

Experts – Respondents’ Detailed Comments to EM Question 3.3

Do you agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

3.3.2 Agree with comments

3. Regulator and Audit Oversight Authority

Financial Reporting Council (UK)

Definitions

The same comments apply for the definition of a “practitioner’s expert” as we make above for the definition of an “auditor’s expert” in relation to ISA 620.

Prohibition on using the work of an external expert

The same comments apply for paragraph A47A as we make above for A19A of ISA 620.

Independent Regulatory Board for Auditors - South Africa

We agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are broadly consistent with those to ISA 620 and support an alignment with the new provisions in the Code on using the work of an external expert, except as noted in the specific comments below.

We note that paragraph 29 of ISRS 4400 (Revised) includes a conditional requirement regarding the use of a practitioner’s expert, which seems to align with the core principles in paragraphs 9-12 of ISA 620 and paragraph 52 of ISAE 3000 (Revised). To enhance consistency and clarity, we recommend adding a sub-requirement to paragraph 29, similar to paragraph 8(f) of ISA 620, explicitly requiring the practitioner to consider the relevant ethical requirements when using an expert.

Additionally, if ISRS 4400 is intended to carry an implicit presumption that a practitioner must not use the work of an expert who lacks the necessary CCO, we believe this should be stated explicitly. A clear requirement, similar to that proposed in ISA 620, would strengthen alignment across the IAASB standards. To further support this, we suggest including application material for paragraph 29(d) of ISRS 4400, similar to paragraph A31A of ISA 620.

4. Jurisdictional Standard Setter

Hong Kong Institute of Certified Public Accountants

To promote consistent application of the standard across jurisdictions, and build on the explanation provided in Q2 above, we recommend that the IAASB stipulate in ISRS 4400 (Revised) the specific circumstances under which a practitioner is prohibited from using the expert’s work and the consequences if the practitioner’s expert does not meet the CCO evaluation criteria. These provisions should be established independently of the “relevant ethical requirements” as currently drafted in paragraph A47A in ED-Expert.

We also recommend that the IAASB consider incorporating similar explicit application material into ISRS 4400 (Revised), as in paragraphs A18A(b) and A24 of the proposed ISA 620, regarding the requirement to obtain written information from the auditor’s external expert to assist in the evaluation of the expert’s CCO.

Incorporating this material would help reinforce the importance of this documentation requirement under the revised Code and promote interoperability between the IAASB standards and the revised Code.

Institut der Wirtschaftsprüfer

Our comments above apply equally here as the IAASB's proposed approach mirrors that proposed in amending ISA 620 – except that no new requirements are proposed, something we would also support for ISA 620.

New Zealand Auditing and Assurance Standards Board of the External Reporting Board

Yes, we agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the proposed amendments to ISA 620 and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert.

Nordic Federation of Public Accountants

As noted above, we believe that certain aspects of the proposed amendments to ISA 620 would benefit from further revision and clarification. In particular, the ambiguities and inconsistencies we have identified between the language of ISA 620 and its references to the IESBA Code of Ethics affect our overall assessment of the standard's internal coherence.

In contrast, we do not identify the same level of concern in relation to the proposed amendments to ISRS 4400. The changes suggested in ISRS 4400 appear to be appropriately aligned with the Code of Ethics and contribute to maintaining interoperability between the standards.

Public Accountants and Auditors Board Zimbabwe

We agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the amendments to ISA 620 and are appropriate to maintain interoperability with the new provisions in the IESBA Code. The addition of paragraph A47A provides a necessary ethical linkage by highlighting circumstances under which the use of a practitioner's external expert may be prohibited, thereby reinforcing the importance of evaluating objectivity and other CCO factors. While the core requirements remain unchanged, the enhancement to the application material strengthens ethical alignment and supports consistent interpretation across agreed-upon procedures engagements.

Saudi Organization for Chartered and Professional Accountants

The ISRS 4400 amendments strike a good balance between flexibility and ethical rigor. For clarity, the IAASB could distinguish between experts conducting procedures versus those verifying outputs, outline communication protocols with engaging parties (ISRS 4400, para. 31), and offer guidance on managing cross-border expert engagements. Including practical examples—such as evaluating objectivity in a multi-jurisdictional setting—would help ensure consistent application across varied engagement types.

5. Firm (Audit or Assurance Practitioners)

Grant Thornton International Ltd

We agree with the IAASB's proposed narrow-scope amendments to ISRS 4400 (Revised) and the rationale for such amendments, as well as the rationale provided for potential amendments that were considered and ultimately deemed unnecessary. We believe the resulting proposed amendments, which focus on adding application material and examples from the Code instead of adding additional performance requirements, are consistent with the proposed amendments to ISA 620 and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert. Specifically:

- Paragraph 38: We agree that no change is needed to the ISRS 4400 (Revised) definition of "practitioner's expert."
- Paragraphs 39 and 41: We agree that ISRS 4400 (Revised) paragraphs 19-20 and 31 are not within the scope of this project.

- Paragraph 40: We agree that revisions to ISRS 4400 (Revised) paragraph 29 are unnecessary and support the proposed application material which is consistent with ISA 620.

6. Professional Accountancy or Other Professional Organization (PAO or Similar)

Accountancy Europe

Accountancy Europe appreciates the objective to maintain interoperability across ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised) with the IESBA Code and the proposed amendments to ISA 620.

Consistent with our comments under Question 2, we do not agree with the underlying context and direction of these amendments as derived from the IESBA proposals. We refer to our previous response to IESBA for a detailed explanation of these concerns.

In relation to the proposed amendments under these standards:

We acknowledge that the proposed amendments across ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised) are consistent with the changes proposed to ISA 620, ensuring alignment with the IESBA Code.

However, we remain concerned that aligning with an approach that lacks sufficient flexibility and adaptability may not be practical in various assurance and related services engagements.

While we do not agree with the overall context of the proposed changes driven by the IESBA Code, we recognise the importance of maintaining consistency and alignment across the IAASB standards to avoid confusion and fragmentation in practice.

We therefore acknowledge that the proposed amendments to ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised) are aligned and consistent with the amendments to ISA 620 and the IESBA Code. However, we reiterate our call for alignment on positions that are practicable, adaptable to different contexts, and support high-quality engagements while maintaining proportionality.

Accounting and Auditing Advisory Committee of the Virginia Society of CPAs

The proposed application material added to ISRS 4400 (Revised), appropriately reinforces ethical considerations when using an external expert.

Practitioners may need to update engagement planning procedures to meet new guidance, adding some admin burden—but it's key to ensuring quality and integrity.

ASEAN Federation of Accountants

We agree with the proposed amendments to ISRS 4400 (Revised). For consistency and clarity, we again recommend that the IAASB explicitly state that external experts may be used in cases where threats to objectivity are identified but effectively mitigated by safeguards. This guidance is particularly important for the ASEAN region, where the market for such experts remains in development.

Association of Chartered Certified Accountants and Chartered Accountants Australia and New Zealand

Yes, the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the proposed amendments to ISA 620 and are appropriate to maintain interoperability with the new provision in the Code related to using the work of an external expert. However, as explained in our response to Q1, we believe that the context of the amendments is not appropriate.

Furthermore, as suggested for ISA 620, the IAASB should clarify that when evaluating objectivity under the CCO assessment, an external expert can be used, provided that safeguards can be implemented, in ISRE 4400 (Revised) too. This would help address the ambiguity that the proposed amendments introduce and the concerns regarding the limited availability of suitable external experts.

Consejo General de Economistas de España

Yes, normative consistency is critical, especially for SMPs that provide a diverse range of services. Harmonizing requirements facilitates training and practical application within resource-limited firms. We reiterate the importance of adapting application guidance and examples to the realities faced by SMEs and SMPs

CPA Australia

Please refer to our response to Question 3.1 above.

European Federation of Accountants and Auditors for SMEs

Yes, normative consistency is critical, especially for SMPs that provide a diverse range of services. Harmonizing requirements facilitates training and practical application within resource-limited firms. We reiterate the importance of adapting application guidance and examples to the realities faced by SMEs and SMPs

Group of Latin American Accounting Standards Setters

GLASS agrees with the proposed amendments to ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised). These changes follow the same rationale as those in ISA 620, reinforcing the need to consider the relevant requirements of the IESBA Code when using the work of an expert.

Institute of Chartered Accountants of Nigeria

3.3 ISRS 4400 (Revised) – Agreed-Upon Procedures Engagements

Agreement: Yes

Commentary:

Although agreed-upon procedures (AUP) engagements do not involve the provision of assurance or expression of a conclusion, the proposed amendments to ISRS 4400 appropriately incorporate references to the use of external experts where necessary.

The updates maintain the non-assurance nature of AUP while introducing guidance that:

- Helps define the role and scope of work performed by an external expert,
- Encourages transparent disclosure of the involvement of experts in the engagement report,
- Aligns with ethical expectations for objectivity and competence, even though independence is not required for AUP engagements.

This consistency with ISA 620 and the IESBA Code fosters better quality and credibility in engagements where stakeholders increasingly rely on AUP reports, particularly in areas like grant compliance, tax audits, or due diligence.

Conclusion

The proposed narrow-scope amendments across these standards are:

- Internally consistent with ISA 620;
- Substantively aligned with the IESBA's ethical provisions; and
- Practically suited to the unique characteristics and reporting expectations of each type of engagement.

They collectively enhance interoperability, reduce the risk of inconsistent application, and reinforce a unified ethical and professional framework for engagements involving external experts.

Since in the previous responses, we agreed that the proposed narrow-scope amendments to ISA 620, ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised) are largely appropriate and consistent with the public interest and the IESBA Code, there are no fundamental disagreements. However, as professional accountants reviewing from a practical implementation standpoint in jurisdictions like Nigeria and other

developing economies, we would respectfully suggest a few clarificatory enhancements or alternatives to aid better application of these standards in practice:

1. ISA 620 (Revised) – Using the Work of an Auditor's Expert

4. ISRS 4400 (Revised)

Suggested Amendment:

- Paragraph 22 (proposed) – Disclosure of expert's involvement in the AUP report:
Rather than optional disclosure, require a statement of whether an external expert was used, and describe the expert's role if material to the procedures.

Reason:

- Enhancing transparency in the AUP report builds credibility and reduces misunderstanding by users who may not fully grasp the nature or boundaries of AUP engagements.

Conclusion

These suggestions are not rejections of the proposed amendments but enhancements for practical clarity, particularly in developing economies where interpretative guidance is critical to consistent application. By expanding examples, cross-referencing ethical codes, and ensuring transparency, the IAASB will better serve public interest and support capacity-building across jurisdictions.

International Federation of Accountants

We note that ISRS 4400 (Revised) has more explicit reference to prohibition of using an expert if CCO is not met (albeit with reference to the IESBA Code), so in that respect is arguably more aligned to the revisions in the IESBA Code.

Malaysian Institute of Certified Public Accountants

The proposed amendments to ISRS4400 (Revised) are consistent with the proposed amendments to ISA 620, as both prohibit practitioners from using the work of an external expert when ethical conditions are not met.

The amendments are appropriate to maintain interoperability with the new provisions in the Code, as they clarify the practitioner's responsibility to evaluate the expert's competence, capabilities, and objectivity, consider any threats to objectivity, and avoid using the expert's work if such threats cannot be addressed in accordance with the Code.

Pan African Federation of Accountants

The proposed amendments to ISRS 4400 (Revised) are well-suited to Africa's growing use of external experts in agreed-upon procedures engagements. They align terminology with ISA 620 and the IESBA Code, reinforce the need to assess expert competence and objectivity, and provide clear guidance without imposing undue burden on smaller firms.

These changes improve consistency, enhance ethical compliance, and strengthen the credibility of AUP engagements across Africa, especially in contexts involving technical or donor-funded work

South African Institute of Chartered Accountants

The proposed narrow-scope amendments to ISRS 4400 (Revised) are on an overall level consistent with the proposed amendments to ISA 620 and are appropriate to maintain interoperability with the new provisions in the IESBA Code related to using the work of an external expert.

The proposed amendments ensure that ISRS 4400 (Revised) is not only technically aligned with ISA 620 but also interoperable with the IESBA Code. The IAASB has taken a minimalist and focused approach, adding only what is necessary to ensure alignment with the ethical requirements without overhauling the standard. This approach respects the nature of agreed-upon procedures engagements, which differ from audits and reviews in scope and assurance level.

The proposed amendments to ISRS 4400 (Revised) are well-adjusted to ensure consistency with ISA 620 and the IESBA Code. They enhance clarity, uphold ethical standards, and support practitioners in making informed decisions about expert involvement.

We would like to recommend the following as enhancements in relation to comprehensiveness and enforceability:

Section 390 of the revised Code applies to all professional services. To enhance the consistency of requirements across the body of standards to ensure that requirements related to using the work of an external expert are not in conflict consider:

Including a clear and explicit requirement in para 29 similar to para. 8(f) in ISA 620 for the practitioner to consider “provisions of relevant ethical requirements related to using the work of an expert”. This direct reference strengthens the link between the body of standards and the ethical framework introduced by the IESBA Code and ensures that the ethical requirement when using an external expert is not overlooked in the application material.

While the additional guidance (Para. A47A.) is helpful, the absence of a corresponding requirement in the body of the standard may lead to ambiguity or inconsistent application in practice. The amendment proposed above will ensure that ethical considerations are not perceived as optional or secondary in agreed upon procedures engagements.

The IAASB has aimed to ensure that the terminology, concepts, and auditor responsibilities related to external experts are harmonised across ISA 620 and ISRS 4400 (Revised), and other standards. This inclusion will further enhance consistency to help practitioners apply the standards more effectively in related services engagements.

We also recommend elevating the principles included in the application material Para. A47A. to the requirement section of ISRS 4400 (Revised), in line with our proposed enhancements in response to Question 2, to avoid it being overlooked in the application material and ensure consistency in the body of standards.

8. Public Sector Organization

Government Accountability Office – United States

We believe that the amendments to the other standards are consistent with the changes to ISA 620. However, we are recommending changes to ISA 620, so we believe that making corresponding changes to the other standards are appropriate.

ISRS 4400 (Revised). For International Standards on Related Services (ISRS) 4400 (Revised), paragraph A47A discusses both a practitioner's expert and an external expert. We recommend that the paragraph be split for clarity.

3.3.3 Neither agree or disagree

4. Jurisdictional Standard Setter

American Institute of Certified Public Accountants

We observe that the proposed narrow scope amendments to the application material of ISRS 4400 (Revised) are generally consistent with those proposed for ISA 620. However, we observe there are no new requirements, which creates an impression that extant requirements were already sufficient to ensure interoperability.

5. Firm (Audit or Assurance Practitioners)

RSM International Limited

We support linking the proposed changes to the IESBA Code as examples where the relevant ethical requirements may address an issue. Except for the matters discussed in the following section where it appears that certain proposed amendments to ISA 620 were omitted from ISRS 4400 (Revised), we believe the spirit of the proposed narrow-scope amendments to ISRS 4400 (Revised) is consistent with the proposed amendments to ISA 620, and the amendments are appropriate to maintain interoperability with the new provisions in the IESBA Code.

We believe that when the proposed revisions to ISRS 4400 (Revised) includes a provision from the IESBA Code as an example, the wording should mirror the IESBA Code to the extent practicable.

Like our response to question 2 regarding proposed paragraph A19A of ISA 620,

- Proposed paragraph A47A(b) of ISRS 4400 (Revised) deviates from paragraph R390.21(b) of the IESBA Code in that it does not specify that the IESBA Code prohibits using the work of an external expert if the expert does not have the necessary competence or capabilities for the practitioner's purpose. We believe the determination of competence or capabilities of an external expert is dependent on the purpose for which the external expert is being engaged.
- The wording of proposed paragraph A47A(c) of ISRS 4400 (Revised) deviates from paragraph R390.21(c) of the IESBA Code. We are unsure why it is necessary to deviate from the wording in the IESBA Code when it appears that paragraph A47A(c) is restating what is in the IESBA Code as an example of when relevant ethical requirements may prohibit the practitioner from using the work of an external expert.

Accordingly, we recommend revising proposed paragraph A47A of ISRS 4400 (Revised) as follows (marked from the ED):

A47A. Relevant ethical requirements may prohibit the practitioner from using the work of a practitioner's expert in certain circumstances. For example, the IESBA Code prohibits the practitioner from using the work of an external expert if the practitioner:¹²

- (a) Is unable to determine whether the external expert has the necessary competence or capabilities, or is objective;
- (b) Has determined that the external expert does not have the necessary competence or capabilities for the practitioner's purpose; or
- (c) Has determined that there are ~~it is not possible to eliminate circumstances that create~~ threats to the external expert's objectivity, ~~or apply safeguards to~~ that cannot be eliminated or reduced such threats to an acceptable level.

¹² IESBA Code, paragraph R390.21

We noted that there does not appear to be a direct reference to relevant ethical requirements when using a practitioner's external expert, consistent with the proposed amendments to ISA 620, including the possibility that relevant ethical requirements may require information in writing. There appear to be additional relevant performance and documentation requirements related to using the work of a practitioner's expert (i.e., generally those under the 'All Professional Services' headings in Section 390 of IESBA Code) that we believe should also apply to agreed-upon procedures.

Accordingly, we propose adding a new application paragraph similar to proposed paragraph A97B of ISRE 2400 (Revised) as follows before proposed paragraph A47A of ISRS 4400 (Revised):

A47X0. Relevant ethical requirements related to using the work of a practitioner's expert may include provisions addressing the fulfillment of the practitioner's ethical responsibilities related to the evaluating whether a practitioner's expert has the necessary competence, capabilities and objectivity for the

practitioner's purposes. For example, the IESBA Code includes provisions related to the practitioner's use of the work of an external expert.^{11A}

^{11A} See Section 390 of the IESBA Code.

As demonstrated by the IAASB in pointing out that relevant ethical requirements may include obtaining certain information in writing in the proposed amendments to both ISA 620 and ISAE 3000 (Revised), we believe it is important to alert the practitioner of certain potential material performance and documentation requirements that may be in the relevant ethical requirements (for example, the IESBA Code) as this will help to increase the quality and consistency of engagements. If the IAASB adds the new application paragraph A47X0 to ISRS 4400 (Revised) per above, this would technically cover the intent of the amendments, but we are of the view that it increases the risk of not complying with the new provisions in the IESBA Code while performing agreed-upon procedure engagements.

Similar to our response to question 3.1, we propose the following revisions to extant paragraph A48 of ISRS 4400 (Revised) (marked from extant):

A48. If the practitioner's expert is performing one or more of the agreed-upon procedure(s), the agreement of the nature, scope and objectives of that expert's work as required by paragraph 29(b) includes the nature, timing and extent of the procedure(s) to be performed by the practitioner's expert. In addition to the matters required by paragraph 29(b), it may be appropriate for the practitioner's agreement with the practitioner's expert to include matters such as the following:

- (a) The respective roles and responsibilities of the practitioner and that expert;
- (b) The nature, timing and extent of communication between the practitioner and that expert, including the form of any report to be provided by that expert; ~~and~~
- (c) The need for the practitioner's expert to observe confidentiality requirements; and
- (d) Provisions of relevant ethical requirements related to using the work of a practitioner's expert.^{12A}

^{12A} See, for example, paragraph R390.5 of the IESBA Code.

The proposed revisions were derived from proposed paragraphs A97B of ISRE 2400 (Revised) and 8 of ISA 620, respectively.