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**Meeting:** IESBA CAG Meeting

**Meeting Location:** New York

**Meeting Date:** March 9, 2020

## Agenda Item

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### Engagement Team – Group Audits Independence

#### Objectives of Agenda Item

1. To receive an update on coordination activities with the International Auditing and Assurance Standards Board's (IAASB's) ISA 220<sup>1</sup> and ISA 600<sup>2</sup> Task Forces.
2. To consider a project proposal to address Engagement Team – Group Audits Independence.

#### Working Group

3. Members:
  - Sylvie Soulier, Chair, former IESBA Member
  - Denise Canavan, IESBA Technical Advisor
  - Andrew Pinkney, IESBA Technical Advisor
  - Jens Poll, IESBA Member

#### Project Status and Timeline

4. At its December 2019 meeting, the IESBA established the Working Group to develop a project proposal to:
  - (a) Provide clear and consistent guidance in the International Independence Standards (IIS) with respect to independence for the various parties within the scope of the revised definition of the term “engagement team” in proposed ISA 220 (Revised), especially in a group audit context; and
  - (b) Revise the IIS so that they are robust, comprehensive and clear when applied in a group audit context, including with respect to independence for non-network component auditors.
5. IESBA representatives have liaised with the IAASB's ISA 220 and 600 Task Forces in accordance with the established framework for coordination between the two Boards. Coordination with the IAASB will continue as part of this new project.
6. An Exposure Draft of proposed changes to the Code is being targeted for IESBA consideration and approval at its December 2020 meeting.

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<sup>1</sup> Proposed ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

<sup>2</sup> Proposed ISA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

## **Matters for CAG Consideration**

7. Representatives are asked to:
  - (a) Receive the update on the coordination activities with the ISAs 220 and 600 Task Forces and provide any comments or reactions: and
  - (b) To provide input on the project proposal in **Agenda Item D-1**.

## **Material Presented**

Agenda Item D-1      Project Proposal: Engagement Team – Group Audits Independence

### **Material Presented for CAG Reference Only**

Agenda Item D-2      Extracts of March 2020 IAASB Agenda Material Pertaining to ISA 220 (Revised)

Agenda Item D-3      Extracts of March 2020 IAASB Agenda Material Pertaining to ISA 600 (Revised)