

Joint audit in France

Audit Regulatory Committee

3 March 2011

French Commercial Code

translations are provided for information purposes only

- Article L823-2: All legal entities which are obliged to publish consolidated accounts are required to appoint at least two statutory auditors.

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Article L233-16:

- I. - Each year, the board of directors, the executive board or the chief executive(s) of commercial companies, as applicable, draw up and publish consolidated accounts and a group management report in respect of any companies which they control, either solely or jointly, or over which they exert a significant influence as defined hereunder.[...]

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- Article L823-15: [...] statutory auditors carry out a joint examination of the accounting practices, in accordance with the instructions laid down in a code of professional standards. A code of professional standards also determines the principles that govern the distribution of the tasks to be carried out by each statutory auditor in the accomplishment of their mission.

Standard “Audit performed jointly by several statutory auditors”

- 04. Each statutory auditor performs the appropriate tasks so that he can express his opinion on financial statements of the audited entity.
- [...]
- 06. The statutory auditors will agree upon the sharing of the audit procedures that are set forth in the work schedule and that are required to implement the audit plan.

Standard “Audit performed jointly by several statutory auditors”

- 07. The auditors will share the tasks required to perform the audit, taking a balanced approach and using criteria that are:
 - - quantitative, such as the estimated number of hours required to perform the tasks, with the number of hours assigned to one auditor not being disproportionate to the number assigned to the other auditors, and
 - - qualitative, such as the experience and qualifications of the audit team’s members.

Standard “Audit performed jointly by several statutory auditors”

- 08. The statutory auditors will work together during the course of the audit engagement to regularly redistribute tasks, either in full or in part. [...]

CAC40 companies in 2009

(AMF study. 8 july 2010)

| Statutory auditors | Number of engagements | Fees (in M€) |
|----------------------------|-----------------------|--------------|
| Ernst & young | 22 | 229 |
| Deloitte | 20 | 204 |
| Pricewaterhouse Coopers | 13 | 159 |
| KPMG | 11 | 96 |
| Mazars | 12 | 58 |
| Corévisse | 1 | 0,4 |
| Total | 79 | 746 |

40 biggest companies in the B and C compartments of Euronext

(AMF study. 8 july 2010)

2009

| Statutory auditors | Number of engagements | Fees (in M€) |
|----------------------------|-----------------------|--------------|
| Others | 26 | 7,8 |
| KPMG | 14 | 16,5 |
| Ernst & Young | 10 | 12,6 |
| Pricewaterhouse Coopers | 7 | 10,3 |
| Deloitte | 8 | 4,1 |
| Mazars | 7 | 2,7 |
| Total | 72 | 746 |