



## **SECTION I.3D – USING THE WORK OF EXPERTS**

### **Introduction**

From time to time internal auditors may need to rely on the work of experts as part of their audit evidence. The expert may have been contracted by the audit client, or may be contracted directly by the Head of Internal Audit to temporarily supplement the internal audit team. An expert means a person or firm possessing a special skill, knowledge and experience in a particular field.

Examples where the work of an expert may be used include:

- Valuations of certain types of assets
- Determining the quantity or physical condition of assets
- Actuarial evaluations
- Measurement of the quality and progress of construction works
- Legal opinions

Ref:	Policy and Practice Requirements	IIA Standards references
I.3D-1	<b><u>Policy:</u> When using work performed by an expert as part of the evidence to support audit conclusions, Internal Auditors shall obtain sufficient, appropriate evidence that such work is adequate for the purposes of the audit</b>	<b>Practice Advisory 1210.A1-1</b> Obtaining External Service Providers to Support or Complement the Internal Audit Activity  ISA 620 Using the Work of an Expert
I.3D-1:1	<b>Practice requirement:</b> When planning to use the work of an expert, the Internal Auditor should evaluate the professional competence of the expert	



	<p><b>Discussion:</b></p> <p>Aspects which may be considered include:</p> <ul style="list-style-type: none"> <li>○ the professional certification or licensing by, or membership in, an appropriate professional body and adherence to that organization’s code of ethics;</li> <li>○ the reputation of the expert. This may include contacting others familiar with the expert’s work;</li> <li>○ the expert’s experience in the type of work being considered;</li> <li>○ the extent of education and training received by the expert in disciplines that pertain to the particular engagement; and</li> <li>○ the expert’s knowledge and experience in the industry in which the organization operates</li> </ul>	
<p><b>I.3D-1:2</b></p>	<p><b>Practice requirement:</b></p> <p>The Internal Auditor shall evaluate the independence and objectivity of the expert.</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>▪ This will involve considering any other current or previous work done by the expert for the organization or any personal relationships with managers or staff.</li> <li>▪ Any extended audit services of the Center’s external auditor must be within the scope of those activities which do not impair their independence.</li> </ul>	
<p><b>I.3D-1:3</b></p>	<p><b>Practice requirement:</b></p> <p>The Internal Auditor shall obtain sufficient appropriate evidence that the scope of the expert’s work is adequate for the purposes of the internal audit.</p>	



	<p><b>Discussion:</b></p> <ul style="list-style-type: none"><li>▪ This will involve considering the terms of reference provided to the expert, the extent of the expert's access in practice to appropriate records and files and amount of time available to the expert to carry out his/her review.</li><li>▪ This will also involve a review of the expert's report against the terms of reference to confirm that the planned scope was actually achieved.</li><li>▪ While not expected to have the same level of expertise as the expert when considering assumptions and methods, the Internal Auditor will need to obtain an understanding of the assumptions and methods used to achieve the scope.</li></ul>	
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