

Auditor Regulation – Response document on the Implications of the EU and wider reforms.

BHP Chartered Accountants welcomes the opportunity to comment on the discussion paper “Discussion document on the implications of the EU and wider reforms” published by the Department for Business Innovation & Skills in December 2014.

BHP Chartered Accountants are a top 50 firm of Chartered Accountants and the largest independent firm in Yorkshire and North Derbyshire with 4 offices and employing approximately 260 staff.

Our detailed responses to the questions raised in the discussion document are dealt with in the joint response from the Group A and members of the Association of Practising Accountants. We therefore reference our response to that response.

We would, however, make the following additional comments:

The implementation of the Audit Directive is happening as the UK economy is recovering from a sustained period of recession. Implementation must therefore support the economy to deliver sustainable growth rather than hinder that process through excessive regulation.

We do not believe that the definition of a PIE should be extended beyond its current definition as it would have the impact of bringing significant cost to those entities and a significant cost and regulatory burden to those firms not currently engaged in the audit of PIE’s under the current definition. We would reference our response to further detailed considerations in the response from the Group A and members of the Association of Practising Accountants.

Q41 – We welcome the decoupling of audit threshold limits from the small companies accounting regime. However we do not believe that increasing the audit threshold limits would be in the best interests of either the business community or public interest. An audit is a critical process for building confidence in the financial sector, not only in the eyes of the general public but also for business owners seeking to grow and expand their organisations. Audit provides a unique insight into an organisations financial controls, governance and management oversight and we believe that by exempting a large number of organisations from audit requirement would have a negative effect on the economy.

A C D Staniforth

For and on behalf of BHP Chartered Accountants

19 March 2015