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Ref. A085/2710

MR WICKS *OW*

Mr Patrick Jenkin came to see me today, to ask about the propriety of his accepting a part-time consultancy with Arthur Andersen and Company.

2. Mr Jenkin explained that he had been invited to join an advisory team for Arthur Andersen and Company in this country (not the international body of which Mr Heath is a member). The consultancy would be remunerated. Mr Jenkin would be asked to give about one day a month to it.

3. As you will know, the relationship between the Government and Arthur Andersen is under some strain in view of the Government's current court case against Arthur Andersen over the De Lorean affair. Agreement has, however, been reached, after lengthy consideration, that while no new audit work should be given to Arthur Andersen and that existing contracts should not be renewed, the Company may continue to be employed as management consultants, on the understanding that the fact of any of their consultancies should not be used in their defence in legal actions.

4. I said to Mr Jenkin that I thought there need not be any problem about his accepting the one day a month consultancy with Arthur Andersen, provided that he was concerned entirely with its management consultancy activities and not with its audit activities.

5. I am sending copies of this minute to the Private Secretaries to the Secretary of State for Trade and Industry and the Secretary of State for Northern Ireland.

RA

ROBERT ARMSTRONG

24 October 1985