

---

**INDEPENDENT REGULATORY BOARD FOR AUDITORS**  
**COMMITTEE FOR AUDITING STANDARDS**

---

**Exposure Draft: Proposed International Standard on Auditing 600 (Revised)**

***Special Considerations - Audits of Group Financial Statements***

***(Including the Work of Component Auditors)***

Johannesburg / 4 May 2020

The International Auditing and Assurance Standards Board (IAASB) has issued the proposed International Standard on Auditing (ISA) 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* (ED-ISA 600 (Revised)), for public comment.

ED-ISA 600 (Revised) introduces an enhanced risk-based approach to planning and performing a group audit. This approach appropriately focuses the group engagement team's attention and work effort on identifying and assessing the risks of material misstatement of the group financial statements, and designing and performing further audit procedures to respond to those assessed risks.

In addition, ED-ISA 600 (Revised) recognises that component auditors can be, and often are, involved in all phases of a group audit. In these circumstances, the proposed standard highlights the importance of the group engagement team's involvement in the component auditor's work.

ED-ISA 600 (Revised):

- Clarifies the scope and applicability of the standard;
- Emphasises the importance of exercising professional skepticism throughout the group audit;
- Clarifies and reinforces that all ISAs need to be applied in a group audit through establishing stronger linkages to the other ISAs, in particular to proposed ISA 220 (Revised), ISA 315 (Revised 2019) and ISA 330;
- Reinforces the need for robust communication and interactions between the group engagement team, group engagement partner and component auditors;
- Includes new guidance on testing common controls and controls related to centralised activities;
- Includes enhanced guidance on how to address restrictions on access to people and information; and
- Enhances special considerations in other areas of a group audit, including materiality and documentation.

**Request for Comments**

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) welcomes comments on all matters addressed in ED-ISA 600 (Revised), including responses to the specific questions set out in the Explanatory Memorandum. Comments should

be submitted via email to [standards@irba.co.za](mailto:standards@irba.co.za) by **4 September 2020**. All comments will be considered as a public record.

Alternatively, we invite registered auditors and other interested parties to submit comments directly to the IAASB via the [IAASB website](#) by **2 October 2020**. Due to the impact of COVID-19, the IAASB has departed from its normal 120-day comment period for public consultations.

A copy of ED-ISA 600 (Revised) is available in PDF format and may be downloaded from the exposure draft page of the [IRBA website](#). Should you have any other queries or experience any technical difficulties in downloading the document, please do not hesitate to email the [Standards Department](#).

**Imran Vanker**  
**Director: Standards**

#### ***About the IRBA***

*The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.*

*The statutory responsibilities of the CFAS are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.*