

SA 600 – Using Work of Another Auditor

- When auditor uses work performed by other auditors, he is **responsible for opinion on FS**
- However, he is entitled to **rely on work** performed by others, provided he **exercises skill & care** & is not aware of any reason to believe that he should not have so relied
- Joint auditor (**SA 299**) & Predecessor auditor (**SA 510**) **not included** in SA 600

Principal Auditor's Procedures

Procedures to obtain SAAE that work of other auditor is adequate for purposes -

- **Advise other auditor** for use of his work & make arrangements for **co-ordination** at planning stage of audit. Inform below matters
 - Procedures for identification of **inter-component transaction** for disclosure
 - Areas requiring **special consideration**
 - Time-table for **completion of audit**
- Advise other auditor of **significant A/cing, auditing & reporting requirements** & obtain representation as to compliance with them

Other Procedures

- **Right to visit** & examine BOA of component
- Consider **professional competence** of other auditor, **unless he is member of ICAI**
- Review-**written summary** of his procedures
- Consider **significant findings** of other auditor

Documentation

- **Components** whose FS audited by other auditors, procedures performed & conclusions
- Results of discussions with other auditor & review of **written summary** of his procedures
- When **other auditor's** report is **modified**, principal auditor should document **how he has dealt** with qualifications in framing his report
- Principal auditor **need not document reasons** for **limiting procedure** when SAAE is obtained that **QCS is complied** by other auditor

Acceptance as Principal Auditor - consider -

- Principal auditor's **knowledge of business** of components
- **ROMM** in financial info of components
- **Materiality of portion** of financial info which principal auditor audits
- Performance of **additional procedures** for components resulting in principal auditor having **significant participation in such audit**

Division of Responsibility

- Principal auditor is **not responsible** for work of other auditor, **except** when situations should have **aroused his suspicion**
- When principal auditor has to base his **opinion relying upon reports** of other auditors, his report should **state clearly division of responsibility** by indicating extent to which FS of components is included in FS of entity
- If Principal Auditor notices any **material discrepancy**, it should be brought to **knowledge of other Auditor**

Reporting Considerations

- When work of **other auditor cannot be used** & principal auditor **cannot perform additional procedures** on component then he should express **qualified or disclaimer** of opinion due to **limitation on scope** of audit
- If **other auditor** issues **Modified Report** - Principal auditor should consider if modification is of **nature & significance** for FS of entity that it **requires modification of principal auditor's report**

Co-ordination Between Auditors

- **Sufficient liaison** B/w principal auditor & other auditor
- Principal auditor should **advise other auditor** of matters having important **bearing on his work**
- Other auditor should **co-ordinate** with principal auditor
- Principal auditor may require other auditor to **answer detailed questionnaire**
- Other auditor should **respond** to such questionnaire **on timely basis**

