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The Right Honourable Mr Andy Tyrie MP for Chichester  
Chairman of the Treasury Select Committee  
House of Commons  
London  
SW1 0AA

19 January 2011

Dear Mr Tyrie

I have followed with some interest during December and this month the subject of the disclosure of the £7.7m+ PwC forensic report / dossiers produced for the Chairman of the FSA into the Royal Bank of Scotland and your determined efforts to have at least the relevant parts of it disclosed in the Public Interest. I wholly support your efforts and actions as you will read in my 12 January 2011 Open letter to PwC.

By coincidence I also have an interest in the subject of “independent forensic investigations” carried out by UK firms. Including that of PwC.

I have copied you on an email and letter to Mr Ian Powell of PwC, (PwC UK Chairman and Senior Partner) which as part of it encloses specifically a letter, dated 6 January 2011, from PwC in response to six questions I put to them (and others) on the subject of forensic investigations on 18 November 2010. I believe that you too will find their responses revealing.

You will also see enclosed other correspondence between Mr Ian Powell and me together with exchanges between the ICAEW and myself which will put the subject of “independent forensic investigations” in the UK in a wider and more generic perspective.

Finally I believe I read somewhere that Ernst & Young were carrying out some work for the FSA on HBOS. I do not know whether that is accurate; however I enclose a copy of their response to the six questions I put on forensic investigations.

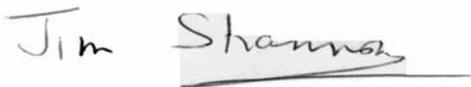
I will leave the paper copies of the letters/ enclosures with your office in the House early next week and perhaps when you have had the opportunity to read them we could discuss

further the likely ramifications for the report which will likely be produced for HM Government and you in March 2011 by the FSA/ PwC. At this time I certainly believe it would be worthwhile for the TSC to consider obtain copies of the Engagement letters from the FSA to PwC, and others, for these forensic investigations setting out the terms of reference and scope of their work together with the FSA/taxpayer monies expended to date and forecast by completion in fees and related timescales.

I also enclose for your information a private copy of my most recent letters dated 12 January 2011 and 19 January 2011 to Mr Timothy Walters, Chairman of the Accountancy and Actuarial Board and a Board Member of the Financial Reporting Council (FRC).

Let me know when and if you wish to speak further at a time which would be convenient for you. Thank you

Yours faithfully,

A handwritten signature in black ink that reads "Jim Shannon". The signature is written in a cursive style and is positioned above a horizontal line.

Jim Shannon MP for Strangford

PS I also intend to speak to some of the other Members of the TSC in due course (certainly Mr Michael Fallon MP, Mr George Mudie MP, and Mr John Thurso MP as past and present members of the TSC) when I have received and assimilated the remaining responses from the eight audit/forensic firms, the ICAEW and the FRC/AADB.