A GUIDE TO JOINT AUDIT
For a more effective audit market
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There is now unanimous agreement that the overwhelming dominance of just four firms in the global audit market is unsustainable and that reform is required to go from “four to more”. Unfortunately, and even though it is still in its early stages, there are clear signs already that the 2014 EU Audit Regulation and other interlinked initiatives are not going to achieve their desired objectives of reducing market concentration, increasing competition and improving audit quality.

If we are to create a vibrant, innovative audit market meeting the needs of shareholders, other company stakeholders and wider society into the middle of the 21st Century, we must kick-start the creation of a competitive market in a manner that will ensure new entrants become auditors of large Public Interest Entity (PIE) companies.

We are therefore reaffirming our longstanding support for joint audit as a fundamental part of any package of measures to be considered to remedy the current state of play.

We have to demystify joint audit and challenge the urban myths around it. It is a tested and proven mechanism to facilitate the emergence of new players and, in the case of France, has already led to creating the least concentrated audit market of any major economy. If undertaken in the right spirit of collaboration, we believe joint audit also reinforces governance arrangements on the conduct of audits and delivers real improvements in audit quality.

This document brings together our thoughts and experience of joint audit primarily acquired in the French audit market, but also in other jurisdictions. We hope that it contributes to better explaining what joint audit is – and just as importantly, what it isn’t – and as such that it enables a richer discussion on its merits and on how it could be implemented.

David Herbinet
Global Head of Audit
Introduction to joint audit

What is joint audit?

A joint audit is where two separate audit firms are appointed by a company to express a joint opinion on its financial statements.

- It is fundamentally different from a ‘dual’ audit (or ‘shared’ audit) whereby one audit firm (or sometimes more) auditing parts of a group reports to another audit firm that ultimately signs off on the group audit.
- Statutory joint auditors MUST belong to separate audit firms.

Joint audits usually involve two audit firms but a small number of companies have decided voluntarily to appoint three audit firms to perform their joint audit.

What are the main features of a joint audit?

- An audit of a company by two (or more) auditors to produce a single audit report.
- Audit planning is performed jointly and fieldwork is allocated between auditors to avoid duplication.
- The work performed by each auditor is subject to a cross review by the other auditor.
- The auditors jointly review the critical issues affecting the company.
- The auditors jointly report to the company’s management, its Audit Committee and its shareholders.
Overview of the key benefits

MACRO-ECONOMIC POLICY
- The only proven mechanism enabling new entrants into the audit market for large multinational companies.
- Stimulates competition between a greater number of audit firms from different cultural backgrounds, resulting in more innovation and better response to market needs.
- Enables the smaller firms to get on a ladder of investments, be it in terms of geographic coverage, sector expertise or size.
- Mitigates the risk of the Big 4 becoming the Big 3 which would result in certain regulatory capture.

INDEPENDENCE AND OBJECTIVITY
- Reinforces auditor independence, in particular over proper acceptance of non-audit services.
- Reduces the risk of over-familiarity through rotating the allocation of fieldwork between the joint auditors after a set number of years.
- Reinforces the auditors’ ability to stand their ground in the event of a disagreement with the company.
- Encourages healthy dialogue between the two audit firms appointed which brings a critical eye on the respective work of each auditor.

QUALITY
- Reinforces audit quality via the “four eyes” principle by creating timely and in-built independent quality control.
- Stimulates innovation and awareness (“critical eye”) through rotating fieldwork after a set number of years.
- Enables a smooth and sequenced rotation of audit firms which minimises disruption to the client by harmoniously transferring knowledge and understanding of the company’s operations and culture.
- Offers the audited group a broader spectrum of skills and geographic coverage to work / choose from.
- Enables comparison of service levels between the firms which drives service quality up.
- Is fully compliant with International Auditing Standards, in particular ISA 600.

TECHNICAL KNOWLEDGE
- Enables companies to benefit from the technical expertise of more than one audit firm and to have a richer discussion on complex technical issues.
- Increases the technical knowledge base by encouraging a more diverse audit market.
- Offers additional scope for benchmarking best practice across the market.
Introduction to joint audit continued

Who applies it now?

Joint audit applies in a number of situations:

- Joint audit is mandated in France for all companies required to prepare and publish consolidated financial statements (with an exception for small groups), as well as for banking entities with total assets in excess of €450m. In France, within large groups, joint audit applies to, at least, the ultimate holding company (for the audit opinion in respect of both its individual entity and consolidated financial statements) and to all their French subsidiaries subject to a separate requirement to prepare a sub-consolidation. Within such groups, it is, however, possible for joint audit to be extended in practice to material subsidiaries in France and if felt appropriate abroad as well, even if they are not subject to any separate requirement for preparation of sub-consolidations.

- Joint audit is mandated in various countries for large banks or insurance companies, such as in South Africa for large banks.

- Joint audit can be (and is) performed as a voluntary arrangement for groups or even for individual companies, notably across Europe, including in the UK.

Joint audit is fully compliant with ISA 600 (Revised), “The Work of Related Auditors and Other Auditors in the Audit of Group Financial Statements”.

Joint audit, audit tendering and rotation

The joint auditors are appointed, as for any auditor, by the shareholders of the audited entity, normally by resolution at the general shareholders meeting.

The 2014 EU Audit Regulation has introduced some incentives to encourage the adoption of joint audit by allowing joint auditors to benefit from a longer rotation period i.e. a maximum tenure of 24 years with no tendering required. By contrast, sole audits are subject to tendering after 10 years and a maximum tenure of 20 years. In its preamble to the Audit Regulation, it states:

The appointment of more than one statutory auditor or audit firm by public-interest entities would reinforce the professional scepticism and help to increase audit quality. Also, this measure, combined with the presence of smaller audit firms in the audit market would facilitate the development of the capacity of such firms, thus broadening the choice of statutory auditors and audit firms for public-interest entities. Therefore, the latter should be encouraged and incentivised to appoint more than one statutory auditor or audit firm to carry out the statutory audit.

Nine Member States have decided to adopt some form of encouragement of joint audit through an extension of the maximum tenure allowed, including (in addition to France) Germany, Spain, Sweden, Finland, Norway, Belgium, Greece and Cyprus.

There is no requirement for the appointment dates of both audit firms to coincide and joint audit delivers specific benefits when the appointment dates are “staggered”, which means that there is always continuity when one of the joint auditors must be replaced.
How does joint audit work in France?

In France, the practice of joint audit is very well established, as it has been a legal requirement there for over 50 years and has gone through a number of phases of evolution to reach a level of maturity “signed off” by the market. We therefore explain in this section how joint audit works for the audit of large French listed groups as a starting point for how it could work in other countries and deliver similar benefits. Below, we focus primarily on the joint audit of consolidated financial statements which is the most common form of joint audit. A professional standard exists (NEP-100).

Determining the annual audit approach

The annual audit approach is jointly determined and includes preparation of a joint risk-based audit plan which involves: addressing both fraud risk and the other risks of material misstatement; assessing the audited company’s control environment; identifying the areas of risk and determining materiality; and setting out the audit procedures required for proper completion of the engagement. A single set of joint audit instructions (i.e. a manual of the audit procedures to be applied on a coordinated and homogenous basis to the group’s subsidiaries by each joint audit firm or network) is issued.

In practice, both joint audit firms contribute to the above documents which are consolidated prior to joint approval of the overall audit approach. The audit approach is almost invariably the subject of a combined annual presentation to the group’s audit committee by the joint auditors.

Overall allocation of work between the joint auditors

Whatever the basis of allocation, balance between each of the joint audit firms is sought as provided for by NEP 100 which stipulates that the audit work required should be split between the joint auditors on a balanced basis reflecting criteria which may be quantitative or qualitative in nature. If a quantitative basis is used, the split may be by reference to the estimated number of hours of work required for performance of the audit. If a qualitative basis is adopted then the analysis may be of the levels of qualification and experience of the members of the audit teams. Where a group entity is audited by a firm that is not one of the joint audit firms, the third party auditor’s work is supervised by one of the joint audit firms.

The overall balance sought for the four phases is reflected in the split of the audit fees. The objective will normally be for each joint auditor to receive between 40% and 60% of the total fees. A split of up to 70% / 30% may be accepted. Splits of less than 30% for one of the joint auditors, and greater than 70% for the other, may be tolerated but are monitored by the AMF (the French Securities Markets Authority) with a view to progressively readjusting them.

Allocation of work on the different phases of the audit

For the accounts of consolidated subsidiaries, for joint as for single audit, the parent company’s auditors are deployed as widely as possible over its subsidiaries worldwide.

The allocation of subsidiaries to one or other of the joint auditors may be based on business, product or geographical location criteria. For business/product criteria, which is increasingly the method of allocation used for diversified groups, each joint auditor is deployed over one or several of the group’s businesses for which it covers all the entities and geographical locations involved. When geographical criteria are used (countries, zones etc.) each joint auditor is deployed over one or several territories,
How joint audit works in practice continued

again in respect of which it covers all the entities involved. In the case of major groups, the joint audit approach is often applied within each of the group’s businesses in order to ensure oversight by “two sets of eyes” for each business line.

For the parent company’s accounts the audit work can be split between the joint auditors on the basis of the applicable audit cycles and/or corporate functions.

For the parent companies of major groups, the audit cycles may coincide with the group’s business structure. Whatever the approach, the joint auditors ensure that their respective work allocations cover all the audited entity’s material balance sheet and income statement items.

Turning to the audit of the consolidation process, the audit work is split between the joint auditors either by topic (deferred taxes, finance lease entries, statement of changes in equity, elimination of intercompany transactions and balances etc); by business (review of the consolidation entries for all of a particular division’s entities); or by geographical zone (review of the consolidation entries for all of a particular country’s entities). The joint auditors ensure that their apportionment of work provides complete coverage of the consolidation. In certain instances, the audit of the consolidation process may be mainly performed by a single joint audit firm within the framework of the overall balanced split of the audit work for the group. If so, the other joint auditor(s) perform(s) a peer review.

The allocation of work in relation to the audit of the published financial information is similar to that described above.

Levels of group audit reporting

Up to four levels of group audit reporting are distinguished: individual entities; geographical zones or business lines (aggregating several entities); group financial and general management; and those charged with governance.

For individual entities the auditor in charge of each individual entity, based on the allocation of entities described above, is responsible for reporting the audit conclusions by way of audit summary meetings with the local management and for expressing an audit opinion on the entity’s consolidation package. In the case of very material entities, or of entities for which the audit points identified are material at the level of the group, the auditor in charge of the entity provides the other auditor with information enabling a joint position to be determined and, in these circumstances, the joint auditor may also attend the entity’s audit closing meetings.

For geographical zones or business lines each audit firm reports on the areas it has covered, and audit points it has noted, in the presence of, and in concert with, the other. Technical or sensitive issues are discussed in advance by the joint auditors in order to establish a common viewpoint.

For group financial and general management, the joint auditors prepare and present a combined summary of their audit findings. Audit points are again discussed in advance in order to establish a shared stance.

For those charged with governance the designated representatives of each joint audit firm attend the Board of Directors’ meeting at which the group’s annual and half-yearly financial statements are approved, as well as the related meetings of the group’s audit committee; and they speak with a single voice unless, of course, disagreements exist.
The group audit opinion on a joint audit

The joint auditors prepare a joint audit report addressed to the group’s shareholders which is presented during its Annual General Meeting. The audit opinion expressed is a single joint opinion. Special provisions exist in the event of disagreement between the joint audit firms as to the formulation of their audit opinion. In practice, they are only very rarely needed. As regards the specific circumstances of technical consultations relating to changes in the regulatory environment, such as new or revised IFRS, exceptional transactions, divestments, acquisitions or restructuring, the consultations are generally prepared and performed by a single joint audit firm. The conclusions reached are shared with the other joint auditor as a basis for expressing a shared position jointly presented to the audited entity. This approach avoids duplication of the time devoted to analysis and research yet still ensures a dual assessment of the conclusions to be reported.

Joint and several responsibility

Each joint auditor is jointly and severally responsible for the audit opinion provided. The exercise of that joint and several responsibility implies that each joint auditor performs a review of the work performed by the other. The sharing and harmonisation of the audit conclusions and the audit presentation prepared for the audited entity, as already described, constitute the first step in that review. In addition, the audit summary memoranda and working paper files for the engagement are subject to reciprocal peer review. The reciprocal peer review, which leads to the issuance of the joint audit opinion, must be documented for each engagement. In practice, the review is performed twice yearly at the time of issuance of the audit opinions on the group’s half-yearly and annual financial statements.
From the perspective of the regulator and the market, joint audit:

- reinforces both audit quality assurance and the independence of the auditor, with the “four eyes principle” that creates permanent and in-built quality control on a real time basis;
- reinforces the auditors’ ability to stand their ground in the event of disagreement with the audited entity. This point can be critical in case of a major crisis, be it due to macro-economic or structural market issues or to issues inherent to the audited entity itself;
- provides for reciprocal control of, in particular, the acceptability of non-audit services provided by the auditors and thus results in de facto reinforcement of audit independence;
- provides an opportunity for audit rotation of audit cycles, businesses or entities, the split of work between the joint auditors being more often interchanged or otherwise modified during the course of an audit mandate, thus resulting in rotation of audit cycles; and
- encourages the development of new players who would not yet have comprehensive geographic coverage or industry expertise at their disposal, thus over time developing greater choice and competition for the audit of major groups.

In terms of market structure, we have compared the audit of the 100 largest listed companies in France and in the UK. These two markets are highly comparable in terms of size of companies, market capitalisation, geographic and sector coverage.

In comparison, however, France shows a very different picture in terms of audit concentration:

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>FRANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Big4 firms involved</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Number of companies in which non Big4 firms involved</td>
<td>1</td>
<td>Over 50%</td>
</tr>
<tr>
<td>Share of non Big4 in audit fees</td>
<td>Under 1%</td>
<td>Over 15%</td>
</tr>
<tr>
<td>Non Big4 audit fees</td>
<td>Under £1m</td>
<td>Over £130m</td>
</tr>
</tbody>
</table>

Mazars in particular is joint auditor of the largest market capitalisation in France, and involved as joint auditor of 3 of the 10 largest listed companies.
From the perspective of companies in the market, joint audit:

- enables companies to benefit from the technical expertise of more than one firm: this is of particular value in the presence of complex reporting frameworks (such as IFRS or US GAAP), or in the case of complex businesses (such as banking, insurance, long-term contracts or businesses applying actuarial techniques), for which any one firm cannot necessarily provide the same auditing quality in all the countries in which the audited group is present;

- serves “Coopetition” (cooperation + competition) between joint auditors resulting in improved quality of service, i.e. the ability (1) to have recourse to each of 2 firms depending on their technical skills and geographical coverage, (2) to replace, during the course of an appointment, a firm for a particular group entity (e.g. in response to an issue of quality affecting a particular member of the firm’s network, or to the withdrawal of a firm’s licence for a particular country) without harming the consistency of a coordinated approach to the audit of the group, and (3) to obtain competitive tenders from each joint auditor in the event of increases in audit scope during the course of the group audit appointment (whether as a result of acquisition, new business creation or additional regulation);

- leads to real debate on technical issues, in particular those resulting from regulatory changes, and offers additional scope for benchmarking; and

- allows smooth and sequenced rotation of audit firms when deemed appropriate, so as to retain knowledge and understanding of group operations in a way that minimises the disruption caused when one of the audit firms is changed.
In assessing the merits of joint audit, it will be important for there to be a fair analysis of the evidence rather than a continued focus on decades old anecdotes based on a limited experience of joint audits undertaken in very different circumstances to the present ones. The two most common criticisms of joint audit are in relation to their cost and the additional risks involved. We strongly believe that both criticisms are totally unfounded.

When using comparable datasets of companies in the FTSE100 and in the SBF120 (revenue between €10bn and €100bn to exclude outliers), we find that the cost of audit per €bn of revenue is marginally less in France (with joint audit) compared to the UK (without joint audit):

- In France: €466k per €bn of revenue
- In the UK: €468k per €bn of revenue

When looking at facts, there is no objective evidence to support the argument that joint audit may be more costly to capital markets. In our opinion this is primarily due to the overall impact of greater competition in the market and the disappearance of at least part of the oligopoly premium observed where auditor concentration is highest.

We have also analysed the additional time costs incurred by the firms on joint audits. This analysis is provided in Appendix 1. The evaluation of additional costs relating to joint audit (ranging from 2.5 to 5% of the total audit costs) was tested on two large listed groups ranking in the middle of the CAC40 index. This analysis was conducted from the actual fee budgets agreed upon for those two groups (by the joint auditors and the management and governance of each group), prepared from the global fee budget in hours, then valued in Euros, and finally translated in percentages terms for confidentiality reasons.

Certain work performed, and time spent, by the auditors are specifically brought about by the joint audit approach. Each auditor performs procedures specified in the standard of professional practice, including:

- understanding its environment;
- assessing whether there is a risk that the financial statements taken as a whole contain material misstatements;
- determining the materiality threshold(s);
- defining and documenting the audit approach in a concerted fashion;
- conducting analytical procedures that allow the overall consistency of the financial statements to be reviewed;
- reviewing the procedures performed by the other joint auditors;

Most of the tasks brought about a joint audit situation are highly value adding as they are dedicated to the “professional scepticism” necessary to express an audit opinion.
• ensuring that the information provided at the time the financial statements are approved, presents a true and fair view of the audited entity and is consistent with those financial statements; and

• attendance of each joint audit firm at key audit meetings with management and those charged with governance.

Experience shows that the specific work described above ranges from 2.5 to 5% of the total audit cost for a large group, as joint audit adds about one quarter to one third to the coordination time required for a group audit, and group audit coordination itself represents about 10 to 15% of the total audit cost for a major group (the balance representing the audit time devoted to individual entities). This additional cost must be compared with the additional security provided by the “four eyes” principle and by the reciprocal review.

In practice the additional cost is borne by the audit firms involved rather than being passed on to the audited entity. Joint audit also creates a more competitive environment that is conducive to a reasonable price/volume balance for the market.

Even if there were an additional cost of joint audit if implemented in a new market it would be limited compared to alternative measures to diversify the audit market.

In fact, and in our experience, joint audit increases audit quality:

• Joint audit is the application of the “two pair of eyes” principle to audits.

• It is when the two auditors compare notes and check each other’s work that real “auditor scepticism” occurs.

• Two auditors have more strength to challenge the management of an audited company on sensitive accounting treatments and, therefore, are more independent.

• In general, audited companies use the presence of the two auditors to take the best of each and to allocate the work in the best possible manner according to geographic coverage or technical expertise.

• IFRS are “principle-based” standards that require more judgment. Audited companies highly value having two experts’ opinions converging rather than only one on sensitive issues.

• Where joint audit is applicable, non-dominant audit firms have been able to invest in geographic coverage and expertise and become auditors of major global banks, insurers and high technology companies.
## Appendix 1

### COMPANY A (CAC 40)

**Scope**: Latest FY audit fees

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Total</th>
<th>Budget in K€ translated in %</th>
<th>Of which additional work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Local</td>
<td>Coord</td>
</tr>
<tr>
<td><strong>Coordination</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Audit risks assessment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• at country level</td>
<td>2.20%</td>
<td>2.20%</td>
<td></td>
</tr>
<tr>
<td>• at group level</td>
<td>0.29%</td>
<td>0.29%</td>
<td></td>
</tr>
<tr>
<td><strong>Audit instructions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• at group level</td>
<td>0.15%</td>
<td>0.15%</td>
<td></td>
</tr>
<tr>
<td><strong>Budget negotiation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• by country</td>
<td>0.44%</td>
<td>0.44%</td>
<td></td>
</tr>
<tr>
<td>• at group level</td>
<td>0.15%</td>
<td>0.15%</td>
<td></td>
</tr>
<tr>
<td><strong>Group coordination</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• HY limited review</td>
<td>0.50%</td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>• IC review</td>
<td>0.22%</td>
<td>0.22%</td>
<td></td>
</tr>
<tr>
<td>• YE audit</td>
<td>0.75%</td>
<td>0.75%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.69%</td>
<td>2.64%</td>
<td>2.05%</td>
</tr>
<tr>
<td><strong>Audit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• locally by country</td>
<td>88.12%</td>
<td>88.12%</td>
<td></td>
</tr>
<tr>
<td>• mother company</td>
<td>0.33%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• cross review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• mother company</td>
<td>0.04%</td>
<td>0.04%</td>
<td></td>
</tr>
<tr>
<td>• countries</td>
<td>0.44%</td>
<td>0.44%</td>
<td></td>
</tr>
<tr>
<td>• transversal matters and major issues</td>
<td>0.26%</td>
<td>0.26%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>89.18%</td>
<td>88.12%</td>
<td>0.73%</td>
</tr>
<tr>
<td><strong>Consolidation</strong></td>
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<td></td>
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</tr>
<tr>
<td>• audit of consolidation and specific topics</td>
<td>4.02%</td>
<td></td>
<td>4.02%</td>
</tr>
<tr>
<td>• common progress meetings at corporate level (preparation included)</td>
<td>0.51%</td>
<td>0.51%</td>
<td></td>
</tr>
<tr>
<td>• cross review of consolidation paper</td>
<td>0.22%</td>
<td>0.22%</td>
<td></td>
</tr>
<tr>
<td>• review of Notes to financial statements</td>
<td>0.51%</td>
<td>0.51%</td>
<td></td>
</tr>
<tr>
<td>• review of DDR</td>
<td>0.37%</td>
<td>0.37%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5.64%</td>
<td>0.00%</td>
<td>1.61%</td>
</tr>
<tr>
<td><strong>Audit reports issuance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• mother company diligences</td>
<td>0.07%</td>
<td></td>
<td>0.07%</td>
</tr>
<tr>
<td>• consolidated financial statements diligences</td>
<td>0.22%</td>
<td>0.22%</td>
<td></td>
</tr>
<tr>
<td>• special audit reports</td>
<td>0.05%</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td>• Board meetings &amp; audit committee meetings</td>
<td>0.12%</td>
<td>0.12%</td>
<td></td>
</tr>
<tr>
<td>• shareholder general meetings</td>
<td>0.02%</td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>0.49%</td>
<td>0.00%</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100.00%</td>
<td>90.76%</td>
<td>4.78%</td>
</tr>
</tbody>
</table>

Appendix 1
### COMPANY B (CAC 40)

**Scope:** Latest FY audit fees

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Budget in K€ translated in %</th>
<th>Of which additional works</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Local</td>
</tr>
</tbody>
</table>

#### Coordination

**Audit risks assessment**
- at sector level: Audit approach memorandum, 0.34% 0.34%
- at country level: 3.41% 3.41%
- at group level: 0.34% 0.34% 0.17%

**Audit instructions**
- at sector level: Audit instructions (one common set), 0.20% 0.20%
- at group level: 0.14% 0.14% 0.07%

**Budget negotiation**
- by country: Audit proposal (one common set), 0.41% 0.41%
- at group level: 0.31% 0.31% 0.15%

**Sector coordination**
- at country level: HY, IC, YE memorandum (one common portal of coordination and one common set of reports), 3.96% 3.41% 0.55%
- at group level: 3.75% 3.41% 0.34%

**Group coordination**
- at country level: HY, IC, YE meetings, 0.60% 0.60% 0.30%
- at group level: 0.33% 0.33% 0.16%

#### Total

- at sector level: 0.34% 0.34% 0.17%
- at country level: 3.41% 3.41% 0.07%
- at group level: 0.31% 0.31% 0.15%

#### Audit

- locally by sectors: 67.88% 67.88%
- at mother company: 0.31% 0.31%

**cross review**
- at country level: HY, IC, YE memorandum (one common portal of coordination and one common set of reports), 0.43% 0.43% 0.43%
- at mother company: 0.15% 0.15% 0.15%
- at transversal matters and major issues: 0.18% 0.18% 0.18%

**Total**
- at country level: 68.95% 67.88% 0.00% 0.76% 0.31% 0.76%
- at group level: 1.26%

#### Consolidation

- audit of consolidation and specific topics: 8.26% 8.26%
- common weekly progress meetings at corporate level (preparation included): 0.82% 0.82% 0.27%
- cross review of consolidation paper: 0.36% 0.36% 0.36%
- review of Notes to financial statements: 0.48% 0.48% 0.25%
- review of DDR: 0.34% 0.34% 0.18%

**Total**
- at country level: 10.26% 0.00% 0.00% 2.00% 8.26% 0.00% 1.06%
- at group level: 0.41%

#### Audit reports issuance

- at mother company diligences: 0.11% 0.04% 0.07% 0.11%
- consolidated financial statements diligences: 0.20% 0.20% 0.21%
- special audit reports: 0.05% 0.01% 0.03% 0.05%
- Board meetings & audit committee meetings: 0.11% 0.11% 0.11%
- shareholder general meetings: 0.03% 0.03% 0.03%

**Total**
- at country level: 0.50% 0.00% 0.00% 0.40% 0.00% 0.10% 0.49%
- at group level: 3.52%

**TOTAL**
- at country level: 100.00% 71.70% 11.74% 7.89% 8.26% 0.41%
Should you require any further information, please do not hesitate to contact:

David Herbinet
Global Head of Audit
T: +44 (0) 20 7063 4419
T: +44 (0) 7866 723 987
E: david.herbinet@mazars.co.uk

www.mazars.com