

Statutory Audit Market Study
Competition and Markets Authority
7th Floor
Victoria House
37 Southampton Row
London WC1B 4AD

Our Ref: MP/SB

2 November 2018

Dear Sirs

Statutory audit market: Invitation to comment

We welcome the opportunity to comment on the CMA's Market Study on the Statutory Audit Market as set out in the invitation to comment on 9 October 2018. The views expressed in this response are that of our own and not that of any organisation to which we belong.

The recent corporate failures are a concern and the findings from the Financial Reporting Council investigations into those audits are an important focus for all auditors. We firmly believe that a robust audit is one that is conducted with adherence to all professional standards and with appropriate professional scepticism to ensure quality of the opinion is ultimately trusted by the stakeholders.

Our focus is on the privately owned small and medium enterprises ('SME') market where we frequently act as statutory auditor for a company or group alongside providing a range of permitted non-audit services and wider support to the shareholders and management in their personal capacity. We also act for the UK entities or branch of numerous large internationally owned groups (some listed). Our clients provide a significant contribution to the economy and society as a whole but individually do not pose the same level of risk as those in the FTSE 350. Our clients value our ability to comprehensively meet their audit, tax, other compliance and business advisory needs whilst remaining independent. Competition in the SME audit market remains fierce (as it should be) and focussed on high quality audit, independence and value add. Accordingly, any outcomes from the CMA Market Study should not cascade down so as to adversely affect the SME audit market where we are of the view that the current structure continues to work well for the client. Further, any proposed actions should encourage and allow for growth of mid-tier firms that seek to operate in the larger company audit market.

Yours faithfully

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on behalf of Blick Rothenberg Audit LLP

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