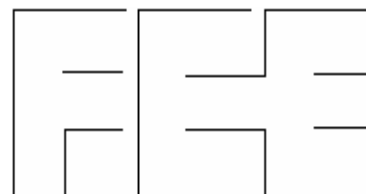


Date
15 February 2008

Le Président

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Mr. Jim Sylph
Executive Director Professional Standards
International Auditing and Assurance Standards Board (IAASB)
545 Fifth Avenue, 14th Floor
New York, New York 10017
USA

Edcomments@ifac.org

Dear Mr. Sylph,

Re: Exposure Draft – Proposed Revised and Redrafted ISA 620 on Using the Work of an Auditor’s Expert

As the representative organisation of the European accountancy profession, FEE is pleased to comment on the Exposure Draft – Proposed International Standard on Auditing (ISA) 620 (Revised and Redrafted) on Using the Work of an Auditor’s Expert (Proposed ISA 620).

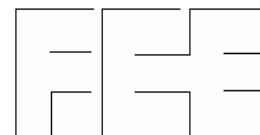
FEE considers that Proposed ISA 620 has improved the clarity of the existing standard. We support the overall approach to the standard, as it allows the auditor to use professional judgment having regard to a range of factors when deciding on whether or not to use the work of an auditor’s expert and when assessing the expert’s work. Our suggested comments which follow would, however, we believe further improve Proposed ISA 620. This letter also includes our responses to the questions set out in the proposed document.

Comments on the Proposed Scope Paragraphs

Although Proposed ISA 620 does not cover experts in accounting or auditing *consulted by or engaged by the firm* (who *may be* members of the engagement team and thus *in theory* subject to ISA 220 and ISQC1), the requirements and guidance in this ISA may be helpful to auditors in considering the use of the work of such experts. For example, not all of the requirements of ISQC 1 will apply to experts not employed by the firm (i.e., they are unlikely to fall within a firm’s appraisal system or its CPD system). Despite this, the auditor would, as a minimum, always need to consider the competence and objectivity of any experts providing expertise in accounting or auditing irrespective of whether they are on the engagement team or merely have a consultative role.

FEE therefore recommends the IAASB adds the following sentence to the existing scope paragraphs, along the lines used in Proposed ISA 720, e.g.:

“This ISA may also be applied, adapted as necessary in the circumstances, in considering the use of the work of experts in accounting or auditing.”



Comments on the Proposed Definitions

Definition of Expert

We refer to our FEE comment letter on Proposed ISA 220 and ISQC 1 dated 21 December 2007 related to our comments on Paragraph 6 (d) in Proposed ISA 220 and Paragraph 12 (e) in Proposed ISQC 1 on the engagement team.

If the interpretations included in the above FEE comment letter were correct, we believe no further clarification of the definitions is needed in Proposed ISA 620. However, if our interpretations were not correct FEE requests the IAASB to clarify appropriately the application of the relevant standards (either ISA 220, ISA 500 or ISA 620) in the situations referred to in the FEE comment letter, as necessary.

Comments on the Proposed Requirements

Paragraph 7

FEE recommends that Paragraph 7 is reworded as a positive statement, avoiding the conditional phrase.

In addition, FEE believes that Proposed ISA 620 is inconsistent as regards using an expert in obtaining audit evidence and using an expert to assist in the auditor's risk assessments. Paragraphs 1, 6(c), 7, A5 and A7 mainly refer to the fact that an expert may assist the auditor in obtaining audit evidence. However, Proposed Paragraphs A2 and A7 also refer to assistance by an expert regarding the assessment of risks.

Accordingly FEE recommends that paragraph 7 would be clearer if reworded as follows:

"The auditor shall determine whether to use an auditor's expert in a field other than accounting or auditing in order to assist the auditor in identifying and assessing risks of material misstatement and/or to obtain sufficient and appropriate audit evidence."

Paragraph 11

The conditional nature of the words "in writing when appropriate" indicates to us that these words should not be included in the requirements. FEE proposes this phrase be moved to Paragraph 21 of the Application and Other Explanatory Material, where the application to different situations can be explained.

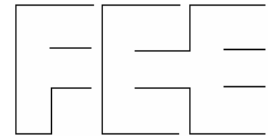
Responses to Questions

1. Views on the proposal that proposed ISA 620 (Revised and Redrafted) deal exclusively with considerations relevant to using the work of an auditor's expert, and accordingly material dealing with the work of management's expert be expanded and moved to [proposed] ISA 500 (Redrafted).

FEE agrees with this proposal.

Comments on the Conforming Amendments

FEE requests IAASB to make it clearer within ISA 500 that auditors may also need to consider other aspects than the expert's competence, in particular management's instructions given to the expert as well as the data provided by management. An example would be where an actuary is engaged to report on the value of a Pension Scheme: the actuary's work will be relevant where the information is prepared on a basis which supports financial statements under the applicable financial reporting



framework; some actuarial products are designed for other purposes and would not be suitable for financial reporting purposes.

2. Views on the proposal that the definition of “expert” in proposed ISA 620 (Revised and Redrafted) excludes persons or organizations possessing expertise in accounting or auditing, for the reasons explained on page 6 above.

We refer to our comments above on the proposed scope paragraphs and definitions.

If you have any further questions about our views on these matters, please do not hesitate to contact us.

Yours sincerely,

Jacques Potdevin
President

Ref.:AUD/JP/HB-SH