

## IFIAR 2024 Member Profile – H2A

<b>1. Jurisdiction</b>	<b>1.1 Insert the name of the jurisdiction in English:</b>  France
<b>2. Member<sup>1</sup></b>	<p><b>2.1 Insert the name of the Member, both in the local language and in English:</b></p> <p><i>Haute Autorité de l’Audit (H2A) / High Audit Authority (H2A)</i></p> <p><b>2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website:</b></p> <p>Tour Watt          16-32, rue Henri Regnault          CS30404 – Courbevoie          92902 Paris La Défense Cedex          France</p> <p>Tel.: +33 1 80 40 75 00          Email: <a href="mailto:secretariat@h2a-france.org">secretariat@h2a-france.org</a>          Website: <a href="http://www.h2a-france.org">www.h2a-france.org</a></p> <p><b>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</b></p> <p>The H2A is a high-level independent public authority, created by Ordinance no. 2023-1142 of 6 December 2023, to succeed the <i>Haut conseil du commissariat aux comptes (H3C)</i> created by the <i>Loi de Sécurité Financière (Financial Security Law)</i> on 1<sup>st</sup> August 2003.</p> <p>The role and responsibilities of the H2A over the audit profession in France are defined and set out by law and decree in the <i>Code de commerce (French Commercial Code)</i>.</p> <p>According to Article L820-1 of the French Commercial Code, the missions and responsibilities of the H2A cover the following fields:</p> <ul style="list-style-type: none"> <li>➤ Registration of statutory auditors and auditors and assurance services providers in charge of assurance engagements on sustainability</li> </ul>

<sup>1</sup> In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>information, including from third countries, and the maintenance of registration lists;</p> <ul style="list-style-type: none"> <li>➤ Adoption of standards relating to ethics and internal controls, as well as professional practices of statutory auditors and auditors and assurance services providers in charge of assurance engagements on sustainability information;</li> <li>➤ Definition of the general guidelines and various fields for continuing education, as well as overseeing their compliance by statutory auditors and practitioners in charge of assurance engagements on sustainability information;</li> <li>➤ Inspections: definition of the framework and guidelines for inspections of statutory auditors and auditors and assurance services providers in charge of assurance engagements on sustainability information, conduct of PIE and non-PIE auditor inspections (possibility to delegate certain non-PIE inspections), with the ability to issue recommendations in the follow-up of inspections;</li> <li>➤ Decisions on specific individual matters relating to the engagements and threshold of fees for non-audit services;</li> <li>➤ Enforcement: conduct of investigations and adoption of sanctions;</li> <li>➤ Hearings on fee disputes;</li> <li>➤ Cooperation with EU and non-EU counterparts, and other relevant authorities;</li> <li>➤ PIE market monitoring of statutory audits and assurance engagements on sustainability information in France.</li> </ul> <p><b>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Licensing</li> <li><input checked="" type="checkbox"/> Registration</li> <li><input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting</li> <li><input checked="" type="checkbox"/> Permanent Education / Continuous Training of Auditors</li> <li><input checked="" type="checkbox"/> Inspection</li> <li><input checked="" type="checkbox"/> Enforcement</li> <li><input checked="" type="checkbox"/> Other: <u>Market monitoring</u></li> </ul>
<p><b>3. Governing Body Composition and members</b></p>	<p><b>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</b></p> <p>The H2A Board is composed of 14 members who are appointed by decree for 6-year terms, as set out in Article L. 820-2 of the French Commercial Code:</p> <p><b>Three magistrates:</b></p>

	<p>- a member of the <i>Cour de cassation</i> (French supreme court for civil and criminal cases) who chairs the <i>Haute Autorité</i> (“Chair of the Board”)</p> <p>- a member of the <i>Conseil d’État</i> (French supreme court for administrative justice)</p> <p>- a member from the <i>Cour des comptes</i> (French supreme audit institution, under French law an administrative court)</p> <p>The Chair of the <i>Autorité des marchés financiers</i> (AMF - French Financial Markets Authority) or her representative</p> <p>The Chair of the <i>Autorité de contrôle prudentiel et de résolution</i> (ACPR - French Prudential Supervision and Resolution Authority) or his representative</p> <p>The Director-General of the Treasury Department of the Ministry of Finance or his representative</p> <p><b>Four experts in economic and financial matters:</b></p> <p>- in the field of public offerings and entities whose securities are admitted to trading on a regulated market,</p> <p>- in the field of banking, insurance and investment services</p> <p>- in the field of SMEs, private entities with an economic activity and non-profit associations</p> <p>- in the area of national and international accounting matters</p> <p><b>Two qualified persons in the field of assurance engagements on sustainability information</b></p> <p><b>Two former statutory auditors:</b></p>	<p>- Ms. Florence PEYBERNÈS</p> <p>- Mr. Rémy SCHWARTZ</p> <p>- Ms. Annie PODEUR</p> <p>- Ms. Marie-Anne BARBAT-LAYANI</p> <p>- Mr. François VILLEROY DE GALHAU</p> <p>- Mr. Bertrand DUMONT</p> <p>- Ms. Florence VINCENT</p> <p>- Mr. Antoine FLAMARION</p> <p>- Mr. Olivier de LA CHEVASNERIE</p> <p>- Ms. Marie-Pierre CALMEL</p> <p>- Ms. Brigitte GENY</p> <p>- Mr. Pierre-Alexandre BAPST</p>
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	<p style="text-align: right;">- Mr. Jean-Jacques DUSSUTOUR</p> <p style="text-align: right;">- Mr. Yves NICOLAS</p> <p>A Government Commissioner, the Director of Civil Affairs within the Ministry of Justice or his/her representative, sits on the Board with consultative powers.</p> <p><b><u>H2A Executives:</u></b></p> <p>Chair of the Board: Ms. Florence PEYBERNÈS</p> <p>Director General: Mr. Eric BAUDRIER</p> <p>Head of Enforcement / <i>Rapporteur Général</i>: Mr. Thierry RAMONATXO</p>
	<p><b>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</b></p> <p>The composition requirements for the H2A Board are as set out above and within Article L. 820-2 of the French Commercial Code.</p> <p>The Board members are subject to a 3-year cooling-off period prior to their appointment from:</p> <ul style="list-style-type: none"> <li>➤ Having conducted any statutory audit and/or assurance engagement on sustainability information,</li> <li>➤ Or having held any voting rights, or having been an executive, or having taken part in the management, administrative or supervisory body or having been employed by an audit firm or an independent assurance services provider (Article L. 820-3 of the French Commercial Code).</li> </ul>
	<p><b>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>Does this include a “cooling-off” period for former auditors?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>If yes to either of the above, please describe:</b></p> <p>There is a recusal process through various safeguards against conflicts of interest. These are implemented through French laws and regulations, such as the Commercial Code and the H2A internal regulations. Article</p>

	L820-3 of the French Commercial Code requires a 3-year cooling-off period. It is also set out under French law that no Board member may deliberate on any matter which could lead to a conflict of interest.
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<b>4. Independence safeguards</b>	
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<b>4. Independence safeguards</b>	<p><b>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</b></p> <p>French law n°2017-55 of 20 January 2017 sets up a general statute for independent public authorities. Two of its provisions ensure the independence of the members of the H2A Board:</p> <ul style="list-style-type: none"> <li>➤ Article 9: members exercise their functions with dignity, probity and integrity; they ensure that any conflict of interest is prevented or immediately terminated; they do not receive or seek instructions from any authority in the exercise of their functions, Article 12: members may not sit if they have an interest, or had an interest during the three preceding years, within a firm concerned by the deliberation; if they exercise functions, or have exercised functions during the three preceding years, within a firm concerned by the deliberation; if they represent, or have represented during the three preceding years, one of the parties.</li> </ul> <p>More, a procedure to ensure the independence of the members of the H3C Board was set up by the H2A rules of procedure:</p> <ul style="list-style-type: none"> <li>➤ Article 1.1.4: the members of the H2A Board shall exercise their functions in complete independence, without bias of any kind, or desire to promote any particular interest, Article 1.1.7: the members of the H2A Board shall not solicit or accept, for themselves or for third parties, any advantage which could influence or appear to influence their independence, their impartiality or the way in which they exercise their functions.</li> </ul> <p><b>Are employees of the Member covered by the same or separate set of independence requirements?</b></p> <p><input type="checkbox"/> Same set of requirements    <input checked="" type="checkbox"/> Different set of requirements</p> <p><b>If there are separate independence requirements for employees, please describe:</b></p>
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	<p>Article 3.2.1 of the H2A rules of procedure provides that prior to the appointment of the Director General of the H3C, the Chair of the H3C examines whether the activity exercised by the nominee before his appointment may call into question the independence or neutrality of the H2A.</p> <p>A procedure to ensure the independence of the H2A staff is set up by the H2A rules of procedure:</p> <ul style="list-style-type: none"> <li>➤ Article 3.3.5: declaration to the ethics referent of the H2A of any situation that may affect the independence or the objectivity,</li> <li>➤ Article 3.3.8: no acceptance of any advantage that may exert an influence on the independence and impartiality,</li> <li>➤ Article 3.3.10: no interests that may compromise the independence in an entity whose activity is related to the missions of the H2A, Article 3.3.18: inspectors sign a declaration of independence vis-à-vis the inspected audit firm and undertake, for a period of one year following the end of the inspection, not to not accept, directly or indirectly, from the inspection audited firm, a position of manager or employee or to be a partner or shareholder.</li> </ul> <p><b>4.2 Are there any additional safeguards in place that provide for the Member's overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>If yes, please describe:</b></p> <p>Article 1.1.8 of the H2A rules of procedure provides that former members of the H2A Board may not carry out any activity for the firms they were in contact with within the exercise of their functions, for a period of three years from the termination of their functions. This provision is criminally sanctioned (Article 432-13 of the French Penal Code).</p> <p>H2A staff is binding by the same rules and sanctions.</p>
<p><b>5. Funding Arrangements</b></p>	<p><b>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</b></p> <p>The H2A is financially independent. According to Articles L820-10, L820-11 and L820-12 of the French Commercial Code, the compulsory contributions of the statutory auditors and independent assurance services providers, calculated on the fees invoiced to the audited entities during the previous calendar year, ensure the funding of the H2A.</p>

	<p>The H2A is a financially independent authority. Its Board adopts the H2A budget, on the basis of a proposal from the Chair of the Board.</p> <p><b>5.2 Is the funding free from undue influence by the profession?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</b></p> <p>The H2A funding system and fee levels are fixed by law and decree.</p>
<p><b>6. Audit Market</b></p>	<p><b>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</b></p> <p>Figures are those of the H3C 2022 Market Monitoring Report:</p> <ul style="list-style-type: none"> <li>➤ Number of audit firms: 6.411 in total</li> <li>➤ Number of individuals auditors: 11.448</li> </ul> <p><b>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</b></p> <p>In 2021, the five largest networks (Big 4 + Mazars) in France held:</p> <ul style="list-style-type: none"> <li>➤ 24,8% of the PIE and non-PIE engagements,</li> <li>➤ 50,5% of the PIE and non-PIE statutory audit fees,</li> <li>➤ 67,2% of the PIE audit engagements in France.</li> </ul>
<p><b>7. Inspection System</b></p>	<p><b>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input type="checkbox"/> Through Oversight</p> <p><b>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 11 Enforcement, please reference that section for details on such measures).</b></p>

	<p><b>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</b></p> <p>The H2A has a dedicated team to the inspection of the PIE audit firms (ie. audit firms with at least one PIE engagement).</p> <p>The H2A has the responsibility for the inspections of non-PIE audit firms. It may delegate their performance to the professional body <i>Compagnie Nationale des Commissaires aux Comptes</i> (CNCC) or realize direct H2A inspections at any moment, for any reason.</p> <hr/> <p><b>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</b></p> <p>According to Article R820-49 of the French Commercial Code, PIE audit firms are inspected at least one time every three years. The five largest audit networks operating in France are however inspected on an annual basis.</p> <p>According to Article R820-49 of the French Commercial Code, non-PIE audit firms and auditors and assurance services providers in charge of assurance engagements on sustainability information are inspected at least one time every 6 years. Due to a risk bases approach, the periodicity of inspection can be increased if necessary.</p> <hr/> <p><b>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</b></p> <p> <input checked="" type="checkbox"/> <b>Employees of the Member</b> <span style="margin-left: 200px;"><input checked="" type="checkbox"/> <b>Professional body</b></span> </p> <p> <input type="checkbox"/> <b>Third Parties</b> <span style="margin-left: 200px;"><input type="checkbox"/> <b>Other</b></span> </p> <p><b>Please explain below:</b></p> <p>The H2A employs its own inspection staff, for the performance of PIE and certain non-PIE audit firms inspections. A large part of non-PIE audit firms inspections is delegated to the professional body <i>Compagnie Nationale des Commissaires aux Comptes</i> (CNCC) under H2A supervision.</p>
<b>8. Licensing</b>	<p><b>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</b></p> <p> <input type="checkbox"/> <b>Directly</b> <span style="margin-left: 150px;"><input type="checkbox"/> <b>Through Oversight</b></span> </p>



	<p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p>
<b>9. Registration</b>	<p><b>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>According to Article L820-1 of the French Commercial Code, the H2A3C is responsible for the registration of statutory auditors and audit firms, including third country auditors, as well as the maintenance of the registration lists. H2A dedicated staff is in charge of preparing the H2A decisions.</p>
<b>10. Audits and/or Ethics Standard Setting</b>	<p><b>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>According to Article L820-1 of the French Commercial Code, the H2A holds the responsibility for the adoption of standards relating to audit, ethics and internal controls, as well as professional best practices, which are officially approved by the Minister of Justice.</p> <p>The draft auditing, ethics and internal control standards are issued by two <i>Commissions de normalisation</i> (commission for standardization),</p>

	<p>established alongside the H2A. The commission for statutory auditing standards is composed of a member of the H2A Board, two statutory auditors and one person qualified in economic and financial matters (Article L820-4 of the French Commercial Code). The commission for sustainability information auditing standards is composed of a member of the H2A Board, one statutory auditor, one sustainability information auditor and one person qualified in sustainability matters (Article L820-4 of the French Commercial Code).</p> <p>The H2A Board then adopts, under Article L. 820-1 of the French Commercial Code, the auditing, ethics and internal control standards prepared by the standardization commission, as the latter does not have any decisional authority nor control authority. The decisional and control authority for the adoption of the standards lies on the H2A Board.</p> <p>Last, the standards adopted by the H2A are officially approved by the Minister of Justice, and published in the French Official Journal.</p>
<b>11. Permanent Education / Continuous Training of Auditors</b>	<p><b>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input checked="" type="checkbox"/> Through Oversight</p> <p><b>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</b></p> <p><b>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</b></p> <p>The H2A is responsible for defining and ensuring compliance with the general policies relating to continuing education. The monitoring of continuing education of auditors have been delegated to the professional body <i>Compagnie nationale des commissaires aux comptes</i> (CNCC).</p>
<b>12. Enforcement</b>	<p><b>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input type="checkbox"/> Through Referral</p> <p><b>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</b></p>

	<p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The H2A Enforcement division, led by the <i>Rapporteur Général</i> (Head of Enforcement), is responsible for investigations conducted on statutory auditors and audit firms.</p> <p>According to Article L820-2 of the French Commercial Code, the <i>Commission des sanctions</i> (commission for sanctions) may adopt sanctions against statutory auditors and their audited entities.</p> <p>The commission for sanctions is composed of:</p> <ul style="list-style-type: none"> <li>➤ A member of the <i>Cour de cassation</i> (French supreme court for civil and criminal cases in France), who chairs the commission,</li> <li>➤ A former statutory auditor,</li> <li>➤ One qualified person in the field of assurance engagements on sustainability information,</li> <li>➤ Two qualified persons in the legal, economics or financial fields.</li> </ul>
<b>13. Other Responsibilities in Audit Oversight or Audit Regulation</b>	<p><b>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</b></p> <ul style="list-style-type: none"> <li>- The H2A Board, through its “Bureau” formation, may adopt decisions on individual cases on specific matters relating to the duration and starting date of the audit mandate and threshold of audit fees for non-audit services;</li> <li>- The H2A is responsible for market monitoring of PIE statutory audits and assurance engagements on PIE sustainability information as set out under Article 27 of the EU Regulation 537/2014.</li> </ul> <p>The H2A may also be called upon to provide its input and comments on various audit-related matters, including on draft legal texts with regards audit supervision.</p>
<b>14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation</b>	<p><b>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</b></p> <p style="text-align: center;">N/A</p>

<p><b>15. Member Update for public information (if any)</b></p>	<p><b>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</b></p> <p><input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p><b>If yes, please describe these changes with an appropriate level of detail:</b></p> <p>French Ordinance no. 2023-1142 of 6 December 2023 on the publication and certification of sustainability information and the environmental, social and corporate governance obligations of commercial companies has transposed in France the new requirements introduced by the European Corporate Sustainability Reporting Directive (CSRD).</p> <p>The Ordinance has created a new independent public authority named <i>Haute Autorité de l’Audit</i> (High Authority for Audit, abbreviated as H2A).</p> <p>The H2A was assigned:</p> <ul style="list-style-type: none"> <li>➤ The missions and responsibilities of the H3C with respect to audit regulation,</li> <li>➤ New duties related to the oversight of auditors and assurance services providers in charge of assurance engagements on sustainability information prepared by entities.</li> </ul> <p>This change has been effective as of 1<sup>st</sup> January 2024. The law provides that the H2A has succeeded the H3C in its rights and obligations, in particular those arising from the agreements and arrangements that have been contracted by the H3C, and to which the H3C was bound.</p>
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