

SA 620 → Using the Work of Auditor Expert.

① Need for Auditor Expert.

- Help in understanding of Entity & Environment.
Internal Control
 - I & A ROMs
 - Respond to ROMs
 - Evaluate the SOA Audit Evidence
- At F.S Level
At Assertion Level

③ Use of Auditor Expert When Mgt. Used a Management Expert.

Factors to be Considered by Auditor

- Nature, scope and objectivity of Mgt. Expert.
- Employed by Entity or service provider
- Extent to which Mgt. can control or influence over the work of Mgt. Expert.
- Mgt. Expert Competence and Capabilities
- Any control in Entity over the Mgt. Expert Work
- Mgt. Expert is subject to technical and prof. Std.

② Consideration When deciding whether to use an Auditor Expert.

1. Whether Mgt. used Mgt. Expert. in preparing the FS
 2. Nature of Matter and Complexity
 3. ROMs of Matter
 4. Nature of Procedure to Respond.
- Auditor Knowledge & Experience
Availability of Alternative Source of Evidence

→ Auditor using the Work of Auditor Expert.

STEP 1. → Evaluate Competence, Capability and objectivity of Expert

1. Inquiring of Entity about any known Interest or Relationship that may affect the Expert objectivity
2. Discuss with Expert Regarding → Financial Interest, Business Relation
→ other services to Entity

→ WR from Expert for any Interest or Relationship.

STEP 2 ⇒ obtain understanding of field of Expertise to understand

- 1 → Determine Nature, Scope and objectivity of that Expert Work for Auditor purpose
- 2 → Evaluate the Adequacy of work for Auditor purpose

STEP 3 → Agreement with Auditor Expert.

- ↳ Nature, Scope and objectivity
- ↳ Roles and Responsibility
- ↳ N.T.E of communication including form of Report
- ↳ Confidentiality Requirement.

Step 4. Evaluate the Adequacy of Auditor Expert Work. [9/19/19]

(A) Source Data → Relevance, completeness and Accuracy of source Data.
verify the Origin of Data.
Internal Control over data.
Procedure of Transmission to Expert.
Review Data Completeness and Consistency

(B) significant Assumption and methods → Relevance and Reasonableness
Generally Accepted within Auditor Expert Field.
Consistent with Applicable FR.f and Regt.
Dependent on the use of specialised Models

(C) Expert Findings or Conclusion → Relevance and Reasonableness

- ↳ Inquiry of Expert
- ↳ Review Expert Report and Work paper
- ↳ APPLY Audit Procedure, §1
 - ↳ observe the Auditor Expert work
 - ↳ Examining published data
 - ↳ Confirmation from third Party
 - ↳ Performing the Analytical Procedure
 - ↳ Re-Perform Calculation
 - ↳ if Findings are Not Consistent Discuss with Other Expert
- ↳ Discuss Auditor Expert Report with Regt.

* → NTE of Audit Procedure

Nature of Matter, Romana, significance of Expert work (Nul.)
Auditor knowledge and Experience with Previous work Performed
by that Expert
Whether Expert is subject to Quality Control Policies & Procedure

Step 5 Work of Auditor Expert is Not Adequate

1. Auditor shall discuss and agree with Expert on the Nature and Extent of further work to be performed by that Expert.

2. Perform further Audit Procedure appropriate to the circumstances

3. If SRA Audit Evidence Not obtained Modify the Report.

Step 6. → Reference of Auditor Expert in Auditor Report.

Unmodified opinion ⇒ Not Refer unless Required by Law Reg.

Modified opinion ⇒ Refer only when Such Reference is Necessary for Understanding the Nature of Modification.

Also Mention Reference does not Reduce Auditor Responsibility for Audit opinion.