

Секція: Бухгалтерський облік, аналіз і аудит

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FEATURES OF EXPERT'S WORK APPLICATION IN AUDIT

When solving audit tasks, it is often necessary to obtain and process data, the content and structure of which need are to be assessed by persons with certain professional skills. These persons may be individuals and entities with expertise in a field other than accounting or auditing, and whose work in this area is used by the auditor to obtain sufficient and acceptable audit evidence. They are defined as experts [1].

The evaluation of expert's work should be carried out at different stages of the audit.

At the stage of justifying the decision to accept the client or continue working with him, the auditor must determine whether there are aspects or problems in his work, to obtain an understanding of which may be insufficient of his theoretical knowledge and practical skills. The presence of these aspects may indicate the need to spend the auditor's resources to find the expert, determine the possibility of using his work to achieve audit objectives and pay for his services.

The auditor needs to assess whether the expert has the necessary competence, skills and objectivity [1]. At the same time, the evaluation of independence of the expert from the client's management staff is required.

In audit planning it is necessary to determine what information is to be examined by experts and what audit evidence can be obtained about it based on the results of his work. For this purpose, the auditor should determine materiality

for such information. This will make it possible to understand how useful this information can be for users and how appropriate it is to spend resources on involving experts its assessment.

At the same time, adequate assessment of the materiality of information will help determine acceptable levels of audit risk associated with the probability of inadequate expression of auditor's judgment. Therefore, it is appropriate for the auditor to gain an understanding of the risks associated with the use of the expert's work.

Based on the model of audit risk, which takes into account the internal risk, the control risk the detection risk, we can identify and assess the factors determined by the expert's work.

Factors that influence the auditor's assessment of internal risk may include legal aspects of experts, the availability of categorical, informational and methodological support for experts, features of the formation, storage, transmission and use of information from the expert environment and so on.

Among the factors that should be taken into account in determining of the control risk can be identified such as inadequate understanding of the business environment, misunderstanding of the content of information to be studied, violation of procedures for organizing, implementing and summarizing the results of the expert's work.

If the internal risk and the control risk can be assessed by the auditor in terms of the impact on them of factors related to the using of expert's work, the detection risk depends directly on the work of the auditor. Therefore, the factors associated with the use of the expert's work in the audit can be divided into groups depending on the direction of their impact on the detection risk.

The first group may include factors that influence the auditor's choice of tasks that can be delegated to experts. The second group is represented by the circumstances related to the auditor's understanding of the content of the expert's

work and its role in obtaining and assessment of audit evidences. Another group may involve the factors of evaluating of the experts work.

Based on the assessment of the audit risk level the auditor can evaluate the audit evidence content and volume that will be possible be obtaine from the expert's work results. In this case, the auditor should be guided by several criteria, the most significant are:

- 1) the auditor's ability without the involvement of experts obtain a sufficient volume of relevant audit evidences;
- 2) the auditor's ability to obtain sufficient volume of relevant audit evidences by applying his own procedures as the primary and the results of the experts' work as alternative audit evidences;
- 3) the auditor's ability to obtain a sufficient volume of relevant audit evidences by using the results of the expert's work as the main procedures, and his own — as an alternative;
- 4) the auditor's ability to obtain a sufficient volume of relevant audit evidences solely by using of the expert's work results.

At the same time, the division of powers and responsibilities between the auditor and the expert should be taken into account. This necessitates an adequate assessment of the procedures results, and in some cases — a reassessment of the audit risk and materiality of the information.

Problems of division of responsibilities between the auditor and the expert should be taken into account also at the stage of the results of the expert's work generalization. To neutralize their influence, the auditor should determine in advance the forms and methods of such generalization.

In particular, the generalization of the expert's work may be provided in the form of a written report, which should specify:

- 1) the content of the task delegated by the auditor to the expert;
- 2) task completion period;
- 3) the content of the information evaluated by the expert;

- 4) restrictions that have occurred and affected the expert's work, the nature of their impact;
- 5) procedures that were used for the tasks;
- 6) the main results of the tasks;
- 7) procedures that were used by the expert to evaluate the results of their own work.

Assessment of the expert's work results during the audit tasks, as a rule, is carried out constantly in the process of tasks.

International Standards on Quality Control, Audit, Review, Other Assurance Engagements and Related Services provide that the auditor may not refer to the expert's work results in a positive audit report except as required by national law. At the same time, in order to comply with the law, the auditor is obliged to inform the user of his responsibility for the opinion expressed.

Thus, the assessment of the expert's work in the audit process makes it possible to ensure the validity of the auditor's professional judgment on the verified information and, as a consequence, — the proper quality of his work..

References

1. Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (2018). URL: <https://www.iaasb.org/publications/2018-handbook-international-quality-control-auditing-review-other-assurance-and-related-services-26>. Available at 2020/11/28