Minimum standards for audit committees

Submission to the FRC

The Association of Investment Companies (AIC) is the trade body for the closed-ended investment company sector. We represent 349 investment companies, holding assets of over £241 billion on 31 December 2022. The AIC's members are predominantly listed on the Premium Segment of the Main Market of the London Stock Exchange. Some have shares on the Specialist Fund Segment (SFS); others are quoted on AIM.

The AIC's members include investment trusts, Venture Capital Trusts (VCTs), UK Real Estate Investment Trusts (REITs) and non-UK companies. Our non-UK members are predominantly incorporated in Guernsey and Jersey.

Closed-ended investment companies are collective vehicles which pool their shareholders' capital and hold a portfolio of assets to spread risk and generate an investment return. Investments include listed securities, private equity, debt, property and infrastructure.

The AIC welcomes the opportunity to respond to the Financial Reporting Council's (FRC) consultation on the draft minimum standards for audit committees (the draft standards). The AIC supports many of the proposed standards which codify content that already exist in other FRC publications. However, we have a number of specific areas of concern which we have set out below.

Managed shared audit requirements prevent compliance

The government has proposed that FTSE 350 companies either appoint a challenger firm to be their sole auditor or, for companies with one or more legal subsidiaries, the group audit could be divided such that a challenger audits a meaningful proportion of the group.

The AIC has already responded to the government setting out its concerns with this proposal and recommending an exemption for companies, such as investment companies, that are Alternative Investment Funds (AIFs) within the scope of the Alternative Investment Fund Managers Directive (AIFMD). See the **Appendix** for a copy of our response to BEIS.

Investment companies are currently audited by a relatively limited number of audit firms. BEIS's proposals will further reduce the number of audit firms available by removing the ability of these companies to be audited by a Big 4 firm because they do not have a group structure.

Were BEIS to require managed shared audits for investment companies, it will most likely prevent investment company audit committees from achieving the following requirements set out in the draft standards:

- **Paragraph 4.1** - Manage the company's non-audit relationships with audit firms to ensure that the company has a fair choice of suitable external auditors at the next tender and in light of the need for greater market diversity and any market opening measures which may be introduced.
- **Paragraph 7** - Ensure the company has a sufficient number of potential auditors that are independent, or capable of becoming so (for example, if they were to cease non-audit work), in order to allow for adequate competition and choice in a subsequent tender.

- **Paragraph 11** - Manage their relationship with audit firms to allow for sufficient choice in a future tender and take account of the need to expand market diversity and any market opening measures that may be introduced.

These standards put the onus on the company to ensure there are sufficient auditor firms in the market to allow the audit committee a choice of audit firm. This is not something that is within an investment company's gift.

Additionally, the government's managed shared audit proposals will further limit the number of audit firms in the market for investment companies because of the company's structure, supplier constraints and the relatively low fees associated with auditing investment companies. (See the **Appendix** for further information.)

Unless the government includes an exemption from managed shared audits for AIFs, the AIC **recommends** the paragraphs outlined above are not required for investment company audit committees.

Engagement with shareholders on the scope of the audit

Paragraph 4.3 of the draft standards proposes that, where appropriate, audit committees engage with shareholders on the scope of the external audit. The AIC **recommends** that this is deleted.

As set out in the FRC's Guidance on Audit Committees, the audit committee has responsibility for setting the scope of the audit in conjunction with the auditor. The scope of the audit will depend on many things, such as applicable laws and regulations, the size and nature of the business, the controls in place at the company, the assessment of materiality etc. The scope for each audit will be different, tailored to the specific circumstances of the company and the environment within which it operates. These are not matters that shareholders will have detailed knowledge of.

Shareholders already have sufficient mechanisms to engage with directors to discuss their views about audit matters. For example, the AGM provides shareholders with a forum to raise questions about the audit. Outside of the AGM, shareholders are able to raise concerns with the board or the audit committee via the company secretary or directly with the Chair or Senior Independent Director.

Directors have legal duties set out in company law, including the responsibility to exercise reasonable care, skill and diligence. If a shareholder were to approach a director about a matter in relation to the scope of the audit, the director would be bound to consider the matter and act appropriately. If a director fails in this duty, shareholders have the ability to vote the director out of office.

The FRC's Guidance on Audit Committees includes a section on the audit committee communicating with shareholders. It states the audit committee should "*be prepared to meet investors*". It also states, "*The chairman of the audit committee should be present at the AGM to answer questions on the separate section of the annual report describing the audit committee's activities and matters within the scope of the audit committee's responsibilities*".

Current arrangements for shareholder communication are already extensive. The AIC is not aware of any situations where shareholders have been unable to raise questions about the scope of an audit with the board or audit committee if they wish to do so.

Many shareholders do not actively engage with the company about key issues relating to the operation of the company. Therefore, it is difficult to believe they will engage in matters relating to the scope of an audit. This is likely to be an esoteric topic and there is no reason to believe that shareholders will be better placed than the board or the auditor to determine the scope of the audit to be undertaken.

However, it is clear from the government's response to its consultation on restoring trust in audit and corporate governance that it believes that the most appropriate way to encourage shareholder engagement with audits is to include appropriate provisions in the draft standards.

The AIC disagrees. The UK Corporate Governance Code (the UK Code) sets out the main roles and responsibilities of the audit committee. Were any changes to be made to the role and responsibilities of the audit committee, they should be made, subject to public consultation, in the UK Code following a full review and cost benefit analysis.

Paragraph 22.3 of the draft standards requires that where shareholders have requested certain matters be covered in an audit and that request has been rejected, audit committees should explain the reasons for this in the annual report. The AIC **recommends** that this is deleted.

The aim of any shareholder engagement regarding the company's audit should be to benefit the governance or operations of the company. Shareholders already have a number of mechanisms to engage with directors, the audit committee and the auditor in relation to the company's audit. If a shareholder wished to put forward a suggestion about a matter to be covered in the audit, then directors are under legal obligations to act in the best interest of the company and would therefore consider any such suggestions on their merit.

However, as set out above, usually shareholders do not have the appropriate detailed knowledge to engage meaningfully about the company's audit. The company should not be burdened with the cost and compliance obligation of having to respond to individual suggestions put forward by shareholders. It will also increase the length of the annual report unnecessarily. This is not practical or desirable and it will not provide a significant benefit to shareholders.

The AIC **recommends** that any proposal relating shareholder requests about matters to be covered in the audit are considered more fully by ARGA and consulted on prior to any changes being implemented. Any detailed proposals should undergo a full cost/benefit analysis to ensure any changes made will bring benefits commensurate with the costs involved.

Audit quality reviews

Paragraph 22.5 of the draft standards requires that where a regulatory inspection of the quality of the company's audit has taken place, information about the findings of that review, together with any remedial action the auditor is taking in the light of these findings is explained in the annual report by the audit committee. The AIC **recommends** this is deleted.

Currently, audit quality reviews (AQRs) on individual audits are issued to the audit firms who conducted the audit, and, on a confidential basis, to the audit committee chair of the audited entity. These are not publicly available. It is recommended that audit committees discuss such regulatory inspections with their audit firms. The FRC's Audit Quality Practice aid for audit committees states that:

"*These reports are specifically designed to assist audit committees in undertaking their assessment of the effectiveness of the external audit, and also provide a basis for the committee to challenge the auditor over the actions that they propose to take to address any identified weakness in audit work or audit quality*".

It further notes that:

"*Where a company's audit has been reviewed by the AQR, the FRC expects audit committees to discuss findings with their auditors and consider whether any of those findings are significant for disclosure in the Report of the Audit Committee on the effectiveness of the audit process."*

The government's response to its consultation on restoring trust in audit and corporate governance highlights that it is keen for investors and other users of audited financial information to be provided with "*useful information*" which is contained in the AQR. The government also stated that "*audit committees have an important role to play in providing such information*".

However, the AQR is a report about the audit based on the work undertaken by the audit firm. The audited entity has no control over the records maintained by the audit firm. The publication of certain matters included in an AQR could result in unintended consequences for the audited entity and affect market views on the company. For example, information could be used by external parties, such as potential investors or loan providers to make decisions that will affect the company. This could have negative consequences for the audited entity.

Indeed, these points were recognised by the government in its consultation on restoring trust in audit and corporate governance. It stated:

"*The Government recognises that publication of AQR reports even in summary form could result in the inappropriate disclosure of sensitive information, for example, commercially sensitive information relating to the audited entity or information subject to legal professional privilege… The Government will put in place safeguards to prohibit the publication of sensitive information about audited entities.*"

If this statement is not deleted from the draft standards, the AIC **recommends** that it is amended. In line with the government's proposals, paragraph 22.5 should be amended as follows such that the annual report describes the work of the audit committee, including:

"*where a regulatory inspection of the quality of the company's audit has taken place, material information about the findings of that review, provided that such information is not commercially sensitive or confidential, together with any remedial action the auditor is taking in light of these findings;*"

These amendments will ensure that:

- Only material information is provided to shareholders about the AQR, rather than all information being provided; and
- Commercially sensitive or confidential information, for example, information that could result in unintended consequences, is not provided.

Other comments

Paragraph 6 of the draft standards refers to audit committees making use of "*the entity's employees*" for research and evaluation when considering auditor appointments. Typically, investment companies do not have employees. Instead, an investment company would use its investment manager or company secretary to perform such research. As such, the AIC **recommends** the sentence is rephrased as follows, insertions underlined:

> "*Audit Committees may, of course, make use of the entity's employees or third party service providers for research and evaluation.*"

Paragraph 13 of the draft standards proposes that audit committees "*should*" consider running a price-blind tender. The FRC's Audit Quality Practice aid for audit committees suggests that a price-blind tender process "*may be helpful*" to ensure that the focus of the evaluation is drive by quality, however, this is unlikely to be the case in all circumstances. The AIC **recommends** that following amendment, insertions underlined, deletions struck through.

> "*The Audit Committee ~~should~~ could consider running a price-blind tender.*"

Paragraph 18 of the draft standards requires the audit committee to consider whether the volume and type of resources (in terms of seniority and specialism) envisaged in the audit plan has been deployed by the audit firm.

The AIC **recommends** this requirement is removed. It is unclear how the audit committee will be able to check whether the auditor has used the same resources as it set out to use. But more importantly, circumstances may change during the course of an audit which require changes to the audit plan in terms of the resources deployed. It is right that such changes are made to ensure that the auditor is able to properly fulfil their duty. Where significant changes are made that would impact the audit fee, these changes will be discussed with the audit committee. This may be the case, for example, when an auditor wishes to involve a subject specialist that had not previously been envisaged.

Audit firms are professional companies, which must adhere to ethical standards, part of that includes ensuring that work is undertaken in the most appropriate way, by the most appropriate staff. That is not a matter for the audit committee to monitor and be held accountable for.

If this paragraph is not removed, the AIC **recommends** it is amended as follows, insertions underlined, deletions struck through:

> "*The Committee should consider whether the volume and type of resource (in terms of seniority and where relevant specialism) envisaged in the audit plan ~~has been deployed~~ are appropriate.*"

Paragraph 20 of the draft standards states that there should be regular communication between the audit committee, the auditor and the entity's management. Typically, investment companies do not have employees, all the day-to-day operations of the company are outsourced to third-party entities. Also, in some circumstances it may not be appropriate for the auditor to speak to the entity's management about certain issues, it may be more appropriate to raise these directly with the audit committee. As such, the AIC **recommends** this requirement is amended as follows, insertions underlined:

> "*There should be regular open communication between the Audit Committee and the auditor, as well as with the entity's management where appropriate.*"

Paragraph 21 of the draft standards requires the audit committee to have effective oversight, but it is not clear what the audit committee should be overseeing. The AIC **recommends** this paragraph is amended as set out below to require the oversight of internal and external audit functions which is in line with Principle M of the UK Corporate Governance Code. The AIC also notes that typically investment companies do not have any internal audit functions as all the day-to-day operations of the company are outsourced. Proposed insertions underlined.

> "*Details of how effective oversight of internal (where applicable) and external audit functions has been achieved throughout the year should be documented and the Audit Committee should consider reporting on this where appropriate.*"

Paragraph 22.2 of the draft standards require the annual report to describe the work of the audit committee including an explanation of the application of the entity's accounting policies. Some companies have a significant number of accounting policies, many of which are standard and do not require explanations. Instead, this should reflect the wording in the FRC's Guidance on Audit Committees which requires audit committees to consider "*significant accounting policies*".

Alternatively, a more useful requirement for shareholders and stakeholders would be for the draft standards to be amended to require an explanation of how significant judgements in relation to the entity's accounting policies have been applied. This too is currently set out in the FRC's Guidance on Audit Committees.

Paragraph 22.4, the last paragraph on page 4 should be a bullet point.

January 2023

To discuss the issues raised in this paper please contact:

Lisa Easton, Policy and Technical Manager
lisa.easton@theaic.co.uk

Appendix - submission to BEIS on managed shared audits

aic The Association of Investment Companies

www.theaic.co.uk

Managed shared audits

Supplementary submission to BEIS

The Association of Investment Companies (AIC) is the trade body for the closed-ended investment company sector. We represent 361 investment companies, holding assets of over £234 billion. The AIC's members are predominantly listed on the Premium Segment of the Main Market of the London Stock Exchange. Some have shares on the Specialist Fund Segment (SFS); others are quoted on AIM.

The AIC's members include investment trusts, Venture Capital Trusts (VCTs), UK Real Estate Investment Trusts (REITs) and non-UK companies. Our non-UK members are predominantly incorporated in Guernsey and Jersey.

Closed-ended investment companies are collective vehicles which pool their shareholders' capital and hold a portfolio of assets to spread risk and generate an investment return. Investments include listed securities, private equity, debt, property and infrastructure.

Key concerns with managed shared audits

The government's proposal for a managed shared audit would require FTSE 350 companies to either:

- Appoint a challenger firm to be their sole auditor or,
- For companies with one or more legal subsidiaries, the group audit could be divided such that a challenger audits a meaningful proportion of the group.

1) Limiting choice by virtue of a company's structure

Typically, investment companies do not have any subsidiaries. See the **Appendix** for more information about the structure, regulatory environment, audit process and audit fees for investment companies. On 31 August 2022, there were 84 investment companies in the FTSE 350.

The government's proposal would prevent the majority of these companies (up to 24% of the FTSE 350) from exercising the same choice as their counterparts. They cannot choose a managed shared audit, as they do not have a group structure. They will have their current ability to choose one of the Big 4 audit firms removed. They would be required to appoint a challenger audit firm, unless, on a case-by-case basis, they applied to the regulator to be granted an exemption.

The way that the government has constructed its proposals removes the ability for investment companies to choose which audit firm they may appoint simply because of their structure.

2) Limiting choice because of supplier constraints

There is no guarantee that challenger firms will seek to enter and contest for investment company business. The appetite for challenger firms to enter this part of the market may be limited because the audit fees for investment companies have traditionally tended to be significantly lower than other trading companies.

Not all challenger audit firms will want to invest the time and money in the required resources to audit specialist sectors, such as the investment company sector. Therefore, although an investment company might be, in theory, able to appoint any challenger auditor the range of firms able and or willing to provide an audit is likely to be far more limited. This may create issues with the quality of services provided and value for money.

3) Limiting the negotiating capacity of investment companies

The proposed rules will reduce the market power of investment companies and favour the service provider, the challenger audit firm. Challenger firms will be aware that the Big 4 audit firms will be excluded from tendering, and it is likely that there will be relatively few challenger firms competing for the audit.

Choice for investment companies may be further restricted if one or more of the challenger audit firms is/are conflicted out of performing audit work for a particular investment company.

This may make it almost impossible for companies in specialist sectors, such as investment companies, to secure competitive tenders for their audit work. This could have significant implications for the cost of audit. In the most extreme circumstances, companies might not be able to secure an auditor at all without the need to approach the regulator.

Under the current proposal, an investment company could not increase its market power by inviting Big 4 auditors to tender. In theory, if the initial challenger-auditor tender does not secure an acceptable supplier, an investment company could apply to extend its tender process. In reality, this is an impractical solution. It would involve two, costly and time consuming, tender processes. The Big 4 auditor's market power would be enhanced as it would know that the investment company had not been able to secure a supplier at the first time of asking.

The investment company would be significantly disadvantaged however the process evolved. It would be faced with higher costs of acquiring a supplier and, most likely, higher audit fees.

4) Audit fees

The cost of an audit is an important consideration for any board. Investment companies are also subject to fund regulations which require disclosures on the cost of running the company.

The costs disclosed are a key consideration for investors. Any increase in costs could limit demand, decrease liquidity or otherwise disadvantage shareholders. The costs of audit are already pushing-up disclosed costs. This trend should not be reinforced by reducing the market power of investment companies.

5) A distraction from the government's policy objectives

The managed shared audit process is designed to increase supply in the audit market, reduce market concentration and increase resilience. Imposing these obligations on trading companies has some prospect of achieving these outcomes. It will create the potential for challengers to secure significant fee revenues, enabling them to build

aic The Association of Investment Companies
www.theaic.co.uk

experience, resources and expertise. The promise of higher fee revenues will encourage investment to increase their reach into the market.

The need to focus attention on more attractive clients is presumably one of the reasons why the FTSE 350 was chosen as the target for the shared audit proposals. The same incentives and rewards are not on offer in the investment company sector. The quantum of fees charged to the sector is far smaller than other trading companies with sufficient market capitalisation for inclusion in this index. See the **Appendix** for examples of differences in audit fees.

This proposal will result in unnecessary and disproportionate regulatory costs and burdens being imposed on investment companies. The risks to the sector will be exacerbated because its market power will be significantly compromised.

Imposing these requirements on investment companies will not achieve the government's aim to build resilience in the audit market. Investment companies are not large, complex, international, group companies. They are typically simple to audit, and do not command large audit fees. See the Appendix for further details.

Recommendations to alter the exemptions regime

The government says it will work with the regulator to "*develop an exemptions framework that balances … practical considerations with the government's overall objective to increase competition. This framework will allow the regulator to grant exemptions under limited circumstances and to impose conditions on those companies that are granted exemptions, where appropriate.*" (Paragraph 8.1.19.)

With nearly a quarter of the FTSE 350 being comprised of investment companies, it is not appropriate for these companies to approach the regulator individually. Whilst the AIC appreciates the government is not keen to exempt a whole sector from the shared audit requirement, for the reasons set out above, an exemption or different treatment is appropriate for investment companies.

The AIC **recommends** that companies that are Alternative Investment Funds (AIFs) within scope of the Alternative Investment Fund Managers Directive (AIFMD) are excluded from the rules regarding managed shared audits.

This will exclude closed-ended collective investment companies that operate as funds, regardless of their tax status and domicile. This will limit the exemption to those entities where managed shared audit is not appropriate, without undermining the policy intention of these measures. It is a proportionate and justifiable approach.

The effect of the exemption is that a company which is an AIF can choose its auditor without restriction, invite to tender any auditor (including Big 4 auditors) without approaching the regulator for permission.

September 2022

To discuss the issues raised in this paper please contact:
Lisa Easton, Policy and Technical Manager lisa.easton@theaic.co.uk

Appendix

Structure of investment companies

Investment companies are very different from other trading companies, typically they:

- Are operationally very simple, with limited or no physical presence;
- Do not have subsidiaries. Where they do, the subsidiaries do not have sufficient substance to justify a separate audit process, they are likely to be very simple. For example:
  - They may simply issue zero dividend preference shares, or
  - Separate subsidiary companies may hold individual assets, such as wind farms or buildings. These subsidiaries are not major operational companies in their own right, they may be set up this way for tax reasons, or in the case of REITs because it is easier to sell an individual SPV which contains an individual building; or
  - Where investment companies act as their own Alternative Investment Fund Manager (AIFM) under the AIFMD they may establish a subsidiary to perform these functions, these subsidiaries do not conduct trading activity, they are simply a way to manage regulatory obligations.

  Because the parent companies are investment entities, the subsidiaries are typically accounted for and measured at fair value through profit or loss and held as part of the investment company's portfolio of assets as opposed to being consolidated on a line-by-line basis as would be the case for trading companies;
- Have independent boards, most often comprised of non-executive directors only, without any executive directors or employees. Instead, they outsource the day-to-day running of the company to third party service providers. This includes appointing an investment manager to make the day-to-day investment decisions in line with the investment policy set by the board, with any material changes to the investment policy being approved by shareholders. The investment company has contracts in place with each of its service providers and these are reviewed on a regular basis by the board;
- Do not provide goods or services (and therefore have no turnover) and have no trading activity or customers. They are investment vehicles for their shareholders, but do not provide services to those shareholders;
- Have no turnover, so are not within scope of regulations such as the Modern Slavery Act 2015 or the Energy Savings Opportunity Scheme Regulations; and
- Have suppliers which are typically professional advisers or regulated firms.

Regulatory environment

Investment companies are governed by company law. The majority are incorporated in the UK, others are usually incorporated in Guernsey or Jersey.

The majority of investment companies are Premium Listed companies on the Main Market of the London Stock Exchange. Some have shares admitted to trading on the Specialist Fund Segment, others are quoted on AIM.

aic The Association of Investment Companies

www.theaic.co.uk

Investment companies are subject to relevant market rules, such as the Disclosure Guidance and Transparency Rules (DTR), the Market Abuse Regulation (MAR) and the Listing Rules. Specific rules for closed-ended investment companies are included in Chapter 15 of the Listing Rules. They include rules on a company's investment activity and investment policy, crossholdings, the independence of the board and additional requirements for annual report and accounts.

The majority of investment companies report against the AIC Code of Corporate Governance (AIC Code) which has been tailored to reflect the characteristics of the sector. The AIC Code is endorsed by the Financial Reporting Council (FRC) as an alternative means for members to meet their obligations in relation to the UK Corporate Governance Code (UK Code). It is widely used by investment companies and valued in the market.

Investment companies are AIFs within scope of the AIFMD. The AIFMD places certain obligations on investment companies and their managers over certain size thresholds (this includes the majority of investment companies). These include:

1. Having a valuation of the investments performed by the Alternative Investment Fund Manager (AIFM), which may be the investment manager, or an external valuer at least once a year. The valuer is also required to have appropriate procedures so that a proper and independent valuation of the investment can be performed. The valuation function can only be performed by the AIFM if it is functionally independent from the portfolio management function and no conflicts of interest exist.
2. Appointing a depositary whose function it is to safeguard the assets of the company. The depositary must also ensure that the investment company's cash flows are monitored and payments, such as dividend income, are correctly received. For assets that are held in custody (e.g. equities and bonds), the depositary has strict liability for those assets and they must be segregated and kept in a separate account, so they can be identified as belonging to the investment company.

   For assets that are not held in custody (e.g. derivatives, real estate and private equity instruments), the depositary must verify the ownership of the assets and maintain records of those assets. The depositary is appointed by the investment company, and it reports to the company.
3. Requiring the AIFM to have permanent risk management and compliance functions with adequate risk management controls, procedures and systems and to review these annually. Where proportionate, the AIFM must also have an internal audit function. The AIFM is required to have adequate systems in place to identify, manage, measure and monitor all the risks applicable to the investment fund strategy. These rules formalise the risk management process.

The requirements of the AIFMD provide the board and shareholders of an investment company with additional comfort regarding the valuation and ownership of its investments, along with the risks involved in its investment portfolio. The outcomes of these requirements sit alongside the work the auditor performs.

Audit of investment company accounts

The audits of investment companies are relatively simple when compared to that of a trading company. The key part of an investment company audit is the existence and valuation of its investment portfolio. The value of the portfolio has a direct relationship to the income received

in the year. It also forms the basis for calculating many of the company's expenses, such as its management fee.

Investments held by an investment company are managed by an investment manager and those that can be held in custody, such as equities and bonds, are held by a custodian.

For investment companies with unquoted investments, the most challenging part of the audit is the ownership and valuation of the investments. Whilst this remains an important area for companies with portfolios of quoted investments, it is likely to be less of a key risk. The completeness of the revenue and the calculation of the investment management fee are also likely to be key considerations for the auditor.

Investment company audit fees

Investment company annual audit fees tend to be significantly lower than more complex trading businesses, either in the FTSE 350 or large privately owned companies.

Largest 5 investment companies in the FTSE 350	Audit fee in the most recent financial statements
Scottish Mortgage Investment Trust PLC	£69,000
Pershing Square Holdings Limited	$221,000
F&C Investment Trust PLC	£129,000
Greencoat UK Wind PLC*	£146,000
The Renewables Infrastructure Group Limited*	£126,000

* These companies have subsidiaries

Smallest 5 investment companies in the FTSE 350	Audit fee in the most recent financial statements
JPMorgan European Discovery Trust plc	£38,000
Henderson Smaller Companies Investment Trust plc	£43,000
Blackrock Throgmorton Trust PLC	£52,000
Fidelity Emerging Markets Limited	$48,000
Chrysalis Investments Limited	£120,000

Non-investment company audit fees

For comparison, below are the largest and smallest 3 (non-investment company) companies in the FTSE 350.

Largest 3 companies in the FTSE 350	Audit fee in the most recent financial statements
Shell PLC	$39,000,000
Astrazeneca PLC	$25,700,000
HSBC Hldgs PLC	$88,100,000

Smallest 3 companies in the FTSE 350	Audit fee in the most recent financial statements
Tyman PLC	£1,000,000
Provident Financial PLC	£1,700,000
XP Power	£500,000