



# สภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์

FEDERATION OF ACCOUNTING PROFESSIONS  
UNDER THE ROYAL PATRONAGE OF HIS MAJESTY THE KING

November 25, 2020

International Auditing and Assurance Standards Board (IAASB)  
529 5<sup>th</sup> Avenue  
6<sup>th</sup> floor  
New York, New York 10017

Dear IAASB,

Comment Letter on ED/2020/1 Exposure draft of International Standards on Auditing ISA 600 (Revised), Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)

The Federation of Accounting Professions of Thailand would like to show our appreciation on the opportunity to comment ED/2020/1 Exposure draft of proposed ISA 600 (Revised).

Please find our responses to the overall questions and the specific questions raised in ED/2020/1 in an attachment. We believe that this proposed amendment will help the practitioners in the future and that our comment letter will contribute positively to the IAASB's due process. Should you need more information, please kindly contact the Federation of Accounting Professions of Thailand.

The Federation of Accounting Professions avails itself of this opportunity to the IAASB the assurance of its highest consideration.

Yours sincerely,

Mr. Witid Silamongkol  
Chairman of the Auditing Profession Committee  
Federation of Accounting Professions of Thailand  
Bangkok, Thailand

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

**Overall Questions**

1. With respect to the linkages to other standards:

(a) Does ED-600 have appropriate linkages to other ISAs and with the proposed ISQMs?

**Yes**

(b) Does ED-600 sufficiently address the special considerations in a group audit with respect to applying the requirements and application material in other relevant ISAs, including proposed ISA 220 (Revised)?

**Yes**

Are there other special considerations for a group audit that you believe have not been addressed in ED-600?

**No**

2. With respect to the structure of the standard, do you support the placement of sub-sections throughout ED-600 that highlight the requirements when component auditors are involved?

**Yes**

3. Do the requirements and application material of ED-600 appropriately reinforce the exercise of professional skepticism in relation to an audit of group financial statements?

**Yes**

### **Specific Questions**

4. Is the scope and applicability of ED-600 clear? In that regard, do you support the definition of group financial statements, including the linkage to a consolidation process? If you do not support the proposed scope and applicability of ED-600, what alternative(s) would you suggest (please describe why you believe such alternative(s) would be more appropriate and practicable).

**Yes, the scope and application of ED-600 is clear.**

5. Do you believe the proposed standard is scalable to groups of different sizes and complexities, recognizing that group financial statements, as defined in ED - 600, include the financial information of more than one entity or business unit? If not, what suggestions do you have for improving the scalability of the standard?

**Yes**

6. Do you support the revised definition of a component to focus on the 'auditor view' of the entities and business units comprising the group for purposes of planning and performing the group audit?

**Yes**

7. With respect to the acceptance and continuance of group audit engagements, do you support the enhancements to the requirements and application material and, in particular, whether ED-600 appropriately addresses restrictions on access to information and people and ways in which the group engagement team can overcome such restrictions?

**Yes**

8 . Will the risk-based approach result in an appropriate assessment of the risks of material misstatement of the group financial statements and the design and performance of appropriate responses to those assessed risks? In particular, the IAASB is interested in views about:

- (a) Whether the respective responsibilities of the group engagement team and component auditors are clear and appropriate?

**Yes**



- (b) Whether the interactions between the group engagement team and component auditors throughout the different phases of the group audit are clear and appropriate, including sufficient involvement of the group engagement partner and group engagement team?

**Yes**

- (c) What practical challenges may arise in implementing the risk-based approach?

**Practical challenges may arise in implementing the risk-based approach as a result of a knowledge gap between the group auditor and the component auditor when applying the risk-based approach, especially when they are from different firms. The gap knowledge may derive from the volume and complexity that have increased in business and environment such as advancement in technology, disruptive innovation, uncertainties in the geopolitical environment and also especially when there are a large number of components across multiple jurisdictions and ; in addition, the component auditors in different locations may be subject to varying cultural influences , laws or regulations or legal system, and language ,which may affect the nature of the biases to which they are subject. Therefore; to make the risk-based approach more effective, this may require more involvement and more communication between the group auditor and the component auditor which practically may not be easy specially when there are in different locations. These factors may undermine efficient and effective identification and assessment of risks of material misstatement of group financial statements arising from consolidation process.**

9. Do you support the additional application material on the commonality of controls and centralized activities, and is this application material clear and appropriate?

**Yes**

10. Do you support the focus in ED-600 on component performance materiality, including the additional application material that has been included on aggregation risk and factors to consider in determining component performance materiality?

**Yes**

11. Do you support the enhanced requirements and application material on documentation, including the linkage to the requirements of ISA 230? In particular:

**Yes**

(a) Are there specific matters that you believe should be documented other than those described in paragraph 57 of ED-600?

**No, we do not have any other issues.**

(b) Do you agree with the application material in paragraphs A129 and A130 of ED-600 relating to the group engagement team's audit documentation when access to component auditor documentation is restricted?

**Yes, we agree**

12. Are there any other matters you would like to raise in relation to ED-600?

**No, we do not have any other matters.**