

The big firms are good at what they do

From Mr Ronnie Fox.

Sir, The Association Of British Insurers' call to reduce the dominance of the Big Four firms of accountants is misconceived (report, August 7).

The large firms have grown because they are very good at what they do. That is why the investment community attaches such importance to an audit certificate signed by one of the Big Four. The threat of an auditor's resignation sometimes persuades a board to bring an errant chief executive into line. The implications of an auditor's

resignation are part of the machinery for enforcing good corporate governance practice.

A positive approach would be to encourage the growth of mid-tier accountancy firms. Let us see if the institutions represented on the ABI will take the lead by instructing such firms in place of the Big Four to do their own audit and accountancy work.

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