

## USING THE WORK OF AN AUDITOR'S EXPERT: CAS 620

### Definitions

- **Auditor's expert** – An individual or organization possessing expertise in a field **other than accounting or auditing**, whose work in that field is used by the auditor to assist the auditor in obtaining sufficient appropriate audit evidence

### Determining the Need for an Auditor's Expert

- If expertise in a field **other than accounting or auditing** is necessary to obtain sufficient appropriate audit evidence, **determine whether to use the work of an auditor's expert**

### The Competence, Capabilities and Objectivity of the Auditor's Expert

- Evaluate whether the auditor's expert has the necessary **competence, capabilities and objectivity** for the auditor's purposes
- If the auditor uses an **external expert** (i.e. someone outside the firm), make an **inquiry** regarding **interests and relationships** that may create a **threat to that expert's objectivity**

### Obtaining an Understanding of the Field of Expertise of the Auditor's Expert

- Obtain an **understanding of the field of expertise of the auditor's expert** to enable the auditor to:
  - Determine the **nature, scope and objectives** of that expert's work for the auditor's purposes; and
  - Evaluate the **adequacy** of that work for the auditor's purposes

### Agreement with the Auditor's Expert

- Get an agreement in writing with the auditor's expert on the following matters:
  - The **nature, scope and objectives** of that expert's work
  - The **roles and responsibilities** of the auditor and that expert
  - The **nature, timing and extent of communication** between the auditor and that expert
  - The **form of any report** to be provided by that expert
  - The need for the auditor's expert to observe **confidentiality** requirements

### Evaluating the Adequacy of the Auditor's Expert's Work

- **Evaluate the adequacy** of the auditor's expert's work, including:
  - The **relevance and reasonableness** of that expert's findings or conclusions, and their **consistency with other audit evidence**
  - If that expert's work involves use of **significant assumptions and methods**, the **relevance and reasonableness** of those assumptions and methods
  - If that expert's work involves the use of **source data** that is significant to that expert's work, the **relevance, completeness, and accuracy of that source data**
- If the auditor determines that the work of the **auditor's expert is not adequate**, agree with that expert on the nature and extent of **further work to be performed by that expert** or **perform additional audit procedures**

### Nature, Timing and Extent of Audit Procedures

- **In determining the nature, timing and extent of procedures to follow when using an audit expert, consider the following:**
  - The **nature** of the matter to which that expert's work relates
  - The **risks of material misstatement** in the matter to which that expert's work relates
  - The **significance** of that expert's work in the context of the audit
  - The **auditor's knowledge** of and experience with previous work performed by that expert
  - Whether that expert is subject to the auditor firm's **quality control policies** and procedures

#### Reference to the Auditor's Expert in the Auditor's Report

- Do not refer to the work of an auditor's expert in the audit report with an unmodified opinion
- If the auditor makes reference to the work of an auditor's expert because it is relevant to an understanding of a modification to the auditor's opinion, the auditor shall indicate in the auditor's report that **such reference does not reduce the auditor's responsibility for that opinion**