The Audit of Group Financial Statements

Objectives of Agenda Item
1. To consider new matters highlighted for the IAASB’s consideration and to review proposed ISA XXX, “The Audit of Group Financial Statements.”

Background
2. The task force members are as follows: Jan Bo Hansen (Chair), John Fogarty (supported by Susan Jones), Gen Ikegami (supported by Yuichi Yamamoto) and Ian Plaistowe (supported by Jon Grant).

3. At the June 2004 IAASB meeting, the task force presented a summary of significant comments and the task force’s related proposals. The task force revised its proposals based on comments received from the IAASB and the IAASB Consultative Advisory Group (CAG), and further consideration of the significant comments.

Activities Since Last IAASB Discussions
4. The task force met in Sitges on October 5-6 and Paris on November 4-5.

5. Since the June 2004 IAASB meeting, the task force presented the summary of significant comments and revised proposals to the Transnational Auditors Committee, the Forum of Firms, the IFAC Small and Medium Practices Permanent Task Force (SMP Permanent Task Force) and at a joint meeting of the SMP Permanent Task Force and the FEE SME/SMP Working Group.

Matters for Consideration by the IAASB
6. The Group Audits – Summary of Significant Comments and Task Force’s Related Proposals paper (see Agenda Item 7-A) contains new matters for consideration by the IAASB. The task force will also present these matters for consideration at the November 2004 CAG meeting.
**Material Presented**

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<td>Group Audits – Summary of Significant Comments and Task Force’s Related Proposals</td>
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<td>7-D</td>
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**Note:**

1. Agenda Item 7-B, ISA XXX, “The Audit of Group Financial Statements,” will be used as basis for discussing the proposed standards and guidance at the December 2004 IAASB meeting.

2. A compilation of all the comments received on the December 2003 exposure draft on the audit of group financial statements and the task force’s proposed dispositions has been prepared. Although not included in Agenda Items 7-A to 7-D, the compilation will be posted to the IFAC Leadership Intranet. The compilation is for reference purposes only and will not be discussed at the December 2004 IAASB meeting.

**Action Requested**

The IAASB is asked to:

1. Consider the new matters set out in paragraphs 7-20 of Agenda Item 7-A; and