fines and costs".

- (h) Number of Complaints Appealed**
- by Complainant or Institute leader
 - by Individual Member
 - by Individual Member firm

% of Appeals upheld in favour of Complainant

% of Appeals upheld in favour of Individual member

% of Appeals upheld in favour of Individual member firm

(i) Number and Type of Complaints referred to FRC/AADB by the Institute for each of the last five years.

% of Complaints referred to AADB and not investigated by AADB/FRC.

Number of disciplinary complaints upheld (after any Appeal) by the AADB/FRC against each of the BIG 4 audit firms

Type and remedies imposed by AADB in each of these upheld disciplinary cases

I am writing to advise you that, following a search of our paper and electronic records, I have established that the information you requested is not held by this Department.

The information that the Department holds is that contained in the annual report by the Professional Oversight Board to the Secretary of State <http://www.official-documents.gov.uk/document/hc1012/hc14/1422/1422.asp>. The detailed information you request may be held by the FRC. I understand that the FRC's Professional Oversight Body (POB) is subject to the FoI Act, but this does not extend to the other operating bodies.

The FRC may be contacted at

Financial Reporting Council
5th Floor, Aldwych House
71-91 Aldwych
London
WC2B 4HN
Email: FOIA@frc-pob.org.uk

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to:
FOI.Requests@bis.gsi.gov.uk

Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioners Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Yours sincerely,

Angela Rabess

Professional Oversight Board

Aldwych House, 71-91 Aldwych, London WC2B 4HN

Telephone: 020 7492 2341 Fax: 020 7492 2359

www.frc.org.uk/pob

J Shannon MP

[SENT BY EMAIL]

10 November 2011

Dear Mr Shannon

Freedom of Information Act Request

Thank you for your request for information under the Freedom of Information Act 2000 (the Act) detailed in your email of 19 October 2011.

The Financial Reporting Council (FRC) and the Professional Oversight Board

As you know, the FRC is the UK's independent regulator for corporate reporting and governance. Its aim is to promote high quality corporate reporting and governance to foster investment. The Professional Oversight Board (the Oversight Board) is one of the operating bodies of the FRC together with the Accountancy and Actuarial Discipline Board (AADB), the Accounting Standards Board (ASB), the Auditing Practices Board (APB), the Financial Reporting Review Panel (FRRP) and the Board for Actuarial Standards (BAS).

Application of the Act

Section 1252(3) of Companies Act 2006 designates the Oversight Board as a public authority for the purposes of the Act in relation to the exercise of the statutory functions delegated to it by the Secretary of State. It is not designated in relation to the exercise of non-statutory functions and accordingly information in relation to those functions is not covered by the Act. The FRC and its other operating bodies are not designated under the Act.

Your request

You have requested the following information under the Act in respect of the ICAEW, ICAS CAI (formerly ICAI) and ACCA for the years 2006-2010 inclusive:

- (a) **The number of non-audit related complaints against**
- 1A individual members
 - 1B individual member firms
- passed to the Investigation Committee in each reporting Institute.
- (b) **The number of audit and non-audit related investigations instigated on its own volition** in these Institutes for potential breaches in its Code of Ethics
- (c) **The number of audit and non-audit related investigations launched by each Institute**
- (d) **Also the no. of investigations which actually led to disciplinary cases in each year against:**
- 1A individual members
 - 1B Individual member firms
- Of these how many (d) 1B disciplinary cases were against a BIG 4 firm PwC, DLT, KPMG, E&Y
- (e) **For each year and each firm how many resulted in actual disciplinary action against**
- PricewaterhouseCoopers LLP (PwC)
 - Deloitte LLP
 - KPMG LLP
 - Ernst & Young LLP
- Of these for each year how many of these BIG 4 audit firm disciplinary cases were for:
- proven breaches in the Institutes Code of Ethics
 - separately for failures in the professional application of Auditor Scepticism
- (f) **Disciplinary Hearings - outcomes**
- % of complaints upheld where individual members are expelled from Institute membership
 - % of complaints upheld where individual member firms have "unlimited fines and costs"
- (h) **Number of Complaints Appealed - by Complainant and/or Institute leader against:**
- 1A Individual members
 - 1B individual member firms
- % of Appeals upheld in favour of Complainant or Institute leader
 % of Appeals upheld in favour of Individual member
 % of Appeals upheld in favour of individual member firm

- (i) **Number and type of Complaints referred to FRC/AADB by the Institute**
- (a) formal complaints received by Institute and then passed to FRC/AADB
 - (b) complaints/investigations generated on its own volition by the Institute and passed to AADB
 - (c) total number of complaints **taken on by** the AADB/AADB

% of complaints referred to AADB by Institute and not investigated by AADB/FRC

Number of disciplinary complaints upheld (after any Appeal) by the AADB against BIG 4 audits

Type and remedies imposed by AADB in each of these upheld disciplinary cases

Our response to your request

Having reviewed our records, we can confirm, as I believe you anticipated, that the Oversight Board does not hold the information you have requested.

The Oversight Board's annual report to the Secretary of State provides limited information in respect of complaints against auditors made to the Board and to the other operating bodies and can be found at:

<http://www.frc.org.uk/pob/publications/index.cfm?mode=list&cID=17>

In addition to this information, we also published a report, 'Complaints and Discipline Procedures Review' in February 2005 which can be found on our website at: <http://www.frc.org.uk/pob/publications/index.cfm?mode=list&cID=2>

In respect of point (i) above, we refer you to the AADB website which may provide you with some relevant information: <http://www.frc.org.uk/aadb/index.cfm>.

If you are unhappy with the way your request for information has been handled you can request an internal review by writing to the FRC's General Counsel either by e-mail or by post to the following address:

Anne McArthur
General Counsel
The Financial Reporting Council
5th Floor
Aldwych House
71-91 Aldwych
London
WC2B 4HN
a.mcarthur@frc.org.uk

If you remain dissatisfied with the handling of your request or complaint, you have a right to appeal to the Information Commissioner at:

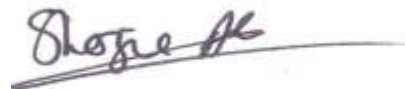
The Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire,
SK9 5AF

Telephone: 08456 30 60 60 or 01625 54 57 45

Website: www.ico.gov.uk

There is no charge for making an appeal.

Yours sincerely



Shazia Ahmad
Project Manager
DDI: 020 7492 2339
Email: s.ahmad@frc-pob.org.uk



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The Institute of Chartered Accountants in England and Wales

Mr Michael Izza
Chief Executive Officer
Moorgate Place
London EC2P 2BJ

The Institute of Chartered Accountants in Scotland

Mr Iain Mc Laren – President
Head Office
CA House
21 Haymarket Yards
Edinburgh EH12 5BH

The Institute of Chartered Accountants in Ireland

Mr John Hannaway – President
11 Donegall Square South
Belfast
BT1 5JE

15 November 2011

Dear Sirs

I have been taking an active interest in the regulatory aspects of the accounting profession for audit and non-audit activities during the last year or so. As part of that process I would like your organisation to complete the answers to the attached questions. Thanking you in anticipation.

If I can be of any further assistance then please do not hesitate to contact my office.

Yours sincerely

JIM SHANNON MP

A handwritten signature in black ink that reads "Jim Shannon". The signature is written in a cursive style and is positioned above a horizontal line.

***Member of Parliament
Democratic Unionist Party
Strangford Constituency***

Circulation as addresses in each RPB

Enclosure 1 - narrative document

Enclosure 2 - spreadsheet format

Copy Mr Paul George FRC (POB)
HMG BIS Minister - Mr Edward Davey MP

Mr Andrew Tyrie MP-Chmn of the Treasury Select Committee

Sir Alan Beith MP - Chairman of the Justice Select Committee

Lord MacGregor -Chairman of the Economic Affairs Committee

From: JIM SHANNON <jim.shannon1@btopenworld.com>
To: "vernon.Soare@icaew.com" <vernon.Soare@icaew.com>
Cc: "tyriea@parliament.uk" <tyriea@parliament.uk>;
"cheesemang@parliament.uk" <cheesemang@parliament.uk>;
"monroej@parliament.uk" <monroej@parliament.uk>;
"matthew@matthewhancock.co.uk"
<matthew@matthewhancock.co.uk>; "michael.izza@icaew.com"
<michael.izza@icaew.com>

Sent: Wednesday, 23 November 2011, 12:32

Subject: Fw: Magellan/PwC

Mr Soare

Further to my email copied to you below.

I have now recognised that you will probably have the role, responsibility and information available in relation to regulatory information on the accounting profession in England and Wales. You may already have seen my attached letter/request dated 15 November 2011 to Mr Izza. If so, my apologies.

If not, I enclose a copy of my FOI request from 29 September 2011 to BIS, then FRC and now the individual accounting bodies, such as the ICAEW. A spreadsheet is attached for ease of use.

Can I ask that you please ensure that the ICAEW provide this information, or as much as it has in its governance processes, as soon as practical.

You will be aware that the BIS/FRC are out to Consultation on Regulatory changes up to 10 January 2012 and I wish to ensure that I have all the possible information available to compile a credible evidence-driven submission.

Thanking you in anticipation.

Jim Shannon MP
Member of Parliament for Strangford
34a Frances Street
NEWTOWNARDS
BT23 7DN



RECEIVED



25 November 2011

Mr J Shannon, MP
Member of Parliament for Strangford
34a Frances Street
NEWTOWNARDS
BT23 7DN

Dear Mr Shannon

I refer to your email of 23 November which in turn refers to your letter of 15 November addressed, inter alios, to Michael Izza. I should point out that ICAEW is not subject to the Freedom of Information Act. The Professional Oversight Board (POB), as the body responsible for the oversight of the profession, is subject to the Act.

As you may be aware we supply the POB with any information it requests in discharge of its public function. In the interests of economy and efficiency we do not propose to respond directly to other requests. I can confirm however that if, in the context of your Freedom of Information Act request, the POB concludes that it would assist for us to supply any information to it we will be happy to do so. I would only add at this stage that we do not hold all of the information you have requested in a readily accessible form, nor is the material held in the format which you require.

Yours sincerely

Vernon Soare ACA
Executive Director, Professional Standards

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E vernon.soare@icaew.com

From: JIM SHANNON <jim.shannon1@btopenworld.com>
To: "Vernon.soare@icaew.com" <Vernon.soare@icaew.com>
Cc: "michael.izza@icaew.com" <michael.izza@icaew.com>;
pgeorge <p.george@frc-pob.org.uk>
Sent: Monday, 28 November 2011, 15:06
Subject: Fw: Magellan/PwC

Mr Soare

I have received your ICAEW letter dated 25 November 2011 this morning. Having read it briefly can you please complete the information that you do have as part of your internal ICAEW governance processes into the spreadsheet and are prepared to put in the public domain.

If the information is available but consider it not to be in the public interest to share it as part of your regulatory and disciplinary role then please identify which boxes you can complete in the spreadsheet but are not prepared to share at this time. Say for example **by NOT P/I in the** relevant boxes. We may then reasonably assume that the remaining information is not readily available to the ICAEW governance processes.

Thankyou

Jim Shannon MP
DUP Member for Strangford
34a Frances Street
NEWTOWNARDS
BT23 7DN

From: JIM SHANNON <jim.shannon1@btopenworld.com>
To: joThompson <mpst.cable@bis.gsi.gov.uk>
Cc: AndrewTYRIE <andrew.tyrie.mp@parliament.uk>;
"cheesemang@parliament.uk" <cheesemang@parliament.uk>;
"monroej@parliament.uk" <monroej@parliament.uk>;
"matthew@matthewhancock.co.uk"
<matthew@matthewhancock.co.uk>; "michael.izza@icaew.com"
<michael.izza@icaew.com>

Sent: Wednesday, 7 December 2011, 11:12

Subject: Fw: Magellan/PwC

Everyone

Further to my email and attachments dated 23 November 2011 (Attachments 1- 3) I attach a copy of the ICAEW reply dated 25 November 2011 (Attachment 4) from their Executive Director of Professional Standards, Mr Vernon Soare.

You can also read my email response / request to Mr Soare in my email below dated 28 November 2011.

Please note that I did copy this to the FRC's regulator of the ICAEW – the Professional Oversight Board

As promised I will keep you advised as all the responses are forthcoming.

Thankyou
Jim



12 December 2011

Mr J Shannon MP
DUP Member for Strangford
34a Frances Street
NEWTOWNARDS
BT23 7DN

Dear Mr Shannon

Thank you for your email of 28 November. I apologise for the delay in my reply.

As referenced in my letter of 25 November, should the FRC's Professional Oversight Board (POB) conclude that in the context of your Freedom of Information request it would assist for ICAEW to provide information to it of the kind you have requested, we will do so.

You will appreciate that in complying with the oversight role exercised by the POB over ICAEW, we already provide or make available to the POB information and data on a range of regulatory and related issues.

Yours sincerely

A handwritten signature in blue ink that reads 'Vernon Soare'.

Vernon Soare, ACA
Executive Director, Professional Standards

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01502401012011

From: JIM SHANNON <jim.shannon1@btopenworld.com>

To: joThompson <mpst.cable@bis.gsi.gov.uk>;
"mpst.davey@bis.gsi.gov.uk" <mpst.davey@bis.gsi.gov.uk>

Cc: AndrewTYRIE <andrew.tyrie.mp@parliament.uk>;
"cheesemang@parliament.uk" <cheesemang@parliament.uk>;
"monroej@parliament.uk" <monroej@parliament.uk>;
"matthew@matthewhancock.co.uk"
<matthew@matthewhancock.co.uk>; "michael.izza@icaew.com"
<michael.izza@icaew.com>

Sent: Wednesday, 21 December 2011, 14:24

Subject: Fw: UK accounting regulatory and disciplinary
information - ICAEW

Dear Dr Cable and Mr Edward Davey MP

Further to my email below dated 28 November 2011 I attach a copy of Mr Vernon Soare – Executive Director of Professional Standards at the ICAEW – in response to my further request for more information in the email trail below on Monday 28 Nov at 15.06 in the public interest with regards to the regulation of the accounting profession.

In conclusion from this research it seems that the only information collected that they have available in response to these questions on accounting and disciplinary regulation in the UK is that provided by the FRC/POB in its Annual Report to you. The scope of that information is unchanged since you became Business Secretary in May 2010.

Despite the constant requests that they be left to self-regulation these bodies (FRC/POB or ICAEW) do not consider that they have any public interest duties in regard to the provision of this regulatory and disciplinary information.

I provide this directly to both Minister Davey MP and you now so that you can positively consider whether you concur with that policy and whether in the current consultations the Coalition government consider that this is a satisfactory position.

I have copied this email trail to

(1) Mr Andrew Tyrie MP – Chairman of the Treasury Select Committee as we have discussed this on a few occasions as my research as progressed

(2) Sir Alan Beith MP - Chairman of the Justice Select Committee – since June 2011

(3) Lord MacGregor – Chairman of the Economic Affairs Committee in the House of Lords with whom I have spoken and being in correspondence about since May 2011. You will recall that it was your Committee which received Mr Soare’s supplementary memorandum in November 2010 in which he included

“Further supplementary memorandum by Mr Veron Soare, Executive Director, Professional Standards, ICAEW (ADT 9)

..... I would like to comment on a number of the points that were made during the Committee hearing on Tuesday 9 November at which representatives of the supervisory community, including the Financial Reporting Council (FRC), gave evidence. As a Recognised Supervisory Body (RSB) for statutory audit under the Companies Act 2006, the ICAEW has a useful perspective to offer on the matters raised.

*“With reference to the AADB, it is able to use any disciplinary sanction open to the ICAEW, including the power to impose unlimited fines and exclude from membership. This arrangement continues the powers enjoyed by the AADB's predecessor body, the Joint Disciplinary Scheme (JDS). Like the JDS, the AADB independently investigates public interest cases against audit firms registered with the ICAEW and is designed to play a key role in maintaining confidence in the UK audit profession. **However, despite accumulating a substantial caseload the AADB shows no evidence of an ability to meet the promises concerning speed and thoroughness of investigation made at its outset. Indeed, according to its website, since announcing its first investigation in 2005, the AADB has brought only two cases to a tribunal hearing. An independent review of the effectiveness of its work may now be timely.**”*

Can you please consider these matters in policy terms and advise us of the HM Governments' position as we move more formally into parliamentary processes with its attendant media coverage in 2012.

Regards
Jim

Jim Shannon, MP for Strangford
Office - 028 9182 7990 - 34a Frances St, Newtownards, BT23 7DN
Mob - 07721960285



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Jim.shannon1@btopenworld.com

The Institute of Chartered Accountants in Scotland

Mr Iain Mc Laren – President
Head Office
CA House
21 Haymarket Yards
Edinburgh EH12 5BH

The Institute of Chartered Accountants in Ireland

Mr John Hannaway – President
32 – 38 Linenhall Street
Belfast
Co Antrim BT2 8 BG

28 December 2011

Dear Sirs

I wrote to you on 15 November 2011 and stated that I have been taking an active interest in the regulatory aspects of the accounting profession for audit and non-audit activities during the last year or so. As part of that process I asked your organisation to complete the answers to the attached questions.

As yet I have only received the input from the ICAEW. I had hoped that these would have been received before the completion date for the consultation inputs to the BIS/FRC on the reform of the FRC. Can you please have your organisation either re-

forward your response or provide you input by return. Thanking you in anticipation.

If I can be of any further assistance then please do not hesitate to contact my office.

Yours sincerely

JIM SHANNON MP

A handwritten signature in black ink that reads "Jim Shannon". The signature is written in a cursive style and is positioned above a horizontal line.

***Member of Parliament
Democratic Unionist Party
Strangford Constituency***

Circulation as addresses in each RPB

Enclosure 1 - narrative document

Enclosure 2 - spreadsheet format