I am the audit committee chair of four quoted businesses; one FTSE 250, two small cap and one AIM listed. However, I am writing in a private capacity and not on behalf of those businesses.

I believe that developments in recent years (particularly with regard to audit firm rotation and restrictions on non-audit fees) have been very beneficial to the enhancement of audit practice. The AQRT reports on specific audits have also been particularly helpful.

Overall, I feel that the audits of my companies are thorough and appropriately challenging.

However, I do have a problem with the effectiveness of audit competition. From my experience, I would offer the following opinions;

> the involvement of the Big Four in consultancy work considerably reduces the effective choice at the time of a tender. Sometimes this can mean an effective choice of one or two.

> below the Big Four, I have had several instances where the partners from smaller firms pitched well at tenders, but have been let down by their teams in terms of their professionalism relative to the Big Four. In each case a Big Four firm was successful.

As a consequence, I feel that audit committees do not have effective choice when seeking to change auditor.

I would like to see the audit and non-audit elements of the Big Four split up, so that the audit firms focus on their audit work and that there is an adequate market in the provision of high quality audit services.

I know that this would be extremely unpopular with the partners of the Big Four but I believe that it should be possible to address their objections. In particular, the new non-audit firms would be available to support all the firms and, over time, competition should improve quality overall. I believe that the audit firms would still be extremely attractive as graduate employers. I recognise that there may be a cost penalty for this change, but I believe that will be mitigated by increased effective competition.

Kind regards