



Mr. James M. Sylph
Technical Director
International Auditing and Assurance Standards Board
545 Fifth Avenue, 14th Floor
New York, NY 10017

**Subject: Proposed Revisions to International Standard on Auditing
No. 600 - THE AUDIT OF GROUP FINANCIAL STATEMENTS**

This letter provides the comments of the Working Group on Financial Audit Guidelines of the International Organization of Supreme Audit Institutions (INTOSAI) on the proposed revisions to International Standard on Auditing (ISA) No. 600 – *Audit of Group Financial Statements*, issued March 2005. The Working Group on Financial Audit Guidelines is comprised of experts from the Supreme Audit Institutions of Canada, Cameroon, Namibia, Norway, United States, United Kingdom and Sweden. The comments reflect the opinion of the experts. The Working Group also encourages the respective Supreme Audit Institutions to provide their own comments on proposed International Standards of Auditing.

We commend the International Auditing and Assurance Board (IAASB) for its proposal to enhance the current standard, especially by the elimination of the divided responsibilities. This provides clarity to the responsibilities to the group auditor. However, concerns were expressed by one member of the Working Group on the practical implications of eliminating divided responsibilities, based on the structure of government audits in their jurisdiction.

Overall, we support the proposed standard. The enclosure to this letter contains the INTOSAI Working Group's suggestions for adding clarity and rigor to the provisions of the proposed standard listed below. While we are offering comments specifically geared towards public sector audits, we are also offering suggested changes to the proposed standard that would strengthen audits in both the private and public sectors.¹ Our comments are set out in the attached enclosure under the following headings:

¹In the future, INTOSAI Working Group may supplement this ISA with a practice note to provide supplemental guidance on implementing this standard in the public sector.

- Format for Public Sector Perspectives
- Divided responsibilities
- Use of percentages for financially significant component (paragraph 16 and 54)
- Acceptance and continuance (paragraph 17)
- Access to information (paragraph 24)
- Issues noted in monitoring reports (paragraph 36)
- Professional qualifications or competence (paragraph 38)
- Steps ordinarily undertaken by the group auditor (paragraph 59)
- Requirements to review (paragraph 80)
- Communication (paragraph 93)

Please note that throughout this document, our suggested additions are indicated with italics text.

We thank you for considering our comments on this important standard, and we welcome the opportunity to work with the IAASB to develop globally accepted auditing standards for use in both the public and private sectors.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Kjell Larsson". The signature is fluid and cursive, with the first name "Kjell" being more prominent than the last name "Larsson".

Kjell Larsson
Auditor General

The Working Group on Financial Audit Guidelines

Enclosure