



Proposed ISA 600 (Revised) – Group Audits

Len Jui, Task Force Chair

IAASB CAG March 2021 Meeting

Agenda Item B.1



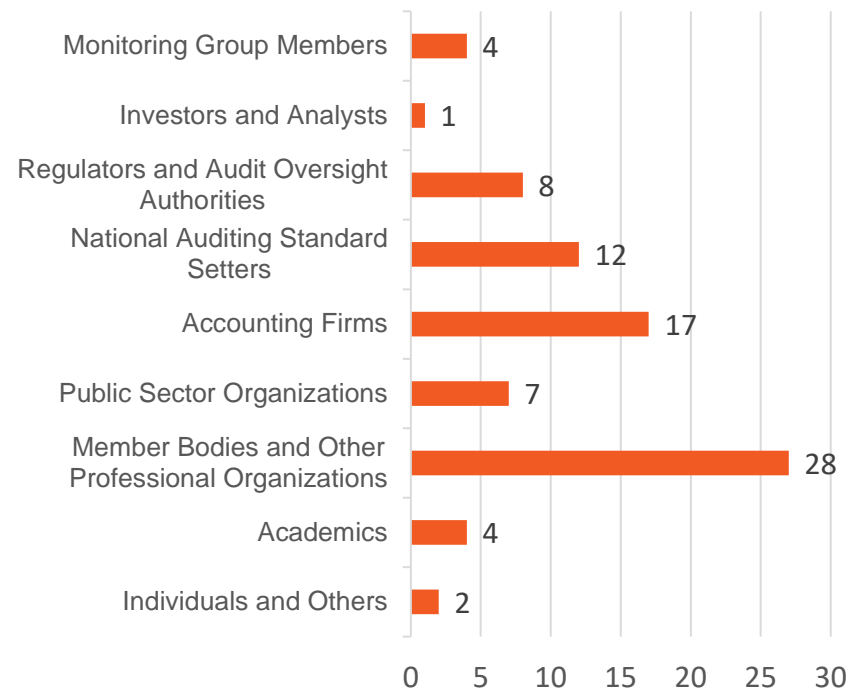
International Auditing
and Assurance
Standards Board

Overview of Responses to ED-600

Respondents by Region



Respondents by Stakeholder Groups



Heat Map



Q1 – Linkages and special considerations



Q2 – Sub-sections for involvement of CA



Q3 – Professional skepticism



Q4 – Scope and applicability



Q5 – Scalability



Q6 – Revised definition of component



Q7 – Acceptance and continuance



Q8 – Risk-based approach



Q9 – Common controls and centralized activities



Q10 – Component performance materiality



Q11 – Documentation



Q12 – Other matters

Green: Broadly agree with proposals

Yellow: Agree with proposals with some questions and concerns

Red: More significant concerns identified

Section I – Scope and Applicability

Respondent Comments	Task Force Views and Recommendations
<ul style="list-style-type: none"> • More clarity needed on scope ('entry point') • Better link definition of group financial statements and consolidation process • Confusion about applicability to entities with branches or divisions • Reinstate paragraph 2 of extant ISA 600 	<ul style="list-style-type: none"> • Expanded Introduction section • Integrated description of consolidation process into definition of group financial statements • Scope in all instances of branches and divisions to drive consistent application • Added paragraph similar to extant par 2

Question 1

The Representatives are asked for their views on the Task Force's proposals related to the scope and applicability as presented in **Appendix B** of **Agenda Item B**.

Section III – Risk-Based Approach

Respondent Comments	Task Force Views and Recommendations
<ul style="list-style-type: none">• Broad support for the direction• Comments related to:<ul style="list-style-type: none">○ Importance of involving component auditors○ Concerns about removing concept of ‘significant component’○ Need for a ‘framework’ to determine nature, timing and extent of component auditor involvement	<ul style="list-style-type: none">• Enhanced structure of the proposed standard• Special considerations for developing overall audit strategy for a group audit• Emphasis on importance of involving component auditors (more balanced wording to ease perceptions about group auditor performing work without component auditor involvement)

Question 2

The Representatives are asked for their views on the Task Force’s proposals related to the risk-based approach as presented in **Appendix B** of **Agenda Item B**.



**International Auditing
and Assurance
Standards Board®**



[@IAASB
News](#)



[@International Auditing and
Assurance Standards Board](#)



[@International Auditing &
Assurance Standards Board](#)

[www.iaasb.org](#)

IAPN.

ISA.

ISAE.

ISQC.

ISRE.

ISRS.