



Agenda Item 6

Discussion Memorandum: Group Audits

Objective of Agenda Item 6

To provide the Auditing Standards Board (ASB) with a summary of the key changes to International Standard on Auditing (ISA) 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* included in the IAASB’s April 2020 exposure draft proposed ISA 600 (Revised) (ED). The ED is included in the agenda materials as Agenda Item 6A.

Background

In December 2015, the IAASB released an invitation to comment entitled *Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits*, to obtain views on key issues regarding quality control, group audits, and professional skepticism.

In December 2016, the IAASB approved a project proposal to revise ISA 600 and the quality control standards. The objective of revising ISA 600 is to strengthen the auditor’s approach to planning and performing a group audit and to clarify the interaction between ISA 600 and the other ISAs. Because the revision of ISA 600 was contingent upon revisions being made to other standards such as ISQC 1, *Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, ISA 220, *Quality Control for an Audit of Financials*, and ISA 315 (Revised) *Identifying and Assessing the Risks of Material Misstatement*, the IAASB decided to focus on revising those standards before moving ahead with the ISA 600 project.

In January 2019, given the progress that had been made on the quality management standards and ISA 315 (Revised), the IAASB resumed its ISA 600 project, resulting in the issuance of the April 2020 ED.

Members of the Group Audits Task Force

Dora Burzenski, Chair; assisted by Sally Ann Bailey
Michael Bingham
Monique Booker
Harry Cohen
Robert Harris
Clay Huffman
Chris Rodgers

Meeting Schedule

The Task Force met on July 9, 2020 to address certain of the questions included in the explanatory memorandum of the ED. Two additional meetings have been scheduled for July 2020. The Task Force is

therefore still in the process of identifying and discussing potential matters for inclusion in the ASB comment letter in response to the ED.

Request for Comments

On page 30 of the explanatory memorandum, under the heading “Request for Comments,” are 13 questions to which the IAASB is seeing a response from commenters. The Task Force is interested in soliciting the views of the ASB on these questions.

Dora Burzenski, Chair of the Task Force, will be making a presentation that touches on key areas of the ED.