

**Draft Minutes of the 111th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
Held on January 23, 2020 in Teleconference**

Voting Members

Present: Tom Seidenstein (Chair)
Fiona Campbell (Deputy Chair)
Sue Almond
Chun Wee Chiew
Julie Corden
Robert Dohrer
Kai Morten Hagen
Josephine Jackson
Len Jui
Sachiko Kai
Kai-Uwe Marten
Lyn Provost
Fernando Ruiz Monroy
Rich Sharko
Roger Simnett
Isabelle Tracq-Sengeissen
Eric Turner
Imran Vanker

Technical Advisors

Helene Agélie (Mr. Hagen)
Sara Ashton (Ms. Almond)
Vivienne Bauer (Mr. Monroy)
Wolfgang Böhm (Mr. Marten)
Melissa Bonsall (Ms. Corden)
Fabien Cerutti (Ms. Tracq-Sengeissen)
Antonis Diolas (Mr. Chiew)
Johanna Field (Mr. Turner)
Hiram Hasty (Mr. Dohrer)
Rene Herman (Mr. Simnett)
Jamie Shannon (Mr. Sharko)
Sylvia van Dyk (Ms. Provost)
Denise Weber (Ms. Campbell)

Apologies: Kohei Yoshimura (Ms. Kai)

Non-Voting Observers

Present: James Dalkin (IAASB Consultative Advisory Group (CAG) Chairman), Yosh'inao Matsumoto (Japanese Financial Services Authority)

Public Interest Oversight Board (PIOB) Observers

Present: Markus Grund

IAASB Staff

Present: Willie Botha (Technical Director), Beverley Bahlmann, Brett James, Armand Kotze, Joy Thurgood, Hanken (Jane) Talatala, Jasper van den Hout

IAASB agenda materials referred to in these minutes can be accessed on the IAASB's webpage for the [January 23, 2020 IAASB Teleconference](#). These minutes are a summary of the decisions made at the February January 23, 2020 IAASB Teleconference, in light of the issues and recommendations in the agenda material put forth by ISA 600 Task Force and Staff supporting the project. These recommendations are made through consideration of previous discussions of the Board and its CAG and feedback from stakeholders through outreach activities.

1. Welcome

Mr. Seidenstein welcomed all participants to the teleconference.

1. Group Audits – ISA 600 (Revised)¹

Mr. Jui updated the Board on the work of the ISA 600 Task Force on the appendices, the conforming and consequential amendments and the outreach performed, as presented in **Agenda Items 1, 1-A and 1-B**. The following sets out the more significant comments from the Board in response to the ISA 600 Task Force's proposals.

APPENDICES

The Board asked the ISA 600 Task Force to consider:

- In Appendix 1, not referring to the group's ability to continue as a going concern but to the entity's ability to continue as a going concern, as this reference is used throughout the ISAs.
- Further aligning Appendices 2 and 3 to ISA 315 (Revised 2019).² Several suggestions were provided as to how this could be done, for example, by using the same lead-in and the table headings in Appendix 3 as used in Appendix 2 of ISA 315 (Revised 2019).
- Clarifying that the matters in Appendix 2 are not examples but considerations that the auditor may take into account.
- Adding more examples of events or conditions that may give rise to the existence of risks of material misstatement of the group financial statements at the assertion level for the inherent risk factor 'change.'
- Including the examples of the component auditor's conformations (Appendix 4 of extant ISA 600)³ and the matters included in the group engagement team's letter of instruction (Appendix 5 of extant ISA 600) as part of the implementation support materials. It was also suggested that a question be asked in the Explanatory Memorandum about whether Appendices 4 and 5 should be retained in the standard or should be part of the implementation support materials.

¹ Proposed International Standards on Auditing (ISA) 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

² ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

³ ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

CONFORMING AND CONSEQUENTIAL AMENDMENTS

The Board asked the ISA 600 Task Force to consider:

- Defining the term 'other auditor.' In that regard, it was suggested to liaise with the ISA 220 Task Force.
- Using the terms 'group financial statements' and 'consolidated financial statements' consistently.
- Whether conforming and consequential amendments are needed to ISRE 2400⁴ as the application material in that standard refers to group audits.
- Including the conforming amendment to paragraph A15A of proposed ISA 220 (Revised)⁵ (on joint audits) in proposed ISA 600 (Revised) as the guidance only applies when a group audit is performed.
- In ISA 300,⁶ regarding the last bullet in the Appendix, aligning the wording with ISA 315 (Revised 2019) as risks of material misstatement drive significant classes of transactions, account balances and disclosures and not materiality.
- In paragraph 9 of both ISA 240⁷ and ISA 250⁸, retaining the reference to 'other auditors.'
- In ISA 610 (Revised 2013),⁹ retaining, and revising as necessary, the example of work of the internal audit function that can be used by the external auditor.
- In ISA 700 (Revised),¹⁰ paragraph 39(c), reconsidering the change from 'group' to 'consolidated' financial statements, and clarifying what the special consideration is in a group audit.

CAG CHAIR REMARKS

Mr Dalkin suggested adding examples of group level controls in Appendix 2.

WAY FORWARD

The ISA 600 Task Force will take the Board's comments on the appendices and the conforming and consequential amendments into account and will present an updated version for approval for public exposure at the March 2020 IAASB meeting.

2. Next Meeting

The next IAASB Teleconference is scheduled for February 11, 2020 and the next physical IAASB meeting is scheduled for March 16 – 20, 2020 in New York, USA.

3. Closing Remarks

Mr. Seidenstein thanked the IAASB members, technical advisors and Staff and closed the meeting.

⁴ International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

⁵ Proposed ISA 220 (Revised), *Quality Control for an Audit of Financial Statements*

⁶ ISA 300, *Planning an Audit of Financial Statements*

⁷ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

⁸ ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

⁹ ISA 610 (Revised 2013), *Using the Work of Internal Auditors*

¹⁰ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*