### USING THE WORK OF ANOTHER AUDITOR

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Auditee:** |  | **Reviewed by:** | **Name** | **Rank** | **Date** |
| **Period end:** |  | **Level 1** |  |  |  |
| **Prepared by:** |  | **Level 2** |  |  |  |
| **Rank:** |  | **Level 3** |  |  |  |
| **Date:** |  |  |  |  |  |

**STEP 1**

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| **Identify material component(s) of the financial statements audited by another auditor** | **Name of other auditor responsible for the audit of the above component(s)** | **Amount** |
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**STEP 2**

**Consider the professional competence of the other auditor**

Through discussions with the other auditor and any relevant third parties, consider the following:

|  |  |  |
| --- | --- | --- |
| **Aspects to consider** | **Yes / No** | **Source of information / working paper reference** |
| The other auditor has common membership of a professional organisation |  |  |
| The other auditor has affiliation with another reputable firm |  |  |
| Has the auditor relevant qualifications and experience in the audit field |  |  |
| Whether the other auditor uses ISAs to perform the audit |  |  |

When taking the above into consideration, is the professional competence of the other auditor adequate?

|  |  |
| --- | --- |
| **Yes** | **No** |

*If answer is yes, continue to Step 3 and perform the following procedures to ensure that reliance can be placed on the work of the other auditor. If the answer is no, either insert conclusion (Step 4) that no reliance can be placed on the work of the other auditor and raise an exception on scope limitation or consider the performance of audit procedures, including the re-performing the work of the other auditor.*

**STEP 3**

**Consider the work performed by the other auditor**

| **Nature and extent of audit procedures** | | **Remarks** | **WP Ref.** |
| --- | --- | --- | --- |
| 1. | During the planning phase of the audit inform the other auditor and obtain written representations relating to of the following:   * Independence requirements relating to the component and to the audited entity; * Audit approach of the other auditor including significant risks identified and the coverage of all assertions; and * Legislative, accounting, auditing and reporting requirements. |  |  |
| 2. | Inform the other auditor of the following:   * The use that is to be made of the other auditor's work and report; * Areas requiring special consideration; * Procedures for identification of inter-company/inter-departmental transactions that require disclosure; and * Timetable for completion of the audit. |  |  |
| 3. | Obtain and review a written summary, supporting schedules and working papers of the other auditor. Review work performed and determine whether the audit objectives have been achieved and the significant risks have been adequately covered. |  |  |
| 4. | Review appropriateness of audit evidence for all significant findings. |  |  |
| 5. | Where no reliance can be reasonably placed on the work performed partially or whole, document any (additional) tests of the records or financial information of the component audited by the other auditor. |  |  |

**STEP 4**

**Conclusion**

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| *Provide a conclusion for the audit objective, based on procedures performed.*  *Document conclusion here: e.g. reliance on the work of the other auditor can be placed. However additional procedure(s) will be performed to cover the completeness assertion.*  *Or*  *Reliance on the work of the other auditor cannot be placed – This may result in a scope limitation, or the performance of additional procedures will be necessary.* |

**Summary of significant findings of the other auditor**

| Significant finding | Is this finding significant to financial statements of entity as a whole?  Yes / No | Refer to exceptions raised |
| --- | --- | --- |
| *Summarise any significant findings of the other auditor.* |  | *Raise exceptions for findings relating to the component.* |