

2.5.1 Using External Specialists or Experts

Introduction

During an engagement, auditors may need to seek the services of an external specialist or expert.

When seeking the services of an internal specialist, auditors should refer to Policy 2.5.2 Using Audit Office Specialists.

This section provides policies and guidance for the use of external specialists and experts and applies to professional, legal, taxation, contracting and commercial matters, subject matter experts, as well as matters related to practice management functions (e.g. independence, ethics).

An external:

- specialist is an individual or organisation possessing expertise in accounting or auditing. Further guidance can be found in [ASA 220 'Quality Management for an Audit of a Financial Report and Other Historical Financial Information'](#)
- expert is an individual or organisation 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. Further guidance on the use of an auditor's expert can be found in [ASA 620 'Using the Work of an Auditor's Expert'](#), [ASAE 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'](#) and [ASAE 3500 'Performance Engagements'](#).

If the specialist or expert provides advice but does not perform audit procedures, the person is a consultant to, and not a member of the audit team.

This policy relates to when the auditor engages an external specialist or expert. For experts engaged by management and their work is relied upon by the auditor, guidance can be found in [ASA 500 'Audit Evidence'](#), [ASAE 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'](#), [ASAE 3500 'Performance Engagements'](#) and [GS 005 'Using the Work of a Management's Expert'](#).

Policies and guidance

1. **The Engagement Controller (EC) must ensure the engagement team has the appropriate competence and capabilities to perform the audit engagement in accordance with auditing standards and Policy 2.4.1 Assignment of Professional Staff to Assurance Engagements. Where the engagement team does not have the required expertise, competence or capability to deal with difficult, contentious or specialised matters, the EC may consult or engage a specialist or expert within, or from outside the Audit Office (the Office).**

Using an external specialist or expert

2. **The EC must consider whether the Office has sufficient internal capabilities before engaging external specialists and experts. Selection of external specialists and experts must be in accordance with this policy and the Office's Procurement and Contract Management Policy.**
3. **When an external specialist or expert is engaged, the EC remains responsible for the work performed and conclusions reached. The work of an expert should not be referred to in the Independent Auditor's Report, however, may be referred to in performance audits, so long as the wording does not imply that the Office's responsibility for the conclusions is reduced because of the involvement of the specialist or expert.**
4. **If the EC disagrees with the advice / conclusions provided or is dissatisfied with the work performed by the specialist or expert, the EC must first discuss the matter with the EQR, or the relevant AA-G, if one has not been appointed to the engagement. If the matter cannot be resolved, the EQR or AA-G may refer it to the Technical Issues Committee (refer Policy 2.5.3 Technical Issues Committee (TIC)).**

The EC must:

- select a suitably qualified, competent and capable specialist or expert and ensure no conflicts of interests exist
- ensure the nature, scope and objectives of the consultation is agreed with the specialist or expert and appropriately documented within the audit file
- ensure the specialist or expert is given all relevant facts to enable them to provide informed advice
- ensure consultations comply with relevant accounting, auditing and ethical standards and other legal or regulatory requirements
- ensure the specialist or expert understands and complies with policies regarding confidentiality of agency information (refer Policy 2.5.4 Preserving Secrecy)
- participate in consultations
- obtain an understanding of the work of the specialist or expert
- evaluate the appropriateness and adequacy of that specialist's or expert's work as audit evidence, e.g. assess the relevance and reasonableness of any significant assumptions or methods used, or assess completeness and accuracy of any significant use of source data (for expert's only)
- review and evaluate the relevance and reasonableness of the specialist or expert's findings or conclusions and their consistency with other evidence for all experts used, irrespective of auditor's expert, management's expert or internal audit
- document conclusions resulting from consultations, the basis for decisions made and how they were implemented
- document the audit team's evaluation of the work undertaken by the specialist or expert in the audit file
- ensure the Engagement Quality Reviewer (EQR), or an Assistant Auditor-General (AA-G), where an EQR is not appointed, is apprised of the nature of the specialist's or expert's engagement and conclusions reached
- ensure copies of the advice by the specialist or expert are not furnished to agencies or other third parties without permission from the specialist or expert and the agency concerned.

Effective date

Issued December 2022 and effective December 2022.