

IN CONFIDENCE

RECORD OF MEETING WITH MR JIM BUTLER, SENIOR PARTNER OF KMPG PEAT
MARWICK MCLINTOCK, ON 19 JUNE 1991

Present:

Jim Butler
Sir Adrian Cadbury
Nigel Peace

Mr Butler said that the senior partners of the leading eight accountancy firms had been unanimous in the supporting the establishment of Sir Adrian's Committee. All had felt that there was a degree of uncertainty in the present situation which needed clearing up. He would be reporting on the Committee's progress to the next meeting of the senior partners in September.

2 Mr Butler agreed that it would be useful to report to the first meeting of the Committee on the work that was going on elsewhere. He suggested that the Chairmen of the various working groups within the accountancy profession that had relevant studies in progress should in due course be invited to present their findings to the Committee. He also suggested that other bodies represented on the Committee should be invited to make submissions to it if they wished.

3 Mr Butler did not offer any specific views on what he would like to see emerging from the Committee but he did comment that audit committees, if they functioned properly, were very helpful both to the company and to the auditors. On directors' pay, he suggested that the correct course would be to disclose what proportion of earnings was performance related, and the period to which it related.

NDP

24 June 1991