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Dear Sir

Re: **The Statutory Auditors (Examinations) Instrument 2008**
The Statutory Auditors (Registration) Instrument 2008
The Statutory Auditors (Transparency) Instrument 2008

We welcome the opportunity to comment on the Professional Oversight Board's (POB) draft regulations implementing requirements contained in Articles 8, 15 and 40 of the European 8th Company Law Directive on the statutory audit of annual and consolidated accounts.

We welcome the approach adopted in the draft examinations and registration regulations of implementing the minimum requirements of the Directive, and congratulate the POB for avoiding adding unnecessary burdens on statutory auditors outside of those contained in the Directive.

We are, therefore, surprised that this approach has not been adopted in the draft transparency regulation with the inclusion of areas not required in Article 40 of the Directive, especially taking into account the conclusion of the POB, contained in its report of 27 May 2007 (issue C) of responses to the consultation on implementation of Article 40, that *'in turning the Directive requirements into legal text we should aim to stick to the Directive wording other than where, taking into account detailed comments in the consultation, we consider that the requirement is unclear'*.

The requirements contained in paragraph 4 (2) (b) that the transparency reporting auditor ensures that a transparency report remains available for a period of three years and that the transparency reporting auditor must send a copy of the transparency report to the POB, paragraph 4 (3), are not contained in the Directive. As these are additional areas to those contained in Article 40 and, in the absence of sight of responses to the POB consultation of 11 August 2006, we cannot see how these requirements make Directive wording clearer and suggest that these are removed from the regulation.

Whilst an audit firm may voluntarily elect to keep a transparency report on its website for a longer period than the current reporting year this should be a matter for the firm in assessing how best to use its website. We question how relevant out of date transparency reports will be for stakeholders. In addition, any increase in storage may increase IT costs for smaller audit firms. An audit firm may also elect to voluntarily send a copy of the report to the regulator (a practice that we adopt), but again this must be a matter for the firm.

In complying with Directive requirements, the audit firm may additionally wish to report on other areas not included in the Directive but, again, this must be a matter for the firm.

It is important, in response to paragraph 7 of the supporting note to the draft regulation, that, as far as possible, there is consistency in the use of definitions. We support the Government's position that the definition of a network, included in Regulation 34(7) of the Statutory Auditors and Third Country Regulations 2007, meets Directive requirements and suggest that the POB adopts similar wording.

Yours faithfully

PricewaterhouseCoopers LLP

