

2014 Work programme for the Haut Conseil du commissariat aux comptes

This document is a free translation into English of the original French work programme confirmed by the Board of the Haut Conseil on 3 April 2014.

In the event of any perceived inconsistencies between the two versions, the French one will prevail

At its 3 April 2014 Board meeting, the H3C confirmed its work programme for 2014. This annual programme is in line with the terms defined under the H3C's 2012-2014 triennial strategic plan.

1. Inspections

- Inspect around 200 PIE and 1,160 non-PIE audit firms;
- Monitor, based on indicators, the performance of inspections of both PIE and non-PIE audit firms;
- Implement the risk-based approach for PIE audit firms and select a number of themes for inspections linked to current economic and financial trends as well as European and international cooperation;
- Follow up on recommendations issued to audit firms and on remedial actions put in place; measure how audit quality has evolved;
- Apply the risk-based approach for non-PIE audit firms during the second cycle of inspections with an increased focus on those areas where weaknesses were noted during the first cycle of inspections;
- Follow-up on disciplinary actions undertaken following inspections and monitor sanctions issued;
- Continue joint H3C/PCAOB inspections on audit firms that fall under the regulatory supervision of both authorities under the terms of the cooperation statement signed on 31 January 2013 and extended on 13 August 2013 until 31 July 2016.

2. International cooperation

- Contribute to the activities of:
 - o IFIAR (International Forum of Independent Audit Regulators);
 - o EAIG (European Audit Inspection Group);
 - o EGAOB (European Group of Audit Oversight Bodies);
- Contribute to the audit standard-setting actions of the above authorities;

- Identify areas where inputs could be made to the IAASB and IESBA;
- Exchange with audit regulators on current issues that could affect audit quality;
- Implement the cooperation agreements signed in 2013 with the H3C's Swiss, American and Canadian counterparts; negotiate agreements with other parties so as to better coordinate the activities of audit regulators.

3. Audit standard-setting

- Contribute to the endorsement of professional standards and promote professional best practices;
- Assess the existing auditing standards framework based on inspection findings as well as practices and analyses encountered by the H3C and its counterparts;
- Complete the adaptation of international auditing standard ISA 402 Audit considerations relating to an entity using a service organisation, in collaboration with the national professional body (CNCC).

4. Compliance with rules on ethics

- Contribute to the correct application of the existing framework by continuing to respond to referrals submitted to the H3C;
- Assess the existing framework based on inspection findings, referrals submitted to the H3C as well as practices and analyses encountered by the H3C and its counterparts;
- Discuss specific themes such as the notion of networks under article 22 of the French code of ethics, or the analysis of article 19 of that same code as it pertains to current practices regarding withdrawals from audit engagements.

5. Audit reform in Europe

- Assess of the French legal framework in relation to European law, in particular the impact
 - o Of the audit reform on the scope of the statutory audit, especially where non audit services are concerned;
 - o On standard-setting in France. Contribution to the streamlining of ISA and French national auditing standards (NEP);
 - o On the H3C's functions and adequacy of its funding;
- Contribute to implementing the reform and H3C recommendations when transposing European texts into French law.

6. Communication

- Strengthen the visibility of the H3C's activities (through improvements to its website, publications, press releases, etc).