

ISA 600, Group Audits

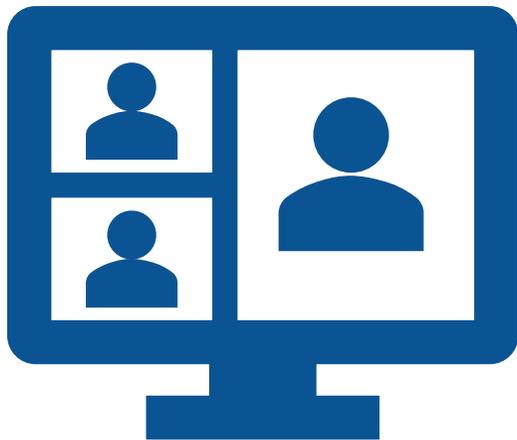
Agenda Item 2

IAASB September 2021 Meeting

Len Jui, ISA 600 Task Force Chair



Outreach, Coordination Activities



Outreach

IESBA Engagement Team – Group Audits
Independence Task Force

Liaison with IAASB Task Forces and Working Groups

- Complexity, Understandability, Scalability and Proportionality
- Professional Skepticism
- Technology
- Audit Evidence

IAASB CAG – September 2021

Task Force has been responsive to comments on exposure and key public interest issues addressed

Support for changes related to risk-based approach and two-way communications

- Support for professional judgment in determining the need to review component auditor documentation
- Documentation of component auditor's competency and capabilities – QM standards

General support for proposed effective date and transitional guidance for applying ISA 220 (Revised) with extant ISA 600

September 2021 Discussion



Goal: Input on (i) proposed revisions to the standard, (ii) the conforming and consequential amendments and (iii) analysis of respondents' comments



Nature of changes to standard: Respond to comments on ED-600 and Board input (no changes in key principles)

Introduction

Paragraphs	Application material
1–6	A1–A10

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Objectives and Definitions

Requirements	Application material
Objectives: 8 Definitions: 9–10	A11–A16B

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Leadership Responsibilities, Acceptance and Continuance

Requirements	Application material
Leadership responsibilities: 12	A19–A20A
Acceptance and continuance: 13–17	A21–A33

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Overall Group Audit Strategy and Group Audit Plan

Requirement	Application material
17A	A33A–A33J

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Overall Group Audit Strategy and Group Audit Plan – Considerations When Component Auditors Are Involved

Requirements	Application material
18–23B	A34–A52J

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force’s revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Understanding the Group

Requirements	Application material
24–26A	A53–A72A

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Identifying and Assessing the RoMM

Requirements	Application material
26B–26C	A72B–A72I

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Materiality

Requirements	Application material
29–30	A73–A77B

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Responding to Assessed RoMM

Requirements	Application material
33–40	A86–A102

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Communications

Requirements	Application material
44–46	A111A–A113

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Subsequent Events, Stand-Back, Auditor's Report, Communications with Group Management and TCWG

Requirements	Application material
Subsequent events: 47–48	A114
Stand-back: 49–51	A114A–A116
Auditor's report: 52	A117–A118
Communication with group management and TCWG: 53A–56A	A119A–A123A

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Documentation

Requirement	Application material
57	A123B–A130A

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the paragraphs noted above.

Appendices

Appendix

1–4

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's revisions to proposed ISA 600 (Revised) as presented in **Agenda Item 2-C** related to the appendices noted above.

Conforming and Consequential Amendments

Matter for IAASB Consideration

The IAASB is asked for its views on the Task Force's proposed conforming and consequential amendments, as presented in **Agenda Item 2-E**, and in particular whether the Board agrees with the consequential amendment to ISA 320.

Effective Date

- Of the respondents who answered the question
 - 46% agreed with an 18-month implementation period (including a MG member)
 - 37% supported an implementation period longer than 18 months (e.g., at least 18 months, 24 months or a minimum of 24 months) or recommended an effective date of financial reporting periods beginning on or after December 15, 2023
 - Two Monitoring Group members recommended earliest possible adoption of the standard
- Task Force proposes that ISA 600 (Revised) should be effective for audits of group financial statements for periods beginning on or after December 15, 2023
 - Reflective of stakeholders' views
 - Provides sufficient implementation time
 - Provides for a one-year lag following the implementation of the QM standards
- Early adoption permitted and encouraged

Summary of Respondents' Comments

Matters for IAASB Consideration

The IAASB is asked for its views on

- The summary of respondents' comments to ED-600 and the Task Force's views and recommendations as presented in **Agenda Item 2-B**
 - Question 1 – Linkage to other standards
 - Question 13 – Translations and effective date
- Whether there are any issues raised by respondents, in addition to those summarized by the Task Force in **Agenda Item 2-B**, that the Task Force should consider
- The proposed effective date as set out in paragraphs 37–40 in **Agenda Item 2**

Summary of Respondents' Comments

Matters for IAASB Consideration

Having received and discussed respondents' feedback to all questions in the Explanatory Memorandum to ED-600 (see paragraph 33 of **Agenda Item 2**), the Board is asked whether there are any issues raised by respondents, in addition to those summarized by the Task Force, that should be considered in finalizing proposed ISA 600 (Revised)?

IAASB

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