



**International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA  
 Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

**Agenda Item**  
**2**

**Committee:** IAASB  
**Meeting Location:** Cape Town  
**Meeting Date:** December 5–9, 2005

**Revision of ISA 620 “Using the Work of an Expert”**

**A Objectives of Agenda Item**

A1. To provide sufficient direction to the Task Force to enable it to prepare a draft ISA for “first read” at the next meeting.

**B Task Force Members**

- Josef Ferlings, Chair (IAASB member Germany – supported by Wolfgang Böhm)
- Sukanta Dutt (IAASB member Malaysia)
- Craig Crawford (IAASB member USA – supported by Sylvia Smith, KPMG)
- Greg Shields (Canada – nominated by CICA)
- Cláudio Castello Branco (Brasil – nominated by INTOSAI)

**C Background and timetable**

C1. The project proposal was approved by the IAASB in December 2004. Some members of the Task Force had a preliminary meeting during the IAASB’s March 2005 meeting (Lima). The full Task Force met briefly during the IAASB’s June 2005 meeting (Rome), had a 2-day meeting in conjunction with the IAASB’s October meeting (NY), and held a subsequent conference call.

C2. The planned timetable for this project is as follows.

<b>2005</b>	
December	Issues Paper and draft outline
<b>2006</b>	
March	1 <sup>st</sup> read of draft ED
July	Approve ED
<b>2007</b>	
March	Review comments and revised draft ISA
June	Approve revised ISA

**D National Standard Setters**

- D1. Two prominent national standard setters have had active projects on this topic since extant ISA 620 was approved. The Task Force has paid particular attention to the output of these projects in preparing the attached Issues paper and Draft Outline.
- D2. The Canadian Institute of Chartered Accountants issued a detailed Research Study “Use of Specialists in Assurance Engagements” in 2000, and subsequently revised CICA Handbook Section 5049. References to “CICA 5049” have been made throughout the attached Issues Paper. A copy of CICA 5049 is available in advance of the meeting on request.
- D3. In May 2005, the AICPA’s Auditing Standards Board (ASB) wrote to the IAASB Technical Director with recommendations intended to assist the IAASB with this project. The recommendations consist of two draft standards entitled “Using an Outside Specialist to Assist in the Audit” and “Using the Work of Management’s Nonemployee Specialist.” The recommendations were accompanied by a transmittal letter that provides “a description of the background of the ASB project and commentaries on matters that the ASB wishes to bring to your attention.” References to “US Recommendation on Outside Experts,” and “US Recommendation on Management Experts” have been made throughout the attached Issues Paper. Copies of the recommendations and transmittal letter are available to in advance of the meeting on request.

**E Material Presented**

Agenda Item 2-A (Pages 2303 – 2312)	Issues Paper
Agenda Item 2-B (Pages 2313 – 2318)	Draft Outline of Revised ISA 620  Important Note to IAASB: This Draft Outline is only a working document at the moment. It is included to give the IAASB a general indication of the Task Force’s current thinking about the flow and coverage of the revised ISA. It is subject to change based on the IAASB’s decisions on matters raised in the Issues Paper. Further, the wording used is not intended to be read as wording that will be used in the ISA itself, and is mostly in abbreviated or in dot point form only.
Agenda Item 2-C (Pages 2319 – 2326)	For information – Project proposal approved December 2004
Agenda Item 2-D (Pages 2327 – 2330)	For information – Current ISA 620, “Using the Work of an Expert”

**F Action Requested**

F1. The IAASB is asked to provide direction to the Task Force on:

- The Task Force's recommendations in the Issues Paper (Agenda Item 2-A); and
- The flow and coverage of the revised ISA as indicated in Draft Outline (Agenda Item 2-B).

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