

Discussion of Other Significant Changes to Requirements, Application Material, Appendices and Conforming and Consequential Amendments

This paper is intended to provide background information on the significant changes made by the ISA 600¹ Task Force (the Task Force) to the draft of proposed ISA 600 (Revised),² as reflected in the draft in **Agenda Item 3-C**, and the rationale for those changes.

Reference	Other Significant Changes and the Rationale for Those Changes
Scope of this ISA	
Paragraph 1	<ul style="list-style-type: none"> - Combined the first two sentences in response to Board member comments to clarify that the proposed standard applies when the auditor has been engaged to perform an audit of group financial statements, which may include the involvement of component auditors (i.e., the involvement of component auditors does not itself drive whether proposed ISA 600 (Revised) applies). <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A1: This paragraph has been revised to more explicitly state that proposed ISA 600 (Revised) deals with the special considerations for the group engagement partner and group engagement team in applying the requirements and guidance in proposed ISA 220 (Revised),³ including with respect to the direction and supervision of component auditors and the review of their work. Former paragraph A1A has been deleted as circumstances in which other auditors are involved are addressed in proposed ISA 220 (Revised). - Paragraph A2: This paragraph was revised to more clearly address the relationship between proposed ISQM

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

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

³ Proposed ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

Reference	Other Significant Changes and the Rationale for Those Changes
	1 ⁴ and proposed ISQM 2. ⁵
Paragraph 2	<ul style="list-style-type: none"> - The Task Force has added this paragraph to address Board member comments asking for greater clarity in the Scope section of the standard about when the proposed standard applies, and also to clarify that the way in which group management views the entities or business units comprising the group may be different from the way in which the group engagement team plans and performs audit procedures for the group audit. See further discussion in section I-C of Agenda Item 3. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraphs A3–A6: These paragraphs were added to provide additional guidance in support of new paragraph 2. See further discussion in section I-C of Agenda Item 3.
Paragraph 3	<ul style="list-style-type: none"> - This paragraph has been revised in response to Board member editorial comments, and to address more directly the involvement of component auditors in a group audit in assisting the group engagement team in identifying, assessing and responding to the risks of material misstatement of the group financial statements. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraphs A7–A8: These paragraphs were revised consistent with the changes to paragraph 3 and to incorporate editorial comments from Board members.
Paragraph 4	<ul style="list-style-type: none"> - This paragraph was added in response to comments and suggestions from Board members that it would be useful to explain, in the Scope section of the proposed standard, how the wording of the requirements differentiates between the group engagement team or group engagement partner fulfilling a requirement, versus taking responsibility for the design or performance of procedures, tasks or actions that are assigned to appropriately skilled or suitably experienced members of the engagement team. The paragraph is modeled after a similar paragraph in proposed ISA 220 (Revised).

⁴ Proposed International Standard on Quality Management (ISQM) 1 (Previously International Standard on Quality Control (ISQC)1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

⁵ Proposed ISQM 2, *Engagement Quality Reviews*

Reference	Other Significant Changes and the Rationale for Those Changes
Objectives	
Paragraph 6	- See section I-B of Agenda Item 3 .
Definitions	
Paragraph 7(a)	<ul style="list-style-type: none"> - The definition of aggregation risk was revised to delete the word ‘group’ in response to a Board member comment that aggregation risk exists in all audits of financial statements (as described in paragraph A9) and therefore the definition cannot refer only to audits of group financial statements. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A9: This paragraph was relocated from the Materiality section because the Task Force believed it was appropriate guidance in support of the definition of aggregation risk.
Paragraph 7(b)	- The definition of component was revised in response to the IAASB discussion in December 2019 and written comments received from Board members on the draft of the proposed standard circulated after that meeting. See further discussion in section I-C of Agenda Item 3 .
Paragraph 7(c)	<ul style="list-style-type: none"> - The definition of component auditor was revised to note that a component auditor is a subset of the engagement team, in response to a Board member suggestion and consistent with the change to the definition of group engagement team in paragraph 7(j). <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Previous paragraph A4A was deleted because a footnote reference was added in paragraph 7(c) to the definition of engagement team in proposed ISA 220 (Revised). - Paragraph A10: This paragraph was revised to clarify that the engagement team includes individuals from the group engagement team’s firm and may include individuals from a network firm, a firm that is not a network firm, or an external service provider. - Paragraph A11: This paragraph was added in response to Board member comments to clarify that the group engagement team is not considered a component auditor for purposes of this ISA when the group engagement

Reference	Other Significant Changes and the Rationale for Those Changes
	team performs centralized testing on account balances, classes of transactions or disclosures, or performs audit procedures related to a component.
Paragraph 7(e)	- The definition of component performance materiality was revised in response to Board member editorial comments and to streamline the wording as aggregation risk is separately defined.
Paragraph 7(f)	- See section I-C of Agenda Item 3 .
Paragraph 7(i)	- The definition of group engagement partner was streamlined as it builds on the definition in proposed ISA 220 (Revised) and therefore the Task Force concluded it was unnecessary to repeat the wording of that definition in proposed ISA 600 (Revised).
Paragraph 7(j)	- The definition of group engagement team was revised to incorporate Board member editorial comments and to note that the group engagement team is a subset of the engagement team.
Paragraph 7(k)	- See section I-C of Agenda Item 3 .
Paragraph 9	- The description of the consolidation process was revised slightly to separate the aggregation of the financial information of branches or divisions in order to more closely link to the application material in paragraph A13, which describes circumstances in which there is no separately prepared financial information for branches or divisions that requires aggregation. In these circumstances, unless there are other entities or business units whose financial information is subject to a consolidation process as described in paragraph 9, the financial statements do not represent group financial statements and therefore this proposed ISA does not apply.
Requirements	
Leadership Responsibilities for Managing and Achieving Quality on a Group Audit	
Paragraph 10	<i>Application Material</i> - Paragraph A16: Changes were made to align paragraph A16 with ISQM 1.

Reference	Other Significant Changes and the Rationale for Those Changes
Acceptance and Continuance	
Paragraph 11	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, section I-A and Appendix 4.
Paragraph 12	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 11 describes the group engagement partners determination whether sufficient appropriate audit evidence can reasonably be expected to be obtained at the acceptance and continuance stage. The Task Force added a requirement that addresses the situation when restrictions are imposed after the acceptance and continuance stage. Paragraph A21 of extant ISA 600 includes guidance on this matter (now paragraph A21) and the Task Force was of the view that including a requirement would clarify the group engagement partner’s responsibilities in this regard. <p><i>Application Material</i></p> <p>Paragraph A21: The Task Force made several changes to this paragraph to enhance the flow.</p>
Paragraph 13	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - The Task Force deleted from paragraph 13(c): “To the extent possible under law or regulation, and within the control of group management,” as this addressed by paragraph 8 of ISA 210.⁶ - Also see Agenda Item 3, section I-A and Appendix 4. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A23: The Task Force added application material to clarify what the consequences are when group management does not acknowledge and understand its responsibilities
Paragraph 14	<p><i>Requirement</i></p>

⁶ ISA 210, *Agreeing the Terms of Audit Engagements*

Reference	Other Significant Changes and the Rationale for Those Changes
	<p>See Agenda Item 3, section I-A and Appendix 4.</p> <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A26: several changes were made to address comments from Board members, including: <ul style="list-style-type: none"> • First bullet, third sub bullet ('Requesting the component auditor to prepare a memorandum that addresses the relevant information') was deleted as it was deemed insufficient on its own. • Second bullet, first sub bullet. This bullet was clarified as it was not telling how to overcome the restriction - Paragraph A27: The Task Force added this paragraph to emphasize that in certain circumstances, the group engagement team's firm or group management may liaise with regulators about restrictions that the group engagement team can't overcome the restrictions
<p><i>Considerations When Component Auditors Are Involved</i></p>	
<p>Paragraph 16</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, section I-A and Appendix 4. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A31: Given that paragraph 11D(b) (in the version of proposed ISA 600 (Revised) as distributed to the Board on December 21, 2019) was moved to the section for 'considerations when component auditors are involved' some of the application material that related to 11D had to be re-casted. This new paragraph addresses the matters that were deleted in paragraph A18-A21 related to being involved in the work of the component auditor.
<p>Paragraph 17</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 17 was paragraph 40(b) in the version of proposed ISA 600 (Revised) as distributed to the Board on December 21, 2019. Given the restructuring of the standard (see Agenda Item 3 section I-A and Appendix 4) the Task Force decided to include this paragraph in the section on acceptance and continuance.

Reference	Other Significant Changes and the Rationale for Those Changes
<p>Paragraph 18</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, section I-A and Appendix 4. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A33: Several changes were made based on the coordination with the International Ethics Standards Board for Accountants (IESBA).
<p>Paragraph 19</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, section I-A and Appendix 4. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A36: The Task Force highlighted that the component auditor’s competence and capabilities influence the nature, timing and extent of the engagement partner’s direction and supervision of the component auditor, and the review of their work. - Paragraph A37: Several changes were made based on the coordination with the ISQM 1 Task Force. - Paragraph A38: Several changes were made based on the coordination with the ISQM 1 Task Force. - Paragraph A57I: This paragraph was deleted as it was deemed repetitive of paragraph A38. - Paragraph A39: Several changes were made based on the coordination with the ISQM 1 Task Force. - Paragraph A41: This paragraph was added to highlight that the group engagement partner may take into consideration such matters as the expertise in the use of automated tools or techniques when determining whether the engagement team has the appropriate competence and capabilities.
<p>Paragraph 20</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, section I-A and Appendix 4.
<p>Paragraph 21</p>	<p><i>Requirement</i></p> <p>See Agenda Item 3, section I-A and Appendix 4.</p>

Reference	Other Significant Changes and the Rationale for Those Changes
Understanding the Group and Its Environment, the Applicable Financial Reporting Framework and the Group's System of Internal Control	
Paragraph 22	<p><i>Requirement and Application Material</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, Section I-D
<i>Considerations When Component Auditors Are Involved</i>	
Paragraph 23	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, Section I-D <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A68: The Task Force merged paragraph A23D and paragraph A23E (as included in the draft of proposed ISA 600 (Revised) that was distributed to the Board on December 21). In addition, based on suggestions from the Board, the paragraph was simplified.
Paragraph 24	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See Agenda Item 3, Section I-A and Appendix 4
Paragraph 25	<ul style="list-style-type: none"> - See Agenda Item 3, Section I-A and Appendix 4
Materiality	
Paragraph 26	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - The lead-in wording to the requirement was revised to refer to both ISA 320⁷ and ISA 450,⁸ as paragraph 26(a) relates to ISA 320 while paragraph 26(b) relates to ISA 450. Footnote references were added to the relevant

⁷ ISA 320, *Materiality in Planning and Performing an Audit*

⁸ ISA 450, *Evaluation of Misstatements Identified during the Audit*

Reference	Other Significant Changes and the Rationale for Those Changes
	<p>paragraphs in ISA 320 and ISA 450, respectively.</p> <ul style="list-style-type: none"> - Also see Agenda Item 3, section I-A and appendix 4. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A73: This paragraph was added in response to a Board member suggestion to provide guidance about the performance materiality to use when the group engagement team may perform further audit procedures on accounts, classes of transactions or disclosures that are aggregated. - Paragraph A74: This paragraph was revised to in response to Board member comments that the previous wording was incorrect because it referred to aggregation risk and not to the 'clearly trivial' threshold. The Task Force agreed and instead has included relevant wording from paragraph A3 of ISA 450.
<p>Considerations When Component Auditors Are Involved</p>	
<p>Paragraph 27</p>	<ul style="list-style-type: none"> - This requirement was moved from paragraph 26, consistent with the restructuring of the proposed standard to include separate sub-sections for circumstances when component auditors are involved. Paragraph 26 now requires the group engagement team to determine component performance materiality and the threshold above which misstatements identified in component financial information are to be communicated to the group engagement team. Paragraph 27 requires the communication of those amounts to component auditors. Also see Agenda Item 3, section I-A and Appendix 4.
<p>Identifying and Assessing the Risks of Material Misstatement</p>	
<p>Paragraph 28</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 28 was split up given that it included considerations when component auditors are involved. The part of the requirement that related to the involvement of component auditors was placed in the 'Considerations when Component Auditors are Involved' sub-section (paragraph 29). Also see Agenda Item 3, section I-A and Appendix 4. - Paragraph A75–A78: The Task Force added several paragraphs that clarify the linkages with ISA 315 (Revised

Reference	Other Significant Changes and the Rationale for Those Changes
	2019). ⁹
<i>Considerations When Component Auditors Are Involved</i>	
Paragraph 29	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - See description paragraph 28 and Agenda Item 3, section I-A and Appendix 4. - The Task Force further clarified the intention of the requirement and made changes given that it is no longer linked to paragraph 28. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A81–A83: The Task Force added several paragraphs that clarify the linkages with ISA 315 (Revised 2019).
Responding to the Assessed Risks of Material Misstatement	
Paragraph 30	<p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A93: The Task Force added application material that provides possible revisions to the audit plan if controls are not designed or operating effectively.
Paragraph 31	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Based on comments received from the Board, paragraph 31(c) was moved to the application material (paragraph A79). Board members noted that this may not be the most appropriate placement given that it seems to be a risk assessment procedure. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A96: Paragraph A96 was enhanced based on suggestions from the Board.

⁹ ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

Reference	Other Significant Changes and the Rationale for Those Changes
<i>Considerations When Component Auditors Are Involved</i>	
Paragraph 34	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - The discussion in the December 2019 meeting and the comments received on the draft of proposed ISA 600 (Revised) as distributed to the Board on December 21, 2019 highlighted that the interactions between the group engagement team and the component auditors could be enhanced. In response the Task Force included a new requirement that addresses the group engagement team’s responsibilities when components auditors are involved in determining the nature, timing and extent of further audit procedures to be performed.
Paragraph 35	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - The Task Force added a requirement that clarifies the group engagement team’s responsibility when a significant risks of material misstatement of the group financial statements has been identified in a component on which a component auditor is assigned further audit procedures. This paragraph is based on paragraph 31 from extant ISA 600.
Paragraph 36	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 36 was moved from the ‘Consolidation’ section to the ‘Considerations when Component Auditors are Involved’ section. Also see Agenda Item 3, section I-A and Appendix 4.
Paragraph 37	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 37 was moved from the ‘Consolidation’ section to the ‘Considerations when Component Auditors are Involved’ section. Also see Agenda Item 3, section I-A and Appendix 4.
Paragraph 38	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 38 was moved up from the ‘Related Party section’. See Agenda Item 3, Section I-A and Appendix 4.
Using Audit Evidence from an Audit Performed for Another Purpose	

Reference	Other Significant Changes and the Rationale for Those Changes
<p>Paragraph 39</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - In the December 2019 Board meeting the Task Force was asked to clarify whether paragraph 24A applies when a statutory audit has already been completed or when the statutory audit is being performed concurrent with the group audit. In response the Task Force changed the requirement to clarify the Task Force’s intention (e.g. the audit for statutory, regulatory or other reasons has been performed). This requirement does therefore not apply when the audit for statutory, regulatory or other reasons is performed concurrent with the group audit. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A104: The application material was also enhanced to clarify when the requirement is applicable. - Paragraph A106: Paragraph 39(c) refers to ‘Other relevant requirements in this ISA.’ The Task Force added this application material to highlight which other relevant requirements there may be in proposed ISA 600 (Revised).
<p>Two-Way Communication Between the Group Engagement Team and the Component Auditor</p>	
<p>Paragraph 40</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 40(a) was deleted given that the matters that are required to be communicated to component auditors are included in the sub-sections that describe the special considerations when component auditors are involved. - Paragraph 40(b) is now included in the section on acceptance and continuance (paragraph 17). See Agenda Item 3, Section I-A. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A60B was deleted based on suggestion from the Board. It was noted that the paragraph missed specificity and didn’t seem necessary. - Paragraph A112: This paragraph was simplified in coordination with IESBA. Instead of including details, the Task Force and IESBA were of the view that including a reference to the IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) would be preferable. - Paragraph A60CA: This paragraph was deleted as Board members noted that it was not clear what the intention

Reference	Other Significant Changes and the Rationale for Those Changes
	of the paragraph is.
Paragraph 41	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 41(b) was changed to align with IESBA Code. The IESBA Code is focused on non-compliance with laws and regulations generally and not just financial information of the component. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A60D: This paragraph was deleted as it is now covered by paragraph 43.
Paragraph 43	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Paragraph 43 was added to clarify the group engagement team’s actions when component auditors do not communicate the matters requested by the group engagement team. In the draft presented to the Board in December 2019, application material was included in the standard but based on the comments received and discussion in the Task Force it was decided to include a requirement.
Subsequent Events	
Paragraph 44/ 41E	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - The Task Force deleted paragraph 41E as it was considered, given the change to paragraph 44, to be covered by paragraph 44. <p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A113: Paragraph A61A and A61B (as included in the version of proposed ISA 600 (Revised) that was distributed to the Board on December 21, 2019) were merged based on suggestions from Board members. The Task Force was of the view that this clarifies who performs the work.
Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained	
Paragraph 45	<i>Application Material</i>

Reference	Other Significant Changes and the Rationale for Those Changes
	<ul style="list-style-type: none"> - Paragraph A116: This paragraph has been reinstated in response to Board member comments. The paragraph had been deleted based on Board member comments that the wording appeared to be redundant with paragraph 467. However, the Task Force noted that paragraph A116 is taken from extant ISA 600 (paragraph A62) and relates more broadly to actions the group engagement team may take if it concludes that sufficient appropriate audit evidence has not been obtained. The Task Force therefore believes that the paragraph is still relevant as application material to paragraph 45.
Paragraph 46	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Some Board members questioned the wording of this paragraph, in particular the fact that the latter part of the paragraph deals with an inability to obtain sufficient appropriate audit evidence and therefore is not related to applying ISA 450 (see the previous lead-in wording). The Task Force noted that this paragraph comes from extant ISA 600 and concluded that it should be retained. However, the reference to ISA 450 has been deleted and a subheading has been added to clarify that the requirement relates to evaluating the effect of these matters on the group audit opinion.
Auditor's Report	
Paragraph 48	<p><i>Application Material</i></p> <ul style="list-style-type: none"> - Paragraph A119: This paragraph was revised in response to a comment from a Board member that the previous wording was not consistent with ISA 705 (Revised).¹⁰
Communication with Group Management and Those Charged with Governance of the Group	
Paragraph 52	<p><i>Requirement</i></p> <ul style="list-style-type: none"> - Minor changes were made to this paragraph consistent with the revised definition of a component and to incorporate Board member editorial suggestions.
Documentation	

¹⁰ ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*

Reference	Other Significant Changes and the Rationale for Those Changes
Paragraph 53	- See section I-E of Agenda Item 3 .
Appendices	
Appendix 2: Understanding the Group's System of Internal Control	
	- Several changes were made to appendix 2 based on suggestions from the Board and to better align the appendix with ISA 315 (Revised 2019).
Appendix 3: Examples of Events or Conditions that May Give Rise to Risks of Material Misstatement of the Group Financial Statements	
	- Several changes were made to appendix 3 based on suggestions from the Board and to better align the appendix with ISA 315 (Revised 2019)
Conforming and Consequential Amendments	
ISA 240, <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	
ISA 250, <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>	
Paragraph 9 (in both standards)	- See section II of Agenda Item 3 .
	<i>Application Material</i> - ISA 240, paragraph A6 and ISA 250, paragraph A8: These paragraphs were revised to align with current wording in proposed ISA 600 (Revised). This proposed application material wording was discussed and agreed with IESBA Staff.
ISA 300, Planning an Audit of Financial Statements	

Reference	Other Significant Changes and the Rationale for Those Changes
Appendix	<ul style="list-style-type: none"> - The first and third bullets under Characteristics of the Engagement have been combined in response to Board member comments that the two bullets were related and that the combined presentation would be more consistent with proposed ISA 600 (Revised). - The reference to 'standalone' in the last bullet under Characteristics of the Engagement has been deleted as some Board members questioned the term, and the Task Force concluded that the word was unnecessary in this context. - The fifth bullet under Reporting Objectives, Timing of the Audit, and Nature of Communications was revised to incorporate editorial suggestions from Board members. - The second sub-bullet under Significant Factors, Preliminary Engagement Activities, and Knowledge Gained on Other Engagements was revised in response to Board member comments that risks of material misstatement drive significant classes of transactions, accounts and disclosures, not quantitative materiality. The Task Force concluded that it would be more appropriate to refer to the requirement in paragraph 18 of ISA 330¹¹ to design and perform substantive audit procedures on material classes of transactions, account balances and disclosures.
ISA 402, Audit Considerations Relating to An Entity Using a Service Organization	
Paragraph A19	<ul style="list-style-type: none"> - The reference to ISA 600 (Revised) was changed to proposed ISA 220 (Revised) as the guidance in that proposed standard is relevant for, and therefore may be useful with respect to, the direction and supervision of another auditor and the review of that auditor's work.
ISA 501, Audit Evidence – Specific Considerations for Selected Items	
Paragraph A3	<ul style="list-style-type: none"> - The second sentence of the sixth bullet is proposed to be deleted as ISA 600 (Revised) does not deal with the involvement of other auditors.

¹¹ ISA 330, The Auditor's Responses to Assessed Risks

Reference	Other Significant Changes and the Rationale for Those Changes
ISA 550, <i>Related Parties</i>	
Paragraph A13	- The wording of this paragraph was revised to better align with paragraph 38 of proposed ISA 600 (Revised).
ISA 700 (Revised), <i>Forming an Opinion and Reporting on Financial Statements</i>	
Paragraph 39(c), Illustration 2	- On the January 23, 2020 IAASB teleconference, several Board members questioned the change from 'group' to 'consolidated' financial statements in the requirement in paragraph 39(c) as well as the illustrative report. In response to the Board member comments, and after further discussion, the Task Force agrees that no conforming change should be made (i.e., revert to the use of 'group financial statements'). The requirement in ISA 700 (Revised) is intended to provide specific wording in the context of a group audit, and 'group financial statements' is a defined term in proposed ISA 600 (Revised).
ISA 805 (Revised), <i>Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i>	
Paragraph 2	- This paragraph was revised for clarity in response to Board member comments.