

Pr. Arnold Schilder
Chairman
International Auditing and Assurance Standards Board
529 Fifth Avenue
New York
10017 USA

Paris, 24 June 2016

Dear Professor Schilder,

The *Haut conseil du commissariat aux comptes* (H3C) welcomes the opportunity to comment on the IAASB's consultation paper "*Enhancing Audit Quality in the Public Interest*". As the French audit regulator, we would like to submit some general comments for your consideration in the development of this project.

We draw your attention to the fact that the H3C supports the letters submitted by the international organizations the H3C belongs to, and that the following comments complement those included in the letters issued by IFIAR (International Forum of Independent Audit Regulators) on 24 June 2016 and by members of the EAIG (European Audit Inspection Group) on 13 June 2016. This letter highlights some aspects that are important from our national perspective.

Joint audit approach

We believe that the IAASB should take into account, in its work going forward, the possibilities offered by a joint audit approach. In particular, we draw the IAASB's attention to the fact that:

- the joint audit approach can represent an alternative solution to issues identified;
- professional skepticism should be exercised when selecting and reviewing the joint auditor's work;
- specific requirements should be developed for group audits performed by joint auditors.

Tangible solutions to the issues identified

We believe that the investigations lead by the IAASB in the scope of this project should result in clear and practical provisions in the standards, allowing for consistent application by auditors and effective oversight by regulators.

Universal principles and scalability in application

We believe the standards should incorporate general principles and provisions, which can be applied in a scalable way to audits of different sizes. In our view, the need for scalable application is particularly relevant in relation to standards on quality control, which should be appropriate for smaller, as well as for bigger audit firms.

Need for appropriate recruitment and training

In our view, the standards should stress the importance of considering skills in the recruitment process, and on keeping skills up-to-date through continuing education, or indeed developing new skills in relation to the changing environment (IT, financial information ...). Especially, in a context of fee pressure, these fundamental needs should not be disregarded.

Ensure consistency between the ISAs, the IESBA Code of Ethics, and International Education Standards

We draw the IAASB's attention to the need to strive for alignment between the provisions of ISAs, the IESBA Code of Ethics and the International Education Standards.

Importance of documenting audit work

Many inspection findings point to an absence or insufficiency of audit documentation. We believe it is important to reinforce the need for sufficient, appropriate audit documentation as a vehicle for supporting and explaining the work performed by the auditor.

Clarify the notion of "network" and the impact of belonging to a network on a firm's quality control system

The IAASB is considering investigating further the extent to which an auditor / audit firm can rely on quality control developed and implemented at network level for purposes of meeting the requirements of ISQC 1. We invite the IAASB, before moving forward in its research, to first clarify the meaning of "network", and consider more generally the organization of a network and the impact of that organization on the respective responsibilities of the local firm and the network.

Please do not hesitate to contact us should you wish to discuss any of our comments further.

Sincerely yours,



Christine Guéguen
Chairperson of the Board