

**BASIS FOR CONCLUSIONS  
CANADIAN AUDITING STANDARD (CAS) 620,  
Using the Work of an Auditor's Expert**

This Basis for Conclusions has been prepared by staff of the Auditing and Assurance Standards Board (AASB). It relates to, but does not form part of, Canadian Auditing Standard 620, "Using the Work of an Auditor's Expert."

**Background**

In October 2007, the International Auditing and Assurance Standards Board (IAASB) issued its Exposure Draft of International Auditing Standard (ISA) 620 (Redrafted), "Using the Work of an Auditor's Expert" (ED-ISA 620). The IAASB approved final ISA 620 in September 2008 subject to confirmation from the Public Interest Oversight Board (PIOB) that due process was followed. This confirmation was received in December 2008.

In November 2007, the AASB issued its Exposure Draft to adopt proposed ISA 620 as CAS 620 (ED-CAS 620) to replace Section 5049, USE OF SPECIALISTS IN ASSURANCE ENGAGEMENTS, to the extent that Section 5049 applies to audits of financial statements and other historical financial information. There were 7 respondents to ED-CAS 620 (identified below).

The AASB approved CAS 620 in October 2008. The Auditing and Assurance Standards Oversight Committee reviewed due process followed by the AASB in the development of this CAS prior to its issuance in the CICA Handbook – Assurance.

**Purpose of this Basis for Conclusions**

This Basis for Conclusions has been prepared to make Canadian stakeholders aware of the following.

- (a) A Basis for Conclusions prepared by IAASB staff for ISA 620 is available on the [IAASB web site](#), and provides information on how the IAASB dealt with comments received on significant matters in response to the ED-ISA 620.
- (b) Information on how the AASB dealt with significant matters arising from comments received in response to its ED-CAS 620 is also available. This information is set out below.

## **Significant Matters**

### **AASB's Consideration of Amendments to ISA Wording**

1. CAS 620 contains no amendment to the ISA wording. This is consistent with the position taken by the AASB in its ED-CAS 620.

#### *Matters Related to an Expert's Understanding of Accounting or Auditing*

2. A respondent suggested that CAS 620 should be amended to address the omission of matters related to an expert's understanding of accounting or auditing. The IAASB carefully considered this matter and noted that all auditors are expected to have expertise in accounting and auditing. It is very difficult to determine when expertise in certain aspects of accounting and auditing are specialized areas that would be beyond what all auditors should be expected to know. Accordingly, it was decided that accounting and auditing expertise should be excluded from the scope of CAS 620. Situations where the engagement team includes a member, or consults an individual or organization, with expertise in a specialized area of accounting or auditing, are dealt with in CAS 220, "Quality Control for an Audit of Financial Statements."

#### *Retention of Section 5049*

3. A respondent also suggested that CAS 620 include most of the requirements and guidance in Section 5049 that are not in CAS 620. These matters were carefully considered by the IAASB in finalizing ISA 620 and the IAASB decided that these matters should not be included in the ISA. The AASB also considered these matters, including the reasons for the IAASB's decision. As noted by the respondent in its response letter to the IAASB, the use of experts is common in all countries. Following its criteria for amendments, the AASB concluded that no amendment should be made to the wording of ISA 620 in finalizing CAS 620. However, the AASB plans to retain Section 5049 as an assurance standard. Its scope will be reduced so that it applies to assurance engagements other than those covered by CAS 620. That is, Section 5049 will cover reviews of historical financial information, and audits and reviews of information other than financial statements and other historical financial information.

### **Other Matters**

None.

## **List of Respondents to ED-CAS 620**

Auditor General Alberta

BDO Dunwoody LLP

Canadian Public Accountability Board

Deloitte & Touche LLP

Institute of Chartered Accountants of British Columbia

KPMG LLP

Provincial Auditor Saskatchewan