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INSIGHTS

AUDIT & ASSURANCE

ISA 620 using an auditor's expert in Cambodia

How a Cambodian auditor uses a valuation, actuarial, tax or IT expert under ISA 620: competence, objectivity, scope, evaluating the work and the reporting boundary.



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WHEN DOES A CAMBODIAN AUDITOR NEED AN AUDITOR'S EXPERT UNDER ISA 620?

ISA 620 applies when the auditor uses the work of an individual or organisation with expertise in a field other than accounting or auditing to obtain sufficient appropriate audit evidence. The auditor evaluates the expert's competence, capabilities and objectivity, agrees the scope of the work, evaluates the assumptions, methods and data, and determines whether the work is adequate for the audit. In Cambodia, valuation of land, plantations, PPE and unquoted equity, actuarial employee benefits and complex tax or IT questions are common expert areas; the expert's work supports, but does not replace, the auditor's conclusion.

IN SHORT

- An auditor's expert is engaged by the auditor to provide evidence; a management's expert is engaged by the client and is part of the evidence the auditor evaluates.
- The auditor assesses the expert's competence, capabilities and objectivity before using the work.
- The scope and instructions should be agreed in writing: the question, the assumptions, the data, the report and the access.
- The auditor evaluates the assumptions, methods, data and consistency of the expert's work, not only the conclusion.
- The expert's report is not the audit opinion; the auditor remains responsible for the conclusion and the report.

Auditor's expert versus management's expert

An auditor's expert is an individual or organisation with expertise in a field other than accounting or auditing, whose work the auditor uses to obtain audit evidence. The auditor selects or engages the expert, sets the scope and evaluates the work. A management's expert is engaged by the entity to prepare the financial statements, such as a valuer for investment property or an actuary for employee benefits; the auditor evaluates that work as audit evidence, but the expert is not the auditor's expert.

The distinction matters for independence, access and reporting. An auditor's expert should be independent of the entity, or the auditor should evaluate the objectivity and any safeguards. The auditor should not use an expert whose work is controlled by management without considering the threat to objectivity.

ISA 620 does not require the auditor to use an expert. The auditor uses one when the audit team does not have the competence to obtain the evidence, or when the complexity of the matter requires specialist knowledge.

Competence, capabilities and objectivity

The auditor evaluates whether the expert has the competence, capabilities and objectivity to perform the work. Competence includes the expert's qualifications, professional experience, reputation and the resources available. Capabilities include the ability to apply the relevant methods and to access the necessary data. Objectivity includes independence from the entity, the absence of a conflict of interest and the expert's professional standing.

The auditor may consider the expert's professional body, licence, peer review, prior work and the scope of the engagement. A valuer who has valued the same asset for management, or who has a fee dependency on the entity, may not be objective. The auditor documents the assessment and any safeguards.

For a Cambodian valuation, the expert should understand IFRS 13, the local market and the asset. A valuation prepared for a bank or a tax filing may not be the right evidence for the financial statements; the auditor should confirm the basis, the date and the assumptions.

Agreeing the scope and instructions

The auditor agrees the scope of the expert's work in writing. The terms should describe the question, the assets or liabilities, the measurement date, the applicable framework, the assumptions the expert should use or challenge, the data the entity will provide, the report format and the access the auditor needs.

The instructions should make clear that the expert is working for the auditor, not for management, and that the expert's report will be used as audit evidence. The auditor should also agree the expert's access to the entity's records, management and site, and the confidentiality and independence terms.

A vague instruction such as 'value the land' produces a vague report. The instruction should identify the valuation premise (highest and best use, in-use or in-exchange), the market participants, the currency and the level of the fair value hierarchy.

COMMON AUDITOR'S EXPERTS IN CAMBODIA

Area	Expert	Audit question
Land, buildings and PPE	Independent valuer	Is the fair value or deemed cost supported under IFRS 13?

Area	Expert	Audit question
Plantations and biological assets	Agricultural valuer	Are the yield, age, price and discount assumptions supportable?
Unquoted equity and share options	Valuation specialist	Is the model, the marketability discount and the volatility supported?
Employee benefits	Actuary	Are the assumptions and the IAS 19 measurement supportable?
Complex tax or IT	Tax or IT specialist	Is the tax position or the system control supportable?

Evaluating the expert's work

The auditor evaluates the expert's assumptions, methods, data and conclusion. The evaluation includes the source and reliability of the data, the consistency of the assumptions with the market and the entity, the method's applicability, the sensitivity of the conclusion and the expert's compliance with the agreed scope.

The auditor should challenge the key assumptions, not just read the conclusion. For a valuation, the discount rate, the growth rate, the marketability discount and the comparable transactions are the usual pressure points. For an actuarial report, the discount rate, salary growth, mortality and turnover are the key assumptions. For a tax opinion, the legal basis and the facts are the key assumptions.

If the expert's work is not adequate, the auditor may ask the expert to perform additional work, engage another expert, perform additional audit procedures or modify the opinion. The auditor cannot rely on an expert's conclusion that is inconsistent with the evidence.

> **The expert's opinion is not the audit opinion**
>
> The auditor evaluates the expert's work and remains responsible for the audit conclusion. A report signed by a valuer does not transfer the audit risk to the valuer.

Reporting and documentation

The auditor does not refer to the expert in the audit report unless the law or the reporting framework requires it, or the expert's work is so significant that a reference is necessary to explain the opinion. When the auditor refers to the expert, the report should not suggest that the auditor's responsibility is reduced.

The audit file should document the expert's identity, qualifications, the assessment of competence and objectivity, the scope, the report, the evaluation of the assumptions, the communication with the expert and the conclusion. ISA 230 and ISA 620 apply.

The auditor should also consider ISA 540 for accounting estimates and IFRS 13 for fair value measurement. The expert's work is part of the evidence for the estimate; the auditor still evaluates the estimate, the disclosure and the consistency with the rest of the financial statements.

Key facts

How this article is checked

Figures were verified against the sources listed below in November 2026 and are re-checked each January or when the rule changes. Written by Liv Bonito, Co-founder & Managing Director. General information, not advice on your situation: for that, talk to a partner.

QUESTIONS

Questions people ask

Can the auditor rely entirely on the expert's conclusion?

No. The auditor evaluates the expert's competence, objectivity, assumptions, methods and data, and determines whether the work is adequate for the audit. The auditor remains responsible for the audit opinion.

Is a management's valuer an auditor's expert?

No. A valuer engaged by management is a management's expert. The auditor evaluates that work as audit evidence but does not treat the valuer as the auditor's expert unless the auditor engages or instructs the expert.

Does the audit report name the expert?

Usually not. The auditor refers to the expert only when the law or the reporting framework requires it, or when the work is so significant that a reference is necessary. The reference does not reduce the auditor's responsibility.

What if the expert's work is inadequate?

The auditor may ask for additional work, engage another expert, perform additional procedures or modify the opinion. The auditor cannot rely on a conclusion that is inconsistent with the evidence or outside the expert's competence.

SOURCES

Where the rules come from

01 ISA 620 Using the Work of an Auditor's Expert — IAASB / KICPAA

02 ISA 540 Auditing Accounting Estimates and IFRS 13 Fair Value Measurement — IAASB / IFRS Foundation

03 ISA 500 Audit Evidence and ISA 230 Audit Documentation — IAASB / KICPAA

04 CISA / CISQM standards applied in Cambodia — Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)