



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **7.3**

Meeting Date: 6 March 2019

Subject: IAASB meeting papers – Group Audits

Date Prepared: 28 February 2019

Prepared by: Rene Herman

Action Required

For Information Purposes Only

IAASB Project Objective	AUASB SMEs
1. The objective of this project is for the IAASB to revise and reissue ISA 600 <i>Group Audits</i> .	Rene/TBD
AUASB Key Points	
Background 1. In December 2016 and following on from the IAASB’s invitation to comment (AUASB Responded May 2016), the IAASB approved a project proposal to revise ISA 600. The project scoping included: <ul style="list-style-type: none">• scoping of group audits• stronger links to other ISAs particularly ISA 315 and ISA 220• communications between the global engagement team (GET) and component auditors• component auditors• work effort on components identified in scope and non-significant components• GETs work effort in relation to the consolidation process• GETs evaluation of sufficiency and appropriateness of audit evidence• component materiality and aggregation risk	
2. This project has been delayed/held back in order to progress the foundational standards which underpin ISA 600 (ISQM 1, ISA 220, ISA 315).	
3. This project is now back on the IAASB agenda to progress.	

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IAASB Project Objective	AUASB SMEs
Matters to be addressed by the IAASB at the March 2019 IAASB meeting:	
<p>4. The following areas are being considered at the March 2019 IAASB meeting:</p> <p>(a) Scoping of group audits. The IAASB working group is seeking to better articulate a risk-based approach to group audits, to be referred to as a top-down approach. In a top down approach focus is on identifying and assessing risks at a group level and then determining the planned scope of work to respond to these risks. The current approach of ISA 600 is to scope work driven by identification of components and identifying their significance.</p> <p>(b) Definitions. Several definitions are to be reconsidered including that of a component and significant component. For example are service centres a component? The working group will consider whether a component should be structurally driven or driving by whether the GET use other auditors. The interrelationships between a significant risk and a significant component need to be revisited i.e.: where significant risks are identified in a component, does this make the component significant.</p> <p>(c) Linkage to other standards – the importance of such linkage particularly to foundational standards will be a main area of focus</p>	
What the ATG is seeking from the AUASB at this meeting:	
<p>5. The ATG is not seeking feedback from the AUASB at this meeting. The purpose of this summary paper is to update the AUASB as to the status of the ISA 600 project.</p>	
IAASB timeline and impact on AUASB activities/Next steps	
<p>6. The IAASB is aiming to approve an ED of the revised ISA 600 in late 2019 with a final standard aimed to be released March 2021. This is still early stages of revision and the AUASB will be kept up to date on the progress of the revision.</p>	

Material Presented

Agenda Paper 7.6.0

BMSP – Revision to ISA 600

Action Required

No.	Action Item	Responsibility	Due Date
1.	No action required.	AUASB	6 March 2019