Agenda Item 4-A

Group Audits – Project Update

> **Objective of the IAASB Discussion**
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> The objective of this agenda item is to obtain the Board's views on the draft project update publication prepared by the Group Audits Task Force (GATF).

Summary of Relevant Board Discussions

1. In June 2017, the GATF updated the Board regarding the GATF's progress. In the update, it was noted that, as ISA 600 deals with special considerations that apply in audits of group financial statements (group audits), many of the requirements of ISA 600 therefore need to be drafted in the context of requirements in other standards (namely ISQC 1,[1] ISA 220, [2] and ISA 315 (Revised)[3]). Accordingly, the IAASB agreed with the GATF's recommendation that it was important that foundational issues for ISA 600 need to be cooperatively considered and addressed in these other projects, i.e., such that the GATF can then appropriately build on the revised requirements and application material in making necessary revisions to ISA 600.

2. The IAASB also agreed with the GATF's proposal to prepare and publish a project update, given the importance of keeping stakeholders fully informed about the progress of the ISA 600 project.

3. Appendix A includes a summary of decisions made at the June IAASB meeting. Appendix B describes recent Task Force activities.

Project Update

4. The draft project update is included as **Agenda Item 4-B.** The project update explains the background to the project, including the crossover issues that were identified in the ITC. It also summarizes the GATF's recent activities and the issues being considered in the revision of ISA 600. The project update also draws attention to other publications, such as the project proposal and the Staff Alert, *Responsibilities of the Engagement Partner in Circumstances When the Engagement Partner Is Not Located Where the Majority of the Audit Work is Performed*.

5. The project update also highlights the linkages between the project to revise ISA 600 and other current IAASB projects, namely the projects to revise ISQC 1, ISA 220, and ISA 315 (Revised) as explained above. It includes links to the respective project pages on the IAASB website to enable interested parties to look for information about how specific issues related to ISA 600 are progressing.

Matter for IAASB Consideration

1. The IAASB is asked for its views on the draft project update shown in **Agenda Item 4-B**.

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[1] ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

[2] ISA 220, *Quality Control for an Audit of Financial Statements*

[3] ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

Appendix A

Minutes from the June 2016 IAASB Meeting

Ms. Zietsman and Mr. Dohrer provided a summary of the topics that have been discussed by the GATF since the last IAASB discussion on the topic and the proposed way forward.

The IAASB supported the proposal of the GATF:

- To engage more directly with the Task Forces responsible for revising ISQC1, ISA 220 and ISA 315 (Revised) to help ensure that the requirements in those standards provide appropriate connection points between those projects and ISA 600; and

- To publish a brief project update to inform stakeholders on the current status of the project.

WAY FORWARD

The GATF will consider the matters noted by the Board in relation to the publication of the project update, and will further liaise with other Task Forces as needed.

Appendix B

Task Force Activities Including Outreach and Coordination with Other IAASB Task Forces and Working Groups

1.   The following sets out the activities of the GATF including outreach with others and coordination with other IAASB Task Forces and Working Groups relating to the ISA 600 project.

Task Force Activities Since Last IAASB Discussion

2.   The GATF held one teleconference since the last IAASB discussion in June 2017.

Coordination with Other IAASB Task Forces and Working Groups

3.   Paragraph 1 of this paper (under the heading "Summary of Relevant Board Discussions").