

Title	
ISA 600 (REVISED) SPECIAL CONSIDERATIONS—AUDITS OF GROUP FINANCIAL STATEMENTS (INCLUDING THE WORK OF COMPONENT AUDITORS)	
Effective date	ISA 600 (Revised) is effective for audits of group financial statements for periods beginning on or after December 15, 2023.

Key conclusions	
On completion of procedures in this area, assess in conclusion whether the inspection team:	
ISA 600.13.a	Is satisfied that with respect to the acceptance and continuance of the group audit engagement, sufficient appropriate audit evidence was reasonably expected to be obtained to provide a basis for forming an opinion on the GFS.
ISA 600.13.b	Is satisfied that the GA identified and assessed the RoMMs of the GFS, whether due to fraud or error, and planned and performed further audit procedures to appropriately respond to those assessed risks.
ISA 600.13.c	Is satisfied that the GA was sufficiently and appropriately involved in the work of CA throughout the group audit, including communicating clearly about the scope and timing of their work, and evaluating the results of that work.
ISA 600.13.d	Concurs with the GA that it evaluated whether sufficient appropriate audit evidence had been obtained from the audit procedures performed, including with respect to the work performed by CA, as a basis for forming an opinion on the GFS.

Definition and List of Acronyms	
CA	Component Auditor is an auditor who performs audit work related to a component for purposes of the group audit. A component auditor is a part of the engagement team for a group audit (as defined in ISA 600.14.c)
GA	Group Auditor is the group engagement partner and members of the engagement team other than CAs (as defined in ISA 600.14.h)
GEP	Group Engagement Partner is the engagement partner who is responsible for the group audit (as defined in ISA 600.14.j)
GFS	Group Financial Statements are financial statements that include the financial information of more than one entity or business unit through a consolidation process (as defined in ISA 600.14.k)
Regulation	Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities
RoMM	Risk of Material Misstatement defines the overall risk that GFS are materially misstated
TCWG	Those Charged with Governance (including the audit committee)

Step	Test objective	Reference	Inspection procedures
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ACCEPTANCE & CONTINUANCE

1	Evaluate whether the conclusions reached during the acceptance and continuance process are appropriate.	ISA 600.17-18 ISA 600.20-21 Regulation Articles 4-6, & 17 ISA 600.19, ISA 210.6(b), 8(b), 13 ISA600.59(a) ISQM1.34(d)	<ol style="list-style-type: none"> 1. Ensure the GEP adequately determined whether sufficient appropriate audit evidence can reasonably be expected to be obtained before he/she accepted or continued the group audit engagement. In your assessment, make sure the GEP identified and appropriately addressed any restrictions on access to information or people for the completion of the audit. 2. Evaluate the adequacy of the responses given by the GEP to the principles set out in Regulation (e.g. preparation for the statutory audit and assessment of threats to independence, fees, non-audit services, declaration of independence, rotation). 3. Review the appropriateness of the terms of the group audit engagement. 4. Ensure that GA included in the audit documentation all significant matters related to restrictions on access to people or information within the group that were considered before deciding to accept or continues the engagement, or that arose subsequent to acceptance or continuance, and how such matters were addressed.
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RISK ASSESSMENT PROCEDURES AND GROUP AUDIT PLAN

2	Ensure the GA obtained appropriate understanding of the group and its environment, the applicable financial reporting framework and the group’s system of internal control	ISA 600.30 ISA 600.59 (e)	<ol style="list-style-type: none"> 1. Assess whether the GA obtained a sufficient understanding of the group and its environment. 2. Assess whether the GA obtained a sufficient understanding of the applicable financial reporting framework and the consistency of accounting policies and practices across the group. 3. Assess whether the GA obtained a sufficient understanding of the group’s system of internal control relevant to financial reporting, including: <ol style="list-style-type: none"> i. the nature and extent of commonality of controls; ii. whether, and if so, how, the group centralizes activities relevant to financial reporting; iii. the consolidation process used by the group, including sub-consolidations, if any, and consolidation adjustments; and iv. how group management communicates significant matters that support the preparation of the GFS and related financial reporting responsibilities in the information system and other components of the group’s system of internal control to management of entities or business units. 4. Ensure that GA included in the audit documentation the key elements of the understanding of the group’s system of internal control.
3	Ensure that the GA established, and updated as necessary, an overall group audit plan & strategy.	ISA 600.22 ISA 300.7-10a ISA 600.35 ISA 600.23-26 & 45 ISA 600. 29 & 31-32, 36 & 45 Regulation Articles 7 & 10	<ol style="list-style-type: none"> 1. Evaluate whether the GA appropriately determined the components at which audit work will be performed 2. Evaluate whether the GA appropriately determined the resources needed to perform the group audit engagement including the nature, timing and extent to which Cas will be involved. 3. Evaluate whether the GET has appropriately determined and allocated the following materiality levels for the purpose of the group audit: <ul style="list-style-type: none"> - Component performance materiality, and - The threshold above which misstatements identified in the component financial information are to be communicated to the GA. 4. When CA were involved, ensure that the following conditions were met: <ol style="list-style-type: none"> a. GEP adequately assessed the ability of GA to get involved in the works of CA; b. GA received adequate confirmation of cooperation from CA, including whether the CA will perform the work requested by the GA; c. GA ensured the CA understand and will comply with the relevant ethical requirements, including those relating to independence; and d. GEP determined CA have the appropriate competence and capabilities. 5. Assess the appropriateness of the communications between GA and Cas, including: <ol style="list-style-type: none"> a. the adequacy and timeliness of the group audit instructions sent to CA; and b. the following specific required communications which are to be made on a timely basis: <ul style="list-style-type: none"> o matters relevant to the CA’s design or performance of risk assessment procedures for purposes of the group audit, o related party relationships or transactions identified by group management or by the GA, o events or conditions identified by group management or the GA that may cast significant doubt on the group’s ability to continue as a going concern.

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4	Ensure the GA took responsibility for the identification and assessment of the RoMM of the GFS, based on understanding of the group and its environment and applying ISA 315 (revised 2019).	ISA 600.30	6. Assess the appropriateness of the engagement team discussion beyond the GEP and other key engagement team members on the susceptibility of the GFS to material misstatement and the application of the financial reporting framework to the group’s facts and circumstances.
		Directive Article 29.1f)	7. Review the adequacy of the group audit plan & strategy in comparison with the audit fee allocation within the group.
		ISA600.59 (b)-(d)	8. Ensure that GA included in the audit documentation: <ol style="list-style-type: none"> i. The basis for the GA’s determination of components for purposes of planning and performing the group audit, ii. The basis for the determination of component performance materiality and the threshold for communicating the misstatements in the component financial information to the GA, iii. The basis for the GA’s determination that Cas have the appropriate competence and capabilities, including sufficient time, to perform the assigned audit procedures at the components.
		ISA 600.33	1. Evaluate whether the GA assessed the RoMM appropriately and in accordance with ISA 315 (revised 2019) following the steps: <ol style="list-style-type: none"> i. Initial expectations about the potential RoMM, ii. Assessment of inherent risks at the assertion level based on the likelihood and magnitude of misstatement, iii. Assessment of which components are affected by the identified risks, and iv. Assessment of control risks in case the GA plans to test the operating effectiveness of controls.
		ISA 600.33	2. Assess whether the GA adequately identified and assessed the RoMM due to fraud.
		ISA 600.34	3. Assess how the GA evaluated whether the audit evidence obtained from the risk assessment procedures performed by the GA and CAs provides an appropriate basis for the identification and assessment of the RoMMs of the group financial statements.

RESPONSES TO THE ASSESSED RISKS, INCLUDING THE INVOLVEMENT IN COMPONENT AUDITOR’S WORKS

5	Ensure that sufficient and appropriate responses to the assessed risks have been determined and implemented by the GA/CA	ISA 600.37	1. Assess the sufficiency and adequacy of the further audit procedures designed and implemented to address the assessed risks, considering their: <ul style="list-style-type: none"> • level (centrally or at the component level), • scope (which components should be covered), • nature (tests of controls or substantive tests), • timing when to perform further audit procedures, and • extent (entire financial information or specific items in the financial statements).
		ISA 600.38	2. Assess whether the GA designed and performed further audit procedures to respond to the assessed RoMM of the GFS arising from the consolidation process: <ol style="list-style-type: none"> i. Completeness of the consolidation scope, ii. Appropriateness, completeness and accuracy of consolidation adjustments (including alignment of different accounting policies and different period-ends used by components), iii. Response to management bias and the risk of fraud.
		ISA 600. 41-44	3. Review whether the GA properly addressed the following aspects of responses to the assessed risks in case CAs were involved: <ol style="list-style-type: none"> i. the adequacy of communications with the CA about relevant matters to the design of responses to the assessed RoMM of the GFS, ii. the appropriateness of the design and performance of further audit procedures determined by CAs for areas of higher assessed RoMM of the GFS and significant risks, iii. the adequate direction and supervision of CAs and the review of their work when CAs perform further audit procedures on the consolidation process, iv. making sure that the financial information identified in the CA’s communication is the financial information that is incorporated in the

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CONCLUSION AND REPORTING			
6	Ensure appropriateness of GA’s evaluation of CA communications and the adequacy of their work	ISA 600.45	1. Review a sample of year end reports/returns from CA to ensure that matters relevant to the GA’s conclusion with regards to the group audit have been duly communicated to the GA.
		ISA 600.46-48	2. Review whether the GA performed sufficient and appropriate audit procedures for evaluating CA works and conclusions reached. To this end, ensure that the GA: <ul style="list-style-type: none"> o discussed significant matters arising from communications with the component auditor with the adequate persons; and o evaluated whether communications with the component auditor are adequate for GA’s purposes.
		ISA 600.47	3. Determine whether GA adequately assessed the need for reviewing other relevant part of CA’s audit documentation. In making this determination, ensure that the GA adequately considered: <ul style="list-style-type: none"> o the nature, timing and extent of the work performed by the component auditor; o the competence and capabilities of the component auditor; and o the direction and supervision of the component auditor and review of their work.
		ISA 600.46-48	4. For components for which GA, in accordance with the plan or based on issues raised during the audit process, undertook a review of the underlying audit works and/or visited the component auditor to review the work, review whether GA adequately reviewed and challenged the component auditor’s work.
		ISA 600.59 f) & g)	5. Ensure completeness and appropriateness of GA’s documentation in order to support conclusions made for the group audit, evidencing: <ul style="list-style-type: none"> o the nature, timing and extent of the GA’s direction and supervision of CAs and the review of their work, including, as applicable, the GA’s review of additional component auditor audit documentation; o matters related to communications with CAs, including: <ul style="list-style-type: none"> - matters, if any, related to fraud, related parties or going concern - matters relevant to the GA’s conclusion with regard to the group audit, including how the GA has addressed significant matters discussed with CAs, component management or group management
7	Ensure appropriateness of GA’s evaluation of the sufficiency and adequacy of audit evidence obtained	ISA 600.51	1. Review whether GA adequately evaluated whether sufficient appropriate audit evidence has been obtained from the audit procedures performed, including from the work performed by CA, on which to base the group audit opinion.
		ISA 600.52	2. Ensure whether the GEP adequately evaluated the effect on the group audit opinion of any uncorrected misstatements (whether identified by GA or communicated by CA) and any instances when there has been an inability to obtain sufficient appropriate audit evidence.
		ISA 600.49-50	3. Evaluate the adequacy of the subsequent events audit work in relation to the GFS, keeping in mind that when CAs are involved, GA shall request the CAs to notify him/her if they become aware of subsequent events that may require adjustment of, or disclosure in, the GFS.
8	Assess the quality of deliverables, including communications made to group management and TCWG	ISA 600.53 Regulation Articles 10.2 & 11.2	1. Review the audit report, and if applicable the additional report to the audit committee, to ensure that: <ul style="list-style-type: none"> o the audit report is the responsibility of the GEP, making no reference to the CAs (unless required by law or regulation); o the audit report adequately describes and address the most significant assessed RoMMs, in accordance with the Regulation; and o the additional report to the audit committee adequately describes and address the group audit specificities.
		ISA 600.54-55	2. Ensure GA adequately communicated to the Group Management: <ul style="list-style-type: none"> o the planned scope and timing of the audit, including an overview of the work to be performed at components of the group; and o identified or suspected fraud instances.
		ISA 600.57 Regulation Article 6.2	3. Review the quality and timeliness of the required two way-communications with TCWG of the Group, including its conformity with the Regulation requirements.

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		ISA 600.56 ISA 600.59 h)	4. If a component auditor is required to express an audit opinion on the financial statements of a component, evaluate whether the GA requested group management to inform component management of any matter of which the GA becomes aware that may be significant to the financial statements of the component, but of which component management may be unaware. 5. Ensure completeness and appropriateness of GA’s documentation in order to support conclusions made for the group audit, evidencing the GA’s evaluation of, and response to, findings or conclusions of the CAs about matters that could have a material effect on the GFS.	
9	Evaluate whether the GEP took overall responsibility for managing and achieving the quality on the group audit engagement.	ISA 600.16 & 28 ISA 220.13, 15 & 31	1. Conclude on the adequacy of the GEP : <ul style="list-style-type: none"> (i) taking overall responsibility: <ul style="list-style-type: none"> o for managing and achieving the quality on the group audit engagement, o for the nature, timing and extent of direction and supervision of CA and the review of their work, and (ii) being sufficiently and appropriately involved throughout the group audit engagement, including in the work of CAs. 	