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The International Auditing and Assurance Standards Board (IAASB) has released the exposure draft of proposed [International Standard on Auditing \(ISA\) 600 \(Revised\), Special Considerations—Audits of Group Financial Statements \(Including the Work of Component Auditors\)](#)s.

Proposed ISA 600 (Revised) deals with special considerations for audits of group financial statements (group audits). Group audits are often more complex and challenging than single-entity audits because a group may have many entities or

business units across multiple jurisdictions, and component auditors may be

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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. The proposed standard recognizes 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.

In addition, the proposed standard:

- Clarifies the scope and applicability of the standard.
- Emphasizes 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 centralized activities.
- Includes enhanced guidance on how to address restrictions on access to people and information.
- Enhances special considerations in other areas of a group audit, including materiality and documentation.

In consideration of COVID-19's impact, the IAASB is departing from the Board's normal 120-day comment period for public consultations. Therefore, the exposure draft of proposed ISA 600 (Revised) is open for public comment until **October 2,**

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