

Explanation of Significant Changes

This paper explains the significant changes and the rationale for the changes that have been made by the ISA 600 Task Force (the Task Force) to proposed ISA 600 (Revised)¹ since the September 2021 meeting, as reflected in the marked draft in **Agenda Item 2-B**, which also reflects the renumbering of the paragraphs in sequential order. This paper also explains the significant changes and the rationale for the changes for the conforming and consequential amendments as reflected in **Agenda Item 2-D**. Unless otherwise indicated, all changes were made in response to Board comments during the September 2021 plenary session or received offline.

Reference	Significant Changes and the Rationale for Those Changes
Introduction	
Paragraph 5	<ul style="list-style-type: none"> • The wording in the last sentence was changed for clarity as it is the existence of common information systems and internal control across the group that affects the group auditor’s determination of the components at which audit work will be performed.
Paragraph 7	<p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A10: The Task Force deleted the third sentence as it was deemed unnecessary given that the proposed standard is focused on the group auditor and not what the component auditor may do for a separate audit of the financial statements of the component.
Paragraph 9	<p><i>Application Material</i></p> <ul style="list-style-type: none"> • The Task Force made the following changes to improve the clarity and flow of the application material related to professional skepticism: <ul style="list-style-type: none"> ○ Paragraph A14: The Task Force agreed that paragraph A10 as presented in the September 2021 draft is more general in nature and flows better after paragraph A13. The wording of the paragraph was revised for clarity and to align more closely with the wording used in other ISAs. The Task Force noted that some Board members

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

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	<p>suggested deleting this paragraph but decided to retain it as other Board members and respondents to ED-600² found it helpful.</p> <ul style="list-style-type: none"> ○ Moved the second sentence of paragraph A9AA as presented in the September 2021 draft to paragraph A17 and revised the wording as the group auditor may need to remain alert for inconsistent information in all group audits, not only when there are a large number of components across multiple jurisdictions. ○ Moved paragraph A9C as presented in the September 2021 draft to paragraph A15 and revised the wording to address concerns about a hidden requirement to “evaluate” whether the engagement team has appropriately exercised professional skepticism. ○ Revised the wording of the last bullet of paragraph A16 in response to comments that the reference to “restrict the ability” was confusing, and to clarify that the pressure resulting from tight reporting deadlines may cause the engagement team to not have (or otherwise take) the time needed to appropriately question management’s assertions, make appropriate judgments, or appropriately review the audit work performed.
Definitions	
Paragraph 14(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> ● Paragraph A19: The Task Force revised the wording for additional clarity and consistency with other requirement and application material paragraphs, including paragraph 33 regarding the group auditor’s responsibility for the identification and assessment of the risks of material misstatement of the group financial statements.
Paragraph 14(c)	<p><i>Definition</i></p> <ul style="list-style-type: none"> ● The Task Force deleted the reference to “at the request of the group auditor” to acknowledge that there may be circumstances in which the group auditor may be able to use audit work performed by a component auditor, but may not have specifically requested the component auditor to perform audit work (e.g. when a component auditor has completed an audit of the financial statements of the component for statutory, regulatory or other purposes as explained in paragraph A10). The Task Force noted, however, that interaction with the component auditor is needed in these circumstances to comply with the requirements of the ISA. However, the nature, timing and extent of the

² [Exposure Draft of Proposed Proposed ISA 600 \(Revised\)](#) (ED-600)

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	interaction may be different from circumstances in which the group auditor requests the component auditor to perform audit work for purposes of the group audit.
Paragraph 14(d)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A22: The Task Force added a sentence to address circumstances in which there may be no separate component management and group management may be responsible for the financial information or other activities of the component.
Requirements	
Leadership Responsibilities for Managing and Achieving Quality on a Group Audit	
Paragraph 16	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A27: The Task Force aligned this paragraph more closely with ISA 220 (Revised),³ paragraph 15. Paragraph A29: The Task Force deleted the reference to paragraph 12(a) given that this paragraph is directly linked to paragraph 16(a). The Task Force changed the construct of the paragraph by starting with the reference to the foundational standard and moving the first sentence to the end. In doing so, the Task Force revised the wording to improve readability and to align more closely with ISA 220 (Revised), paragraph A28.
Acceptance and Continuance	
Paragraph 17-18	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A30: The Task Force added a reference to “components that are accounted for by the equity method” to emphasize that restrictions on access to information or people at these components may present challenges in obtaining sufficient appropriate audit evidence. Paragraph A33: The Task Force added a sentence to highlight that it may be more complex to obtain sufficient appropriate audit evidence in a group audit as laws and regulations may restrict the component auditor from providing

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

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	<p>documentation outside of its jurisdiction, or war, civil unrest or outbreaks of disease may restrict the group auditor's access to relevant component auditor documentation. A reference to the documentation section was also added as paragraph A177 includes possible ways to address these situations.</p> <ul style="list-style-type: none"> • Paragraph A34: The Task Force noted that there seemed to be some redundancy between the hanging paragraph and paragraphs A42 and A43. Therefore, the Task Force deleted the hanging paragraph and added a reference to A42–A43. • Paragraph A38: The Task Force made several changes to streamline the paragraph and address concerns about breaching confidentiality provisions. • Paragraph A40: The Task Force added a bullet to discuss with management, when restrictions related to a non-controlled interest in an entity that is accounted for by the equity method cannot be overcome, whether it is appropriate to use the equity method of accounting. The Task Force was of the view that this discussion would be appropriate given that management should be able to have significant influence.
Paragraph 21	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • Change from “continuing engagement” to “recurring engagement” as other ISAs use “recurring.”
Overall Group Audit Strategy and Group Audit Plan	
Paragraph 22	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • It was noted that ISA 300⁴ uses “ascertain” rather than “determine” in the requirement related to resources. As the Task Force was of the view that “determine” is clearer and is one of the identified verbs in the Complexity, Understandability, Scalability and Proportionality Working Group's draft <i>Drafting Principles and Guidelines</i>, the Task Force changed the introduction to the bullets. Also, the Task Force was of the view that the matters in paragraphs 22(a) and 22(b) are special considerations for a group audit.

⁴ ISA 300, *Planning an Audit of Financial Statements*, paragraph 8(e)

Reference	Significant Changes and the Rationale for Those Changes
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A52: To enhance the flow of the paragraph, the Task Force moved the fourth sentence up to become the second sentence.
Paragraph 26	<p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A58: The Task Force included linkage to the foundational standard (ISA 220 (Revised), paragraph 25) to set up the special consideration for a group audit. • Paragraph A62: The Task Force made several changes to further clarify the paragraph: <ul style="list-style-type: none"> ○ In the second bullet the Task Force replaced the reference to ‘the matters in paragraph A51’ with one of the specific matters described in paragraph A51 of the Board in September 2021 draft (now paragraph A72). The Task Force was of the view that of the specific matters described in paragraph A72, only discussing the assessed risk of material misstatement with component auditors may be useful in determining the component auditor’s competency and capabilities. ○ Deleted the second last bullet as it is expected that the matters included in paragraph 21(a)–(b) change year over year (for example, the people assigned will change). • Paragraph A64: The Task Force aligned the wording closer to ISA 220 (Revised), paragraph 26, as this paragraph supports a requirement that is linked to ISA 220 (Revised). The direct reference to ISA 620⁵ has been deleted given that having references to ISA 220 (Revised) and ISA 620 in the same paragraph was deemed to be confusing.
Paragraph 27	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • The Task Force aligned the wording more closely to ISA 220 (Revised), paragraphs 20–21. <p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A66: Based on a suggestion from the International Ethics Standards Board for Accountants’ (IESBA) Engagement Team – Group Audits Independence Task Force (IESBA Task Force), the Task Force added that

⁵ ISA 620, *Using the Work of an Auditor’s Expert*

Reference	Significant Changes and the Rationale for Those Changes
	<p>communications to those charged with governance may be needed in circumstances where breaches of independence requirements have been identified. The Task Force also added a footnote reference to paragraph A31 of ISA 260 (Revised)⁶ based on a suggestion from the IESBA Task Force.</p> <ul style="list-style-type: none"> Paragraph A67: The Task Force enhanced this paragraph based on suggestions from the IESBA Task Force.
Paragraph 28	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A70: The Task Force revised the wording to more clearly indicate that the group engagement partner may assign the design or performance of procedures, tasks or actions to other members of the engagement team to assist the engagement partner in fulfilling the responsibility in accordance with paragraph 28. Paragraph A73: The Task Force added the bullet to highlight communications with component auditors throughout the course of the audit, including those required by this ISA. The Task Force revised the second bullet to focus on meetings or calls with component auditors to discuss identified and assessed risks, issues, findings and conclusions in response to a concern that the reference to “communicate” could be misinterpreted as implying that communication with component auditors only includes meetings or calls. Paragraph A74: The Task Force added the wording from paragraph 31 of ISA 220 (Revised) as the summarized wording was found to be insufficiently clear.
Paragraph 29	<p><i>Requirement</i></p> <ul style="list-style-type: none"> In the draft presented to the Board in September 2021, the Task Force added a separate requirement in paragraph 23B for communications between the group auditor and component auditors to take place at appropriate points in time throughout the group audit. This umbrella requirement was intended to apply to all communications between the group auditor and component auditors, but the Board found the umbrella requirement to be confusing. Therefore, the Task Force has combined paragraphs 23A and 23B as presented in the September 2021 draft. The Task Force noted that communications with component auditors about the group auditor’s expectations would include an expectation that two-way communications take place at appropriate times throughout the group audit. The Task Force further noted that paragraphs A83, A104 and A142 provide guidance on the timing of communications throughout the course of the group audit.

⁶ ISA 260 (Revised), *Communication with Those Charged with Governance*

Reference	Significant Changes and the Rationale for Those Changes
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A76: The Task Force revised the wording of the second bullet to address concerns about the component auditor “raising questions” about the audit work requested to be performed. Paragraph A84: The Task Force revised the wording of the last sentence to clarify that the group auditor’s communication may extend to the auditors of the financial statements of entities or business units for which an audit is performed for statutory, regulatory or other reasons (i.e., the communication, if required, is to the auditor and not the component). This change was discussed and agreed with the IESBA Task Force.
<p>Understanding the Group and Its Environment, the Applicable Financial Reporting Framework and the Group’s System of Internal Control</p>	
<p>Paragraph 30</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Task Force revised paragraph 30(a)(i)(b) to clarify that this relates to the similarity of the nature of the group’s operations or activities across the group. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A94: The Task Force deleted the last sentence as it was creating confusion given that it was not fully aligned with ISA 315 (Revised 2019)⁷ and given the location within the proposed standard (i.e., the operating effectiveness of common controls is dealt with in the Responding to the Assessed Risks of Material Misstatement section).
<p>Paragraph 31</p>	<p><i>Requirement</i></p> <ul style="list-style-type: none"> Given the deletion of paragraph 23B of the September 2021 draft (see explanation above related to paragraph 29), the Task Force added back the reference to “on a timely basis.” In its September 2021 meeting, the Board noted that paragraph 31(a) casts a very wide net of what might be relevant to the component auditor. In response, the Task Force changed the paragraph to limit the matters to be

⁷ ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

Reference	Significant Changes and the Rationale for Those Changes
	communicated to "matters that the group auditor determines to be relevant to the component auditor's design or performance of risk assessment procedures for purposes of the group audit."
Paragraph 32	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • Given the deletion of paragraph 23B of the September 2021 draft (see explanation above related to paragraph 29), the Task Force added back the reference to "on a timely basis." <p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A104: The Task Force clarified the wording of this paragraph, including a more direct reference to paragraph A142. Board members found this reference helpful to provide examples of other matters that may need to be communicated timely during the course of the group audit.
Identifying and Assessing the Risks of Material Misstatement	
Paragraph 33	<p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A108: The Task Force made several changes to the paragraph to further align the paragraph with ISA 315 (Revised 2019), paragraph 31. The Task Force also streamlined the paragraph by deleting repetition of the requirement. • Paragraph A111: The Task Force aligned the introduction closer to ISA 240 (Revised).⁸
Responding to the Assessed Risks of Material Misstatement	
Paragraph 37	<p><i>Application Material</i></p> <ul style="list-style-type: none"> • Paragraph A122: As the requirement uses the "shall take responsibility" construct, several changes were made to clarify that component auditors may also perform tests of controls to obtain sufficient appropriate audit evidence.

⁸ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

Reference	Significant Changes and the Rationale for Those Changes
	<ul style="list-style-type: none"> Paragraph A126: The Task Force revised the wording to clarify that the challenges for the group auditor arise in circumstances in which the significant classes of transactions, account balances or disclosures in the group financial statements are disaggregated over a large number of components. Paragraph A135: As the requirement uses the "shall take responsibility" construct, several changes were made to clarify that component auditors may also perform tests of controls to obtain sufficient appropriate audit evidence.
Paragraph 38	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Task Force revised the wording of the paragraph 38(b) in response to a Board comment that fraud risks exist at the assertion level and therefore do not technically exist in the consolidation process.
Paragraph 41	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Task Force aligned the requirement with paragraph 31 (see explanation for changes to paragraph 31). As this requirement is meant to address communications from the group auditor to the component auditor and vice versa, the Task Force included references to the group auditor and component auditor.
Paragraph 42	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A140: The Task Force clarified that, when a component auditor involves an auditor's expert, the group auditor does not have to perform the evaluation of the adequacy of the auditor expert's work. In such circumstances, the group auditor may discuss with the component auditor the nature, scope and objectives of the auditor's expert's work or the component auditor's evaluation of the adequacy of the work of the auditor's expert for the group auditor's purposes.
Paragraph 43	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Task Force moved the condition to the beginning of the requirement based on CUSP principles. In addition, the reference to paragraph 23 of the September 2021 draft was deleted as it was deemed unnecessary.

Reference	Significant Changes and the Rationale for Those Changes
Evaluating the Component Auditor’s Communications and Adequacy of Their Work	
Paragraphs 45-48	<p><i>General</i></p> <ul style="list-style-type: none"> • The Task Force changed the subheading above paragraph 45 to be more consistent with the nature of the requirements in this section. The Task Force also changed the order of certain requirements to present a more logical flow of the requirements. The Task Force discussed that the logical flow is as follows: <ul style="list-style-type: none"> ○ Request the component auditor to communicate matters relevant to the group auditor’s conclusion with regard to the group audit (paragraph 45). ○ Discuss significant matters arising from the communications with component auditor, including those in accordance with paragraph 45, with the component auditor, component auditor, or group management (paragraph 46(a)). ○ Evaluate whether the communications from the component auditor are adequate for the group auditor’s purposes. If not adequate, consider the implications for the group audit. (paragraph 46(b)). ○ Determine whether, and the extent to which, it is necessary to review additional component auditor audit documentation (paragraph 47). ○ If the group auditor concludes that the work of the component auditor is not adequate for the group auditor’s purposes, determine what additional audit procedures are to be performed, and by whom (paragraph 48). <p>These steps inform the group auditor’s evaluation of whether sufficient appropriate audit evidence has been obtained from the audit procedures performed, including from the work performed by component auditors, on which to base the group audit opinion (paragraph 51).</p>

Reference	Significant Changes and the Rationale for Those Changes
Paragraph 46	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • The Task Force made the following changes: <ul style="list-style-type: none"> ○ Revised the wording of paragraph 46(a) to clarify that the discussion about significant matters arising from the communications with the component auditor include those in accordance with paragraph 45, and to clarify with whom those discussions would take place (i.e., with the component auditor, component management or group management, as appropriate). ○ Moved paragraph 46 of the September 2021 draft to paragraph 46(b) and revised the wording to focus on the implications for the group audit if the communications are not adequate for the group auditor’s purposes.
Paragraph 47	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • The Task Force revised the wording as the determination required by paragraph 47 is not based solely on the evaluation in paragraph 46(b) (paragraph 45(b) in the September turnaround draft). <p><i>Application Material</i></p> <ul style="list-style-type: none"> • The Task Force deleted paragraph A112x of the turnaround draft of targeted sections of proposed ISA 600 (Revised) in September 2021 as it was found to be repetitive of other application material paragraphs. • Paragraph A145: The Task Force made the following changes to this paragraph: <ul style="list-style-type: none"> ○ Moved the first sentence of paragraph A146 (paragraph A113 of the September 2021 turnaround draft) to this paragraph as paragraph A72 provides overarching guidance for the group auditor that is useful in making the determination in accordance with paragraph 47. The Task Force also added a specific reference to the assessed risks of material misstatement of the group financial statements. ○ Revised the lead-in wording to the bullets as it was found to be repetitive of the requirement. The revised wording is now linked to the group auditor’s consideration in accordance with paragraph 47(c). This was done because the bullet points are related to the group auditor’s direction and supervision of the component auditor and the review of their work, and how this manifests throughout the course of the group audit. Given the reference to paragraph 47(c), the Task Force deleted the first bullet as it was redundant with the requirement.

Reference	Significant Changes and the Rationale for Those Changes
Paragraph 48	<p><i>Requirement</i></p> <ul style="list-style-type: none"> Moved paragraph 51 of the September 2021 draft to paragraph 48. The Task Force also changed the wording to be consistent with the subheading above paragraph 45 (i.e., if the group auditor concludes that the work of the component auditor is not adequate for the group auditor's purposes, then the group auditor determines what additional procedures are to be performed and by whom).
Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained	
Paragraphs 51-52	<p><i>General</i></p> <ul style="list-style-type: none"> The Task Force deleted the subheading "Evaluating the Effect on the Group Audit Opinion" as it was not deemed necessary given there are only two paragraphs in this section. The Task Force deleted the subheading "Considerations When Component Auditors Are Involved" because paragraph 51 as presented in the September 2021 draft was moved to paragraph 48.
Paragraph 51	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A150: The Task Force revised the wording to refer to the group auditor more broadly considering the engagement team's exercise of professional skepticism when evaluating the sufficiency and appropriateness of audit evidence. The Task Force also revised the wording of the first bullet as it was noted that the previous wording assumed that audit evidence that is easier to access will be less relevant and reliable, which is not necessarily the case.
Communication with Group Management and Those Charged with Governance of the Group	
Paragraph 54	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Task Force added a reference to "an overview" of the work to be performed at components of the group to be consistent with the required communication with those charged with governance in paragraph 57(a). The Task Force made the change in response to a concern that the previous wording was too broad and could lead to overly detailed discussions about the planned work effort at each component.

Reference	Significant Changes and the Rationale for Those Changes
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A156: The Task Force revised the wording to refer to an overview of the planned scope and timing to align with paragraph 54.
Paragraph 56	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A159: The Task Force discussed whether the requirement in paragraph 56 also addresses the requirement under relevant ethical requirements for the group auditor to communicate to component auditors when the group auditor becomes aware of non-compliance or suspected non-compliance with laws or regulations (NOCLAR). Some Task Force members were of the view that paragraph 56 addresses other types of matters that may be significant to the financial statements of the entity or business unit (see examples of matters in paragraph A158) and that paragraph A84 appropriately addresses the group auditor's possible NOCLAR communication obligation. However, other Task Force members believed that NOCLAR falls within the spectrum of matters that may be significant to the financial statements of the entity or business unit. The Task Force concluded that a reminder about the group auditor's possible communication obligation under relevant ethical requirements, as described in paragraph A84, would be both prudent and helpful. The wording was discussed with the IESBA Task Force, who supported the intent to demonstrate the flow of information, which may include NOCLAR matters.
Documentation	
Paragraph 59	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Task Force changed the wording of paragraph 57(f) to align with paragraph 47. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A167: The Task Force streamlined the wording to delete the descriptions of the requirements in the example paragraphs as such descriptions were found to be repetitive. Paragraph A171: The Task Force revised the lead-in wording to align with paragraph 57(f). Paragraph A173: The Task Force deleted the first sentence as it was found to be inconsistent with, and to distract from, the key point of the paragraph in the second sentence.

Reference	Significant Changes and the Rationale for Those Changes
	<ul style="list-style-type: none"> • Paragraph A177: The Task Force made the following changes to this paragraph: <ul style="list-style-type: none"> ○ Revised the lead-in wording to indicate that the bullets are examples of actions that that group auditor may take to overcome restrictions on access to component auditor audit documentation. ○ Deleted the reference to “and access the relevant component auditor documentation” in the lead-in as some of the actions described in the bullets do not result in the group auditor having access to the documentation. ○ Added a paragraph after the bullets to indicate that it is a matter of professional judgment whether one or more of these actions may be sufficient in the circumstances. • Paragraph A178: The Task Force revised the lead-in wording as it was unclear what “in these circumstances” was referring to. • Paragraph A179: The Task Force revised the lead-in wording to be consistent with paragraph A177.
Conforming and Consequential Amendments	
General	<ul style="list-style-type: none"> • The conforming and consequential amendments arising from proposed ISA 600 (Revised) are updated to reflect changes as a result of the conforming and consequential amendments arising from recent revisions to other standards (e.g., ISA 540 (Revised),⁹ ISA 315 (Revised 2019) and the Quality Management standards).¹⁰ • The conforming and consequential amendments now also include changes to the introduction to the illustrative reports as those had references to ISA 600.
ISA 220 (Revised)	<ul style="list-style-type: none"> • Paragraph A60: The Task Force deleted the footnote as proposed ISA 600 (Revised) does not have a paragraph similar to paragraph 3 of extant ISA 600.¹¹ • Paragraph A92: The Task Force deleted part of the sub-bullet as it is not consistent with proposed ISA 600 (Revised), paragraph A49.

⁹ ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

¹⁰ The Quality Management standards are International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; ISQM 2, *Engagement Quality Reviews*; and ISA 220 (Revised)

¹¹ ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

Reference	Significant Changes and the Rationale for Those Changes
ISA 260 (Revised)	<ul style="list-style-type: none"> • Paragraph A4: Proposed ISA 600 (Revised) now makes it clear that the group auditor communicates with those charged with governance of the group, and not at the component level. Therefore, the Task Force clarified that component auditors may also communicate matters to those charged with governance of the component and linked the existing guidance to that point.
ISA 300	<ul style="list-style-type: none"> • Appendix: The Task Force deleted: <ul style="list-style-type: none"> ○ The reference to "reports to be issued" as the references to reports have also been deleted in the communication section of proposed ISA 600 (Revised). ○ The last bullet under the header 'Significant Factors, Preliminary Engagement Activities, and Knowledge Gained on Other Engagements' as the difference between the last two sub-bullets was deemed to be confusing. The Task Force aligned the wording to ISA 315 (Revised 2019).
ISA 315 (Revised 2019)	<ul style="list-style-type: none"> • Paragraph A218: Proposed ISA 600 (Revised) does not require more involvement by the group engagement partner if the significant risk relates to a component and for the group engagement team to direct the work required at the component by the component auditor. Proposed ISA 600 (Revised), paragraph 43, does require the group auditor to evaluate the appropriateness of the design and performance of further audit procedures for significant risks on which a component auditor is determining the further audit procedures to be performed. Therefore, the Task Force revised the wording accordingly.
ISA 320¹²	<ul style="list-style-type: none"> • Paragraph A13: It was noted that the concept of an "appropriately low level" was missing. Hence, the Task Force reinstated this wording.
ISA 550¹³	<ul style="list-style-type: none"> • Paragraph A13: The Task Force enhanced the conforming amendment to align with the wording in paragraph 32(b) of proposed ISA 600 (Revised).

¹² ISA 320, *Materiality in Planning and Performing an Audit*

¹³ ISA 550, *Related Parties*

Reference	Significant Changes and the Rationale for Those Changes
ISA 700 (Revised) ¹⁴	<ul style="list-style-type: none"> Paragraph 39(c)(ii) and illustrative report: The Task Force clarified the requirement, and the corresponding wording in the illustrative report.
ISA 805 (Revised) ¹⁵	<ul style="list-style-type: none"> Paragraph 1: The Task Force made changes to align with the definition of a component auditor in paragraph 14(c) of proposed ISA 600 (Revised).
ISRE 2400 ¹⁶	<ul style="list-style-type: none"> Paragraph A80: The Task Force reinstated this paragraph as practitioners may still be engaged to review the financial statements of a group. The conforming amendments initially proposed to paragraphs A78 and A90 have been deleted as the conforming and consequential amendments to Volume II of the Handbook are limited to critical amendments (e.g., the conforming amendments to paragraphs A2 and A52). This approach is consistent with the approach taken for the conforming and consequential amendments resulting from the Quality Management standards, ISA 315 (Revised 2019) and ISA 540 (Revised).

¹⁴ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

¹⁵ ISA 805 (Revised), *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*

¹⁶ International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*