



Determinants of Auditor Specialist Engagement in Fair Value Measurement Audits: Evidence from the Canadian Context

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DOI : <https://doie.org/10.10399/ABPI.2026919870>

Abstract

This study investigates the factors influencing an auditor's decision to engage a valuation specialist when auditing Fair Value Measurements (FVMs). We use a survey methodology and collect data from 80 Certified Public Accounting (CPA) auditors with experience and expertise in auditing FVMs. We model the decision to consult a specialist as a binary outcome using logistic regression testing the impact of the use of valuation specialist by the client, Estimation Uncertainty, Control Risk, the overall Risk of Material Misstatement (RMM), and FVM input complexity (Level 3). Our findings indicate that the likelihood of engaging a specialist by the auditor is significantly and positively predicted by the client's use of a specialist, high estimation uncertainty, and increased control risk. These results corroborate with existing literature (Griffith, 2020; Cannon and Bedard, 2017) suggesting that auditors seek expert assistance to mitigate technical complexity and detect potential management bias.

However, the study reveals a critical divergence from professional standards (e.g., ISA 620). In fact, the overall Risk of Material Misstatement (RMM) shows a significant negative association with auditor engagement of valuation specialists. This suggests that in high-RMM environments, auditors may face resource constraints or opt for less costly internal models over independent expert evaluations. Additionally, the complexity of Level 3 inputs was not a significant predictor. These results highlight a concerning gap between audit standards and practice, where cost considerations and over-reliance on management's specialists may compromise audit quality in the most challenging valuation environments.

Keywords: Fair Value Measurements (FVM); Audit; Valuation Specialist; Auditor Decision Making; Risk of Material Misstatement (RMM); Estimation Uncertainty.

Funding Statement: The funders had no role in study design, data collection and analysis, decision to publish, or preparation of the manuscript.

Ethical Compliance: The study was approved by the Office of Research Ethics and Integrity of University of Ottawa because the research involves human participants.

Conflict of Interest declaration: The authors declare that they have no affiliations with or involvement in any organization or entity with any financial interest in the subject matter or materials discussed in this manuscript.

Introduction

The rise in Fair Value Measurements (FVMs) makes financial statements more complex and subjective (Barr-Pulliam et al., 2020; Smith, 2020). The International Financial Reporting



Standards (IFRS) and Generally Accepted Accounting Principles (GAAP) mandate that certain assets, such as complex financial instruments, intangible assets, and specialized instruments, must be reported at their fair value, a process that inherently involves a high degree of estimation uncertainty and professional judgmentⁱ, especially when the input data are unobservable (Bratten et al., 2013; Joe et al., 2015; Barr-Pulliam et al., 2019; Jones et al., 2021). A high degree of estimation uncertainty poses a critical challenge to auditors. It contributes to a heightened Risk of Material Misstatement (RMM), challenging the auditor's ability to obtain sufficient and appropriate audit evidence to provide reasonable assurance (Choudhary 2011; Christensen et al. 2012; Cannon and Bedard 2017).

Thus, auditors may lack the specialized knowledge required to audit these complex valuations and must rely on the assistance of a valuation specialist (Bratten et al, 2013; Hux 2017; Cannon and Bedard, 2017; PCAOB, 2018). Barr and Pulliam (2020) showed that auditors are more likely to engage specialists when they anticipate that a client will struggle with fair value measurements because of a lack of expertise in estimation issues.

The decision to engage in such a specialist is a critical professional judgment because it directly affects audit quality. Involving valuation specialists greatly enhances the quality of audits for Level 3 FVMs. This improvement is reflected in higher earnings persistence, reduced earnings management, and greater disclosure relevance of disclosures (Ahn et al., 2020; Burns, 2022; Bu et al., 2025). These advantages are particularly evident in complex environments, such as international banks and insurance companies, where the expertise of specialists complements auditors' skills (Bu et al., 2025; Barr-Pulliam et al., 2020) and enhances professional skepticism (Burns 2022). However, a significant gap remains in understanding the initial specific factors that drive an auditor to make a crucial decision to engage a valuation specialist in the first instance.

Therefore, this study aims to empirically investigate the specific factors of complex FVMs and risk factors that influence an auditor's decision to use a valuation specialist during the audit of FVMs.

The approach of this research focused on a survey methodology, distributing questionnaires to 80 Canadian Certified Professional Accountant (CPA) auditors asking them to remember a challenged audit engagement involving complex FVMs. Through a binary logistic regression applied to the database, the results show that control risk, intrinsic estimate uncertainty, and the client's use of their own valuation specialist have a positive and statistically significant influence on the auditor's decision to engage a valuation expert. However, the overall Risk of Material Misstatement (RMM) was shown to have a negative and significant influence on this decision, which contradicts predictions based on risk-based auditing methods. This can be explained by the fact that when the RMM is at its highest level, auditors may not want to obtain confirmation from a specialist, may opt for alternative, extended audit procedures, or suggest an independent estimate that aligns with the key challenges inherent in auditing fair values. Moreover, technical complexity proxies—specifically, the classification of FVMs as Level 2 or Level 3 inputs—were determined to exert no substantial direct influence on the decision to use a valuation specialist.

This study contributes to a deeper understanding of auditors' professional judgment processes. It provides insights into how evolving complexity, uncertainty, and risks shape the auditing profession. The findings contribute to the literature by providing a more comprehensive model of the auditor's decision to engage a valuation specialist in auditing FVMs. The unexpected non-significance of FVM input levels and the negative relationship with RMM suggest that the



decision to involve a specialist may be driven more by uncertainty, control environment, and behavioral factors (the client's use of a valuation specialist) than audit risk or complexity.

Literature review

Estimation uncertainty

Estimation uncertainty arises from the inherent complexities of input data, assumptions, and valuation models used by management (Bratten et al., 2013). This uncertainty is further intensified by evolving regulatory standards and dynamic market conditions. Consequently, the use of valuation specialists has become a fundamental aspect of audit practice.

According to the Public Company Accounting Oversight Board (PCAOB, 2017), experts are involved in 85% of audit engagements, with an average of four–five specialists per engagement. This result highlights the increasing subjectivity associated with audited estimates. A PCAOB study (2015) of 50 major audit engagements found that 90% required specialist involvement, primarily for estimation. Similarly, Cannon and Bedard (2017), using field-based evidence, observed that 85% of the Big 4 audit engagements rely on specialists to verify fair value estimates. This study shows that involving specialists in auditing fair value measurements with high uncertainty is a critical decision, and that the procedures conducted by these specialists are highly effective in identifying issues.

This reliance on specialists comes from the challenges auditors face when attempting to verify the complex estimates. ISA 540 (Revised), "Auditing Accounting Estimates and Related Disclosures," associates the level of estimation uncertainty with the decision to engage a specialist. When the inherent risk of an accounting estimate is high owing to its complexity or subjectivity, auditors are more likely to require a specialist to meet the standards' requirements, as they may lack specialized knowledge to assess complex valuation models effectively. Christensen et al. (2012) point out that estimation uncertainty in fair value measurements frequently exceeds the materiality threshold. This is mainly due to the lack of sufficient available information and the subjective, unobservable nature of the underlying data, which complicates the auditing process (Glover et al., 2017; Griffith et al., 2015).

For complex estimates, achieving a high level of assurance can be difficult even with extensive evidence (Glover et al., 2017). Consequently, a traditional audit approach may not yield high-quality results for fair values affected by significant uncertainty and ambiguous evidence (Griffith et al., 2015). This compels auditors to engage specialists in enhancing their methodology (Cannon & Bedard, 2017).

H1: The Estimation uncertainty has a positive impact on auditors' use of valuation specialists.

The use of valuation specialists by the client

The existing literature presents two main findings: one supporting a positive association, and the other proposing a negative association.

First, expertise and competence play crucial roles in improving negotiations between auditors and clients (Gibbins et al., 2001; McCracken et al., 2008). Cannon and Bedard (2017) state that auditors tend to consult a valuation specialist to strengthen their negotiating position, mainly when the client engages one.

Second, Cannon and Bedard (2017) and Griffith (2015) indicated that both clients and auditors sometimes use experts to perform complex valuations, thereby acknowledging the difficulty of



such valuations. Auditors often consult experts to examine accounts, transactions, procedures, or controls that require specialized skills (Griffith, 2019). The use of experts stems from the fact that auditors do not necessarily have the skills required to evaluate certain items, particularly when complex estimates are involved.

Faced with accounting standards that require increasingly complex transaction valuations, the use of specialists has increased for both clients and auditors. Auditors consider the characteristics of the accounts, including their relative importance, specific risk, complexity of the valuation model used, and level of the input data (levels 1, 2, or 3, which refer to the hierarchy of inputs used in fair value accounting) to determine whether a specialist's expertise is necessary. Griffith et al. (2015) also identified the valuation model as a key factor in the decision to engage a specialist.

Griffith (2015) presented a different perspective. The participants surveyed believed that auditors are less likely to seek expert advice when the client already has one. This belief is rooted in the auditor's confidence in the valuation conducted by the client specialist. Deaconu et al. (2022) support this view, stating that auditors perceive fair value estimation reports from external consultants as less risky and contain better information in terms of quantity and quality than those provided by management. These authors also find that auditors view external valuations as more objective and credible, which may lead them to overlook anomalies in these valuations.

Despite the ongoing debate on this issue, we strongly advocate that auditors consult valuation specialists more frequently when a client engages an expert. This leads us to propose the following hypothesis.

H2: The client's use of a valuation specialist has a positive impact on the auditor's use of valuation specialists.

The Control Risk (CR) and the Risk of Material Misstatement (RMM)

The Audit Risk Model states that a high CR requires reduced detection risk, forcing the auditor to raise substantive procedures' nature, timing, and extent (Bell & Carcello, 2000). Increasingly, technical procedures require specific expertise, leading to the need for a valuation specialist to address control deficiencies (Griffith et al., 2020).

An RMM is a combination of inherent and control risks. A high overall RMM should logically prompt maximal resource allocation to limit the detection risk, making an independent specialist indispensable in high-risk contexts (Pincus, 1989). When the RMM is high, especially for complex estimates, valuation specialists are the best option for gathering evidence.

Boritz et al. (2020) interviewed BIG 4 auditors and specialists to explore their perspectives on the use of specialists during audits. They found that auditors are more likely to use valuation specialists when inherent and control risks are high, as specialists help auditors manage subjectivity and uncertainty to mitigate the risk of material misstatements.

In addition, Cannon and Bedard (2017) empirically examine the impact of control risk, inherent risk, and RMM on the auditor's decision to use a valuation specialist. They found that inherent risk and RMM were factors that positively influenced the auditor's use of specialists. Taken together, these results suggest the following.

H3: Control risk (CR) has a positive impact on auditors' use of valuation specialists.



H4: The risk of material misstatements (RMM) has a positive impact on the auditor's use of valuation specialists.

Level 3 fair value measurements

The complexity of a FVM is often measured using the level of input data. Level 3 FVMs rely on unobservable data, are considered the most complex, and have a high inherent risk (Griffith et al. 2015). Due to the dependence on unobservable and subjective inputs, auditing standards are more prescriptive for specialist skills when auditing Level 3 Fair Value Measurements (IAASB, 2020). Cannon and Bedard (2017) show a positive and significant relationship between Level 3 and auditors' use of specialists. Bu et al. (2025) use a sample of international banks and examine the importance of valuation specialists within audit teams in influencing the relationship between earnings persistence and banks' exposure to Level 3 FVMs. They demonstrated that valuation specialists are more inclined to expand auditor expertise in auditing Level 3 FVMs, thereby increasing their reliability and strengthening the correlation between Level 3 FVMs and earnings persistence.

H4: Level 3 fair value measurement has a positive impact on auditors' use of valuation specialists.

Methodology and data collection

This study used an experimental questionnaire to gather information about auditors' engagement experiences involving the auditing of a challenging FVM. The sample includes Canadian CPA auditors with experience and expertise in auditing challenging FVMs. The questionnaire was tested before distribution to ensure that the questions were well-formulated and understandable. The questionnaire was sent via Google Forms and LinkedIn. We employed the snowball technique to select respondents. We recruited participants from the Amazon Mechanical Turk (AMT) online platform. This platform has been used in several accounting studies such as Barr-Pulliam et al. (2023) and Koonce et al. (2015). We sent 200 questionnaires to CPA auditors in Canada. A total of 100 responses were collected. We deleted 20 responses that contained missing data. Therefore, we obtain 80 completed questionnaires, yielding a response rate of 40% within 90 days. Finally, the data were transmitted and analyzed using SPSS software.

We developed the questionnaire concerning Cannon and Bedard (2017). A theory-based questionnaire is a well-structured questionnaire (Gibbins and Qu, 2005). In line with previous research (e.g., Gibbins et al., 2001; Nelson et al., 2002), we reduced potential bias by assuring participants of their confidentiality and anonymity.

Model and variables

In our study, we used the binary logistic regression model as follows:

$$SPEC-A = \beta_0 + \beta_1 SPEC-CLT + \beta_2 UNCERTAINTY + \beta_3 CR + \beta_4 RI*RC + \beta_5 LEVEL\ 3 + \beta_6 LEVEL\ 2 + \beta_7 TYP-FVM + \beta_8 EXPERT_FVM + \beta_9 SALES + \varepsilon$$

The variables and their measurements are presented in Table 1, and all the measurements were developed from existing scales in the literature. This ensures reliability and validity.

Table 1: The variables of the model and their measurements

Variable name	Measurement	Percentage or mean
<i>SPEC-A</i>	=0 if No valuation specialist is consulted by the auditor	17,4
	=1 if a valuation specialist is consulted by the auditor	82,6
<i>SPEC-CLT</i>	=0 if no valuation specialist is consulted by the client	25,7
	=1 if a valuation specialist is consulted by the client	74,3
<i>UNCERTAINTY</i>	Degree of estimation uncertainty : =1 if less than materiality	11,8
	=2 if approximately equal to materiality	32,4
	=3 if 2-3Xmateriality	38,2
	=4 if 4-5X materiality	5,9
	=5 if greater than 5X materiality	11,8

CONTROL_RISK	Control risk associated with the FVM [scale from 1=low to 11=high]	3.43
INHERENT_RISK	Inherent risk associated with the FVM [scale from 1=low to 11=high]	3.81
LEVEL 3	= 1 if Level 3 in the IFRS 13 hierarchy, and 0 otherwise	31,4
TYP_FVM	=1 if the FVM is a Financial instrument	76,9
	=0 if the FVM is a non-financial instrument	11,5
EXPERT-FV	Low	5,1
	2	11,5
	3	33,3
	4	26,9
	High	15,4
SALES	=1 if < \$ 25 million	23,2
	=2 if \$25 million - \$200 million	36,2
	=3 if \$200 million - \$1 billion	18,8
	=4 if \$1 billion - \$5 billion	11,6
	=5 if > \$ 5 billion	10,1

Results and discussion

Table 2: Demographic Information of the Survey Respondents

Variable		Frequency	Percentage (%)
Age	20-30	19	24.4
	31-40	34	43.6
	41-50	16	20.5
	More than 50 years	5	6.4
Gender	Male	54	69.2
	Female	19	24.4
Experience in auditing fair value	Low	5	6,9
	2	7	9,7
	3	20	27,8
	4	20	27,8
	High	20	27,8
Expertise in auditing fair value	Low	4	5,1
	2	9	11,5
	3	26	33,3
	4	21	26,9

	High	12	15,4
Role of the auditor on the engagement	Engagement Review Partner	11	14,1
	Manager	10	12,8
	Senior	34	43,6
	Valuation Specialist	8	10,3

As shown in Table 2, the respondents were primarily mid-career auditors (managers and seniors), which is appropriate for studying specialist engagement decisions. The sample was heavily male dominated (69.2% male vs. 24.4% female). This distribution is consistent with the professional statistics at the managerial and supervisory levels of many audit firms. The largest group was the *Senior Auditor* (43.6%), followed by *Engagement Review Partner* (14.1%), and *Manager* (12.8%). The high proportion of Seniors and Managers ensured that the data reflected the perspective of those responsible for fieldwork and immediate resource planning. The inclusion of partners ensures that the final approval perspective is captured a High experience levels (3, 4, and High) accounted for 83.4% of the sample (27.8% each). This indicates that the respondents were highly qualified to answer questions regarding the complexity and risk associated with FVMs. Expertise was strongest in Level 3 (33.3%) and Level 4 (26.9%). Auditors generally perceive themselves as having at least an adequate or high level of technical competency in FVMs audit procedures, adding credibility to their judgments of the need for a specialist.

Descriptive results of the model

According to table 1, the auditor’s decision to engage a specialist occurred in 82% of audit engagements. This elevated rate confirms that audit firms frequently engage an independent valuation specialist. This result reinforces the necessity of this study to pinpoint the specific risk and complexity factors that trigger this significant resource allocation.

In 74.3% of the missions, the clients used their own valuation specialists. This figure represents the key context in which the auditor must decide whether to rely on (or challenge) the client's expert, providing ample variation to test hypothesis 1 (H1: positive effect expected). The estimation uncertainty is concentrated at higher levels: 38.2% were judged 2-3X materiality, and 11.8% were greater than 5X materiality. Combined, nearly 60% of the cases exhibited moderate to high estimation uncertainty. This ensures that the study focuses on the most challenging FVMs, allowing for a robust test of Hypothesis 2 (H2: positive effect expected). Add to that, 31.4% of the audited missions involved Level 3 FVMs (unobservable input). This confirms that a significant portion of the sample deals with the highest category of inherent complexity, often cited by regulators as a source of audit quality issues.

Table 3: Estimation result

	B	Wald	Sig.
SPECCLT	5,028	10,537	,001
UNCERTAINTY	7,004	4,354	,037
CR	2,226	2,876	,090
RMM=IR*CR	-1,547	4,432	,035
LEVEL 3	2,206	2,588	,108
TYP-FVM	1,477	,630	,427

EXPERT-FV	,177	,101	,750
SALES	,871	1,435	,231
Constant	-	4,630	,031
	15,999		
-2 Log likelihood	25.392***		
R² of Cox et Snell	0.432		
R² of Nagelkerke	0.702		

As shown in table 3, the results of our model demonstrated statistical significance ($R^2=0.702$, $p < 0.001$), indicating a strong explanatory relationship for the model. The auditor's use of a valuation specialist is strongly related to the client's use of a valuation specialist ($\beta=5.966$, $\text{Sig}=0.003$). Thus, our first hypothesis is supported. This finding is consistent with the existing literature, which suggests that the client's decision to use a specialist is a key trigger for the auditor to engage his or her own due to mutual recognition of complexity. In addition, this association may be influenced by the auditor's professional judgment, where the involvement of a valuation specialist signals a higher-risk audit situation, encouraging auditors to have similar expertise (Griffith, 2020; Cannon and Bedard, 2017 ; Griffith et al. 2015).

UNCERTAINTY had a positive and significant coefficient at a rate of 5% ($\beta= 8,500$, $p = 0.032 < 5\%$). Thus, our second hypothesis is supported. This is consistent with the existing literature, which shows that auditing complex and subjective accounts requires deeper knowledge than they possess. These findings suggest that auditors sometimes lack the skills to evaluate certain complex and uncertain estimates, prompting them to call upon experts in this field (Griffith 2020, Griffith et al. 2015). These experts assist auditors in identifying the techniques and manipulations employed by management in asset valuation. They also assess whether the audited valuations are based on observable or non-observable data. In addition, they provide insights into the industry, market conditions, and assumptions used in the estimates.

The CONTROL_RISK presents a significant factor influencing the use of a valuation specialist by the auditor at 10% ($\beta=2.547$; $p\text{-value} = 0.068 < 10\%$). Thus, our third hypothesis was supported. This is consistent with findings of Cannon and Bedard (2017) where they explain that when auditors faced with a high control risk, auditors are inclined to rely on experts to minimize this risk and bring it to an acceptable level.

The $RMM=CR*IR$ is negatively and significantly associated with the auditor's use of a valuation specialist ($\beta=-1,873$; $p\text{-value} = 0,029 < 5\%$). Thus, the fourth hypothesis was rejected. This conclusion is inconsistent with the findings of Cannon and Bedard (2017) and the guidance of standards, such as ISA 620 (2017). These standards encourage the auditor to use a valuation specialist when the RMM is high (ISA 620). We can explain the negative impact of the risk of material misstatement as follows: **Resource Constraints/developing an independent estimate:** in a high-RMM environment, auditors tend to develop an independent estimate using their internal model, rather than asking management to correct these deficiencies or engaging an expert for an in-depth analysis. Although this approach is easier and less costly for auditors, it is less relevant and less independent. This conclusion corroborates the deficiencies identified by the Canadian Public Accountability Board (CPAB) in 2021 and states that the management's estimation approach is not challenged. It concludes that the auditor's specialists do not

participate in evaluating the deficiencies identified in management's estimation methods to support the consequences of the impact on internal control assessment. **Reliance on Management's Specialist:** The negative impact could also suggest a reliance on the client's own valuation specialist in high-RMM environments, potentially reducing the auditor's incentive to engage their own independent specialist, provided the auditor can justify their evaluation of the management specialist's work (Barr-Pulliam et al., 2023). This result constitutes a new conclusion and a significant contribution to practice and regulation. It is essential to strengthen the use of specialists to conduct effective audits rather than merely establishing an independent estimate.

Nevertheless, LEVEL3 has a non-significant coefficient; therefore, there is no relationship between the auditor's use of a valuation specialist. This finding is consistent with those of Cannon and Bedard (2017) and Griffith et al. (2015), who found that specialists were rarely involved in testing data. This conclusion can be justified by Griffith and Hammersley (2023). They state that auditors test controls and data whenever they verify their account balance. They have more expertise in data testing than specialists. Specialists primarily evaluate the two most difficult and complex elements: the valuation method and key assumptions (Cannon and Bedard, 2017; Griffith et al., 2015).

Control variables

The results indicate that client size, as determined by SALES, does not significantly influence an auditor's decision to engage in a valuation specialist. This finding aligns with the work of Cannon and Bedard (2017), who suggest that, while large companies can be complex, they are often more stable and better controlled. Furthermore, the auditor's expertise in fair value auditing (EXPERT-JV) does not significantly affect the decision to use a valuation specialist. This outcome contradicts the existing literature. Specifically, Griffith and Hammersley (2023) and Griffith et al. (2015) report that the characteristics of the audit team impact the decision to engage specialists. They note that a lack of technical expertise and knowledge regarding valuations often prompts auditors to seek the assistance of valuation specialists. According to Griffith and Hammersley (2023), specialists have a broader understanding of various valuation methods and assumptions. Additionally, the type of fair value (TYP-FVM) does not significantly influence an auditor's decision to use a valuation specialist. Whether fair value is financial or non-financial does not affect this decision. This finding contradicts that of Cannon and Bedard (2017), who identify a significant and positive relationship.

Table 4 measures how effectively the model predicts the dependent variable based on the independent variable. The percentage of correct classification for affirming that our variables significantly impact the use of valuation specialists by auditors is 96.2%, while the percentage for inferring this relationship is 83.3%. The overall classification rate is 93.8%, which indicates good predictive power and is considered a strong classification rate.

Table 4 : Classification Rate

Observed	Predicted		
	No	Yes	% correct
No	10	2	83.3
Yes	2	51	96.2

Overall percentage	93.8
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The Hosmer-Lemeshow test was conducted to evaluate the goodness of fit of the model. As shown in Table 5, the nonsignificant p-value ($p > 0.05$) indicates that the model adequately fits the data. This suggests that there was no significant difference between the observed and predicted values, thereby confirming the suitability of the model.

Table 5: Hosmer-Lemeshow Test

Test de Hosmer et Lemeshow			
Step	Chi-square	Df	Sig.
1	7,658	7	0,364**

Conclusion

This study examined the determinants of Canadian CPA auditors' choice to engage a valuation specialist during the auditing of FVMs, using data gathered from 80 questionnaires. Our results show that the auditor's decision to engage a valuation specialist is influenced by these three factors:

The engagement of a client's valuation specialist has a positive and significant effect, confirming that auditors consider the involvement of a valuation specialist by the client to signal a high-risk situation, encouraging auditors to engage in one (Cannon and Bedard, 2017; Barr-Pulliam et al., 2022). This choice lowers the risk of bias from specialists, who are often not detected.

Risk reduction: Estimation uncertainty and control risk have positive and significant impacts. This shows that specialists are very important for auditors to reduce judgment mistakes. This aligns with existing regulatory guidelines and inspection outcomes that highlight the necessity of specific methodologies for assessing complex and subjective estimates (ACRA Audit Regulatory Report, 2024; AFRC, 2023).

The risk of material misstatement (RMM) makes the auditor less likely to hire a valuation expert. This means that auditors may not want to obtain confirmation from a specialist's point estimate when RMM is at its highest level. They may opt for alternative extended audit procedures, suggest an independent estimate, or determine that the estimate is so uncertain that reasonable certainty cannot be achieved, which aligns with the key challenges inherent in auditing fair values.

The insignificant effect of Level 2 and Level 3 fair value measurements suggests that the inherent subjective elements of complexity and uncertainty exert a greater impact than the level inputs of the fair value hierarchy in the absence of additional factors. This supports the assertion that an auditor's evaluation of the reliability of inputs, as opposed to their classification, requires specialized expertise (Hosseinniakani et al., 2014).

This study provides significant empirical evidence of the proactive and preventative functions of specialists within the Canadian auditing framework. The findings indicate that audit firms ought to use expertise primarily in accordance with evaluations of control risk and the



subjective characteristics associated with estimation (uncertainty and client–specialist involvement), rather than simply relying on the classification of fair value levels.

Subsequent research should focus on the unexpected negative correlation with RMM, even when using qualitative interviews to determine whether this occurrence signifies an internal standard that restricts engagement or a strategic preference for non-specialist procedures in high RMM circumstances. Additionally, as revised standards are unlikely to eliminate the persistent division of responsibilities between auditors and specialists (Griffith & Hammersley, 2023); further investigation of the ideal level of specialist engagement throughout the audit phase is crucial for enhancing audit quality.

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