

Use of Experts Project – Proposed Consequential Amendments (Mark Up from Extant)

The term “expertise” is used widely in the extant Code. With the proposed definition of “knowledge and skills in a particular field,” conforming and consequential amendments are necessary to Parts 2, 3, 4A and 4B of the Code, as proposed below:

PART 2 - PROFESSIONAL ACCOUNTANTS IN BUSINESS

SECTION 200

APPLYING THE CONCEPTUAL FRAMEWORK – PROFESSIONAL ACCOUNTANTS IN BUSINESS

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Requirements and Application Material

General

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Identifying Threats

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Identifying Threats Associated with the Use of Technology

200.6 A2 The following are examples of facts and circumstances relating to the use of technology that might create threats for a professional accountant when undertaking a professional activity:

- Self-interest Threats
 - The data available might not be sufficient for the effective use of the technology.
 - The technology might not be appropriate for the purpose for which it is to be used.
 - The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.

(Ref: Para. 230.2).

- Self-review Threats
 - The technology was designed or developed using the ~~knowledge~~, expertise or judgment of the accountant or employing organization.

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SECTION 260

RESPONDING TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

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Requirements and Application Material

General

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Responsibilities of Senior Professional Accountants in Business

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Obtaining an Understanding of the Matter

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260.12 A1 A senior professional accountant is expected to apply ~~knowledge and~~ expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations greater than that which is required for the accountant's role within the employing organization. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

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Responsibilities of Professional Accountants Other than Senior Professional Accountants

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260.24 A1 The professional accountant is expected to apply ~~knowledge and~~ expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations greater than that which is required for the accountant's role within the employing organization. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

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PART 3 - PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE

SECTION 300

APPLYING THE CONCEPTUAL FRAMEWORK – PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE

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Requirements and Application Material

General

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Identifying Threats

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Identifying Threats Associated with the Use of Technology

300.6 A2 The following are examples of facts and circumstances relating to the use of technology that might create threats for a professional accountant when undertaking a professional activity:

- Self-interest Threats
 - The data available might not be sufficient for the effective use of the technology.
 - The technology might not be appropriate for the purpose for which it is to be used.
 - The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.

(Ref: Para. 230.2).

- Self-review Threats
 - The technology was designed or developed using the **knowledge**, expertise or judgment of the accountant or firm.

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SECTION 360

RESPONDING TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

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Requirements and Application Material

General

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Audits of Financial Statements

Obtaining an Understanding of the Matter

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360.10 A2 The professional accountant is expected to apply ~~knowledge and~~ expertise, and exercise professional judgment. However, the accountant is not expected to have a level of knowledge of laws and regulations greater than that which is required to undertake the engagement. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

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Professional Services Other than Audits of Financial Statements

Obtaining an Understanding of the Matter and Addressing It with Management and Those Charged with Governance

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360.29 A1 The professional accountant is expected to apply ~~knowledge and~~ expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations beyond that which is required for the professional service for which the accountant was engaged. Whether an act constitutes actual non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

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PART 4A – INDEPENDENCE FOR AUDIT AND REVIEW ENGAGEMENTS

SECTION 600

PROVISION OF NON-ASSURANCE SERVICES TO AN AUDIT CLIENT

Introduction

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600.2 Firms and network firms might provide a range of non-assurance services to their audit clients, consistent with their ~~skills and~~ expertise. Providing non-assurance services to audit clients might create threats to compliance with the fundamental principles and threats to independence.

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PART 4B – INDEPENDENCE FOR ASSURANCE ENGAGEMENTS OTHER THAN AUDIT AND REVIEW ENGAGEMENTS

SECTION 950

PROVISION OF NON-ASSURANCE SERVICES TO ASSURANCE CLIENTS

Introduction

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950.2 Firms might provide a range of non-assurance services to their assurance clients, consistent with their ~~skills and~~ expertise. Providing certain non-assurance services to assurance clients might create threats to compliance with the fundamental principles and threats to independence.

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