

TABLES OF DIFFERENCES

ASA 620 [Revised and Redrafted]

USING THE WORK OF AN AUDITOR’S EXPERT

Extant ASA: ASA 620 *Using the Work of an Expert*

ISA ISA 620 (Revised and Redrafted)

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<i>Key Statistics</i>		
Exhibit		No.
1	New Requirements [Elevation of Guidance]	3
1	New Requirements [no previous Equivalent in extant ASA]	0
N/A	Total number of New Requirements	3
2	Extant ASA Requirements covered in another standard[s]	NA

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Changes to this Table from the Last Board meeting

Item #	Para. #	Change Description	ATG Commentary	Accept in ASA Y/N?
ASA 620 (Revised and Redrafted) is presented to the Board for the first time.				
		NA		

Draft

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Requirements in ISA not in Extant ASA

- *Exhibit 1 identifies Requirements in the redrafted ISA that are not present in the equivalent extant ASA*
- *Exhibit 1 does not identify Requirements that are identical; or similar but for differences in expression/wording*

Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
Objectives					
1	5	The objectives of the auditor are: (a) To determine whether to use the work of an auditor's expert; and (b) If using the work of an auditor's expert, to determine whether that work is adequate for the auditor's purposes.	New Objectives.	Y	A24
Definitions					
2	6	For purposes of the ISAs, the following terms have the meanings attributed below: (a) 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. An auditor's expert may be either an auditor's internal expert (who is a partner or staff, including temporary staff, of the auditor's firm or a network firm), or an auditor's external expert. (Ref: Para. A1-A3) (b) Expertise – Skills, knowledge and experience in a particular field. (c) Management's expert – An individual or	ISA 620 (Revised and Redrafted) distinguishes between an <i>auditor's expert</i> and a <i>management's expert</i> , whereas the extant ASA uses the term <i>expert</i> to cover both types. ISA 620 (Revised and Redrafted) contains Requirements and guidance relating to an auditor's expert, while material relating to a management's expert is now contained in ISA 500 <i>Audit Evidence</i> . ISA 620 (Revised and Redrafted) further defines an auditor's expert as either an auditor's <i>internal</i> expert or an auditor's <i>external</i> expert. No new audit concepts – clarification of existing terms only.	Y	A26

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
		organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial statements.			
Determining the Need for an Auditor's Expert					
3	7	If expertise in a field other than accounting or auditing is necessary to obtain sufficient appropriate audit evidence, the auditor shall determine whether to use the work of an auditor's expert. (Ref: Para. A4-A9)	Elevation of Extant ASA Explanatory Guidance [Extant ASA 620 para 10-11]	Y	A2
Nature, Timing and Extent of Audit Procedures					
4	8	<p>The nature, timing and extent of the auditor's procedures with respect to the requirements in paragraphs 9-13 of this ISA will vary depending on the circumstances. In determining the nature, timing and extent of those procedures, the auditor shall consider matters including: (Ref: Para. A10)</p> <ul style="list-style-type: none"> (a) The nature of the matter to which that expert's work relates; (b) The risks of material misstatement in the matter to which that expert's work relates; (c) The significance of that expert's work in the context of the audit; (d) The auditor's knowledge of and experience with previous work performed by that expert; and (e) Whether that expert is subject to the auditor's firm's quality control policies and procedures. (Ref: Para. A11-A13). 	Implicit in Extant ASA. [Extant ASA 620 para 10-11]	Y	A2

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
Agreement with the Auditor’s Expert					
5	11	The auditor shall agree, in writing when appropriate, on the following matters with the auditor’s expert: (Ref: Para. A23-A26) <ul style="list-style-type: none"> (a) The nature, scope and objectives of that expert’s work; (Ref: Para. A27) (b) The respective roles and responsibilities of the auditor and that expert; (Ref: Para. A28-A29) (c) The nature, timing and extent of communication between the auditor and that expert, including the form of any report to be provided by that expert; and (Ref: Para. A30) (d) The need for the auditor’s expert to observe confidentiality requirements. (Ref: Para. A31) 	Elevation of extant ASA Explanatory Guidance [Extant ASA 620 para 18—equivalent Explanatory Guidance]	Y	A2
Reference to the Auditor’s Expert in the Auditor’s Report					
6	15	If the auditor makes reference to the work of an auditor’s expert in the auditor’s report because such reference 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. (Ref: Para. A42)	Elevation of extant ASA Explanatory Guidance [Extant ASA 620 para 26-27—equivalent Explanatory Guidance]	Y	A2

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Requirements in Extant ASA not in ISA

- *Exhibit 2 identifies Requirements in the extant ASA that are not present in the equivalent redrafted ISA*
- *Exhibit 2 does not identify Requirements that are identical; or similar but for differences in expression [wording]*

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary	Accept in ASA Y/N?	Rule No.
Not Retained in ASA [Revised & Redrafted]					
NA					
Retained in ASA [Revised & Redrafted] Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]					
NA					
Retained in ASA [Revised & Redrafted] Reason 2: [Only when requirement necessary for legislative instrument reasons]					
NA					
Retained in ASA [Revised & Redrafted] Reason 3: [Only when requirement necessary for public interest reasons and no inconsistency with the ISA]					
NA					

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Significant Differences in Guidance — ISA and Extant ASA

- *Exhibit 3 identifies significant differences between the Application and Other Explanatory Material (guidance) in the redrafted ISA and the Explanatory Guidance in the equivalent extant ASA. These differences are exceptional in nature.*
- *Exhibit 3 does not identify guidance that is identical; or similar but for differences in expression/wording*

Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?	Rule No.
PART A – ISA					
		<p>General Comment</p> <p>ISA 620 <i>Using the Work of an Auditor’s Expert</i> provides more extensive guidance relating to all aspects of using the work of an auditor’s expert (as opposed to a management’s expert, which is now covered in ISA 500 <i>Audit Evidence</i>). Areas of significant new guidance include:</p> <ul style="list-style-type: none"> • Para A10-A13 determining the nature, timing and extent of audit procedures when using the work of an auditor’s expert. • Para A14-A22 understanding the competence, capabilities, objectivity and field of expertise of the auditor’s expert. • Para A23-A31 establishing agreement with the auditor’s expert about the work to be performed. Further considerations are provided in the Appendix for instances where an auditor’s external expert is used (refer Exhibit 4 below). • Para A32-A40 evaluating the work of the auditor’s expert. 		Y	A11
PART B – ASA					
Retained in ASA [Revised & Redrafted]					
Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]					
NA					
Retained in ASA [Revised & Redrafted]					

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Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?	Rule No.
Reason 2: [Only when requirement necessary for legislative instrument reasons]					
NA					
Retained in ASA [Revised & Redrafted] Reason 3: [Only when Requirement is deemed necessary for public interest reasons and is not inconsistent with the ISA]					
NA					

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Significant Differences in Appendices — ISA and Extant ASA

- *Exhibit 4 identifies significant differences between the Appendices in the redrafted ISA and the Appendices in the equivalent extant ASA. These differences are exceptional in nature.*
- *Exhibit 4 does not identify Appendices that are identical; or similar but for differences in expression/wording*

Item #	ISA/ASA Para. #	Appendix	Commentary	Accept in ASA? Y/N	Rule No.
Part A – ISA					
Considerations for Agreement between the Auditor and an Auditor’s External Expert					
1	ISA Appendix	This Appendix lists matters that the auditor may consider for inclusion in any agreement with an auditor’s external expert. The following list is illustrative and is not exhaustive; it is intended only to be a guide that may be used in conjunction with the considerations outlined in this ISA. Whether to include particular matters in the agreement depends on the circumstances of the engagement. The list may also be of assistance in considering the matters to be included in an agreement with an auditor’s internal expert.	Provides new guidance on matters that may be included in an agreement with an auditor’s external expert. May also be of assistance when using an auditor’s internal expert.	Y	A11
Part B – ASA					
NA					

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