5.18 SA-600 - USING THE WORK OF ANOTHER AUDITOR

<table>
<tr><td rowspan="3">leaning</td><td>Component</td><td>Any branch, division, subsidiary, joint venture or associates, etc., whose financial information is used in the financial statements of client.</td></tr>
<tr><td>Principal Auditor</td><td>Auditor of client.</td></tr>
<tr><td>Another Auditor</td><td>Auditor of component of client.</td></tr>
<tr><td>pplicability</td><td colspan="2">▪ This standard is applicable to material components, w.r.t. financial statements as a whole.
▪ Not applicable to: Joint Auditors; Predecessor Auditors</td></tr>
<tr><td>onsideration by rincipal Auditor</td><td colspan="2">1. Principal auditor is entitled to rely upon another auditor, provided he exercised due skill and 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.
(vi) Significant accounting auditing and reporting requirement.
3. Principal auditor should ask another auditor regarding any limitation on his work.
4. Auditor should consider his findings. He may discuss them with him and 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 and experience.
8. If there is modification in another auditors report then, Principal auditor should consider whether modification in his report is required.</td></tr>
<tr><td>o-ordination</td><td colspan="2">Another auditor should also share important information with principal auditor and properly co-ordinate with him.</td></tr>
<tr><td>ocumentation by rincipal auditor</td><td colspan="2">(i) Components audited by another auditor;
(ii) Audit procedures adopted and evidence obtained;
(iii) Conclusion that particular component is not material;
(iv) Manner of dealing with modification in another auditor's report.</td></tr>
<tr><td>eporting by rincipal auditor</td><td colspan="2">• Principal auditor should Qualify / Disclaim his audit report if he
Can't use another auditors work & procedures. | Can't be able to perform sufficient additional procedures.
• There should be statement of <u>division of responsibility</u> in Principal Auditor's Audit report by showing extent to which financial statement of component audited by another auditor has been included in financial statement of entity.</td></tr>
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