SA 600

Using the work of another auditor

Reliance Industries Ltd. (our client) ⟶ Jio Telecom (subsy)

Principal Auditor = KPMG   Another auditor = EY

* Consideration by principal auditor

1) Principal auditor is entitled to rely upon another auditor, provided he exercised due skill & care and there is nothing to doubt.

2) Principal auditor should advise another auditor regarding—
   i) Use to be made of his report
   ii) Areas requiring special consideration
   iii) Time table for completion of audit
   iv) Significant accounting, auditing & reporting requirement

3) Principal auditor should ask another auditor regarding any limitation on his work.

~~4) Principal Auditor should ask~~

Reporting by Principal auditor

4) Auditor should consider his findings. He may discuss them with him & branch officials.

5) Principal auditor may require another auditor to submit questionnaire w.r.t. work performed by him.

6) Principal auditor may require supplement tests to be performed by ; a. another auditor; or b. himself.

7) In case of foreign component, he should consider another auditor's qualification & experience.

8) If there is modification in another auditors' report then, principal auditor should consider whether modification in his report is required.

Principal auditor should qualify / disclaim his audit report if ~~the~~ he -

- Can't use another auditor's work procedures.
- Can't be able to perform sufficient additional 4 procedures.

There should be statement of division of responsibility in principal auditor's audit report by showing extent to which financial statement of component audited by another auditor has been included in financial statements of entity.