

Experts – Respondents’ Detailed Comments to EM Question 4

Are there any other matters you would like to raise in relation to the ED? If so, please clearly indicate the standard(s), and the specific requirement(s) or application material, to which your comment(s) relate.

4.1 Yes with comments

3. Regulator and Audit Oversight Authority

Independent Regulatory Board for Auditors - South Africa

The Explanatory Memorandum provides a clear rationale for not proposing changes to the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements, and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, as part of this project. However, it does not explain why ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, has not been included within the scope.

We recognise that ISRE 2410 does not currently contain requirements regarding the use of an auditor’s expert in a review engagement and that broader revisions may be outside the scope of this project. However, it is important to note that in practice auditors do make use of experts in these engagements. The IESBA’s revisions to the Code relating to Using the Work of an External Experts also do apply to review engagements.

As the IAASB is undertaking a more comprehensive project to revise ISRE 2410, we recommend that this future work should consider including requirements and supporting application material related to the use of auditor’s experts in these engagements. That would support interoperability with the relevant provisions of the IESBA Code.

4. Jurisdictional Standard Setter

American Institute of Certified Public Accountants

We have several other matters that we urge the IAASB to consider as potential conforming and consequential amendments in finalizing the amendments to the auditing and other standards or to consider in other IAASB projects.

ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity

We note that the project proposal for the ISRE 2410 project was recently approved by the IAASB at the June 2025 meeting without regard to external expert considerations. However, we believe that if the IESBA Code remains unchanged, and should the amendments be finalized and made effective beginning on or after December 15, 2026, the IAASB should consider the need for appropriate consequential and conforming amendments to ISRE 2410 because the forthcoming changes to Section 390 of the IESBA Code makes clear they apply to auditor’s use of an external expert for limited assurance engagements such as ISRE 2410.

Audit Evidence

We note that paragraph 7 of extant ISA 500, Audit Evidence requires the auditor to consider the relevance and reliability of the information to be used as audit evidence. We consider the attribute of reliability being linked with determining if the auditor has properly assessed CCO, including the auditor’s determination that the external expert is appropriately objective for the intended use of their work. Further, paragraph 11 of extant ISA 500 requires that the auditor determine what modifications or additions to audit procedures are

necessary to resolve a reliability matter, and consider the effect of the matter, if any, on other aspects of the audit if the auditor has doubts about the reliability of information to be used as audit evidence. Therefore, the IAASB should consider the need for appropriate consequential and conforming amendments to ISA 500 because the forthcoming changes to Section 390 of the IESBA Code impacts with the appropriateness of evidence obtained by the auditor related to the use of an external expert.

Similar considerations may be required as the IAASB works to change, as applicable, requirements or application material to its ISA 500 Pre-Finalization package.

Documentation

As noted in paragraph 84 of the IESBA's "Using the Work of an External Expert" Basis for Conclusion, the IESBA added the phrase "to the best of their knowledge and belief" in the lead in of paragraphs R390.12 to R390.17 of the IESBA Code to convey the expectation of the external expert when requested to provide the information to the practitioner. We believe that this ambiguous language will create diversity in application and inconsistencies in practitioner documentation and not improve quality. Accordingly, we anticipate that more specific documentation-related guidance may be needed for practitioners.

Hong Kong Institute of Certified Public Accountants

Our stakeholders suggest that the IAASB consider including additional examples in ISA 620 (e.g. paragraphs A1 or A2) to clarify the definition of expertise in accounting and auditing in light of the evolving interdisciplinary developments. This help ensure consistent application of ISA 620. For example, a professional who is both a certified public accountant and a qualified lawyer may be involved in addressing complex tax compliance and related financial reporting issues. This raises the question of whether such an individual should be classified as an external expert under ISA 620. The determination involves considerable professional judgement.

Nordic Federation of Public Accountants

As noted in our response to Question 1, we recommend that the IAASB and IESBA launch a joint initiative to establish a formally agreed framework for sustained collaboration. We urge both boards to endorse this framework unanimously, underscoring the importance of coordinated action on matters that impact both ethical and assurance standards. The purpose of this initiative is to ensure a holistic, consistent, and responsive approach to evolving professional and public interest demands.

Specifically, the framework should clearly define the scope and nature of collaboration between the IAASB and IESBA, and establish detailed procedures for joint decision-making, harmonized drafting processes, and mechanisms to facilitate timely and consistent updates across both sets of standards. It should also include practical protocols specifying when collaboration should be initiated and provide guidance on identifying circumstances where revisions to the IESBA Code necessitate corresponding amendments to the ISAs. This is particularly important in relation to paragraph 14 of ISA 200, which requires compliance with "relevant ethical requirements, including those related to independence."

Royal Netherlands Institute of Chartered Accountants

We observe that the Narrow scope amendments have been developed in response to a final pronouncement from IESBA. Based on that pronouncement, IAASB has started this project and is now seeking inputs on the narrow scope amendments to the Standards.

In our view, the process in which proposed amendments are developed and consulted on a piecemeal basis in two separate but related proposals (one each from IAASB and IESBA), should be redeveloped. In our view, it would be in the public interest if projects are developed and consulted on an integral basis resulting in a joint and simultaneous consultation of the changes regarding both the Code and the Standards. This allows all parties to evaluate proposals from various perspectives. This requires enhanced cooperation between the Boards which we would strongly support.

Saudi Organization for Chartered and Professional Accountants

Several additional matters merit attention to facilitate implementation. First, clearer guidance is needed on how these amendments interact with quality management standards, especially regarding internal experts (ISQM 1, para. 30). Second, continued coordination with IESBA on sustainability-focused provisions (Section 5390) is critical, particularly where client-engaged experts are involved (ISSA 5000, para. 64). Third, guidance on scaling evaluation procedures based on risk and materiality (ISA 320) would help firms apply these requirements proportionately. These refinements would promote consistent and effective implementation.

5. Firm (Audit or Assurance Practitioners)

BDO International

Drafting matters

ISA 620. A19A and ISRS 4400 (Revised). A47A

In these paragraphs the project team has used the phrase:

‘...has the necessary competence or capabilities or is objective’

but this is inconsistent with:

- Use of ‘has the necessary competence, capabilities or objectivity’ used throughout the rest of the proposed standard (including in titles)
- Multiple use of ‘objectivity’ in the extant ISA 620
- Use of ‘objectivity’ as a fundamental principle in the IESBA Code (there is no use of ‘is objective’ in the Code)

Ernst & Young Global Limited

Coordination with IESBA in providing implementation guidance

We believe there are risks from an implementation perspective if the IAASB is not closely aligned with the IESBA in providing guidance to assist auditors in operationalizing the new requirements in the IESBA Code. This implementation guidance could be FAQs or other materials.

Specifically, we have concerns about the ability of auditors and practitioners to consistently implement paragraphs R390.5 and R390.12-17 of the IESBA Code. We foresee that acquiring financial interest and relationship information from external experts in writing may be challenging. If an external expert is unwilling to provide such information, this could result in a scope limitation affecting the auditor’s or practitioner’s report or have a detrimental effect on engagement quality, including the auditor’s or practitioner’s inability to engage an external expert.

Appropriate guidance for the auditor or practitioner on the nature of the information to obtain, the options for obtaining it and how to approach situations when such information cannot be obtained, including scenarios when scope limitations may occur, would facilitate consistency in implementation and avoid unintended consequences, such as those that could arise from unnecessary scope limitations.

Consider similar implementation guidance for ISSA 5000

Although not within the scope of this exposure draft, we believe that implementation guidance to assist practitioners in operationalizing the new requirements in the IESBA Code will be equally, if not more important, for sustainability assurance engagements, where the use of external experts is expected to be more prevalent. Therefore, we suggest the IAASB also consider developing implementation guidance for ISSA 5000 engagements.

KPMG International Limited

ISRE 2410: The Explanatory Memorandum provides a clear explanation as to why there are no proposed changes to ISSA 5000 and ISAE 3410 as part of this project, but does not provide an explanation as to why ISRE 2410 has not been included within the scope of this project.

We note that ISRE 2410 is to be used by an entity's auditor (as opposed to a practitioner that is not the auditor of the entity) and, as the entity's auditor, the auditor is already required to comply with the ISAs, which include the proposed narrow scope amendments set out within this ED.

We also recognise that there is currently no requirement within ISRE 2410 relating to using the work of an auditor's expert in a review of interim information and, as a result, amendments may not have been proposed to this standard on the basis that it is beyond the scope of this project to make broader amendments to the IAASB standards.

As the IAASB is undertaking a more extensive project to comprehensively update ISRE 2410, we recommend that this project consider incorporating requirements relating to the use of experts by the auditor in a review of interim financial information, together with related application material, to maintain interoperability with the IESBA Code relating to using the work of an external expert.

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

Accountancy Europe

Accountancy Europe would like to raise a high-level point regarding the standard-setting process underlying these amendments.

We recognise that the current Exposure Draft follows changes already finalised by the IESBA Code and that the IAASB is now seeking to maintain consistency across its standards, including ISA 620, ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised).

We note that addressing the changes in two separate phases has limited the opportunity to consider the implications of these amendments in a holistic manner. This sequential approach may present practical challenges for practitioners, particularly smaller firms, as well as for regulators and inspectors, who may encounter interpretative and implementation questions.

Looking ahead, we believe there would be benefits in exploring closer coordination between the IAASB and the IESBA on projects with interconnected implications, allowing for a more comprehensive consideration of independence, ethics, assurance, and audit requirements together. Such a coordinated approach could enable stakeholders to assess the broader public interest impacts and operational consequences in a more integrated manner, while supporting consistent application in practice.

Accounting and Auditing Advisory Committee of the Virginia Society of CPAs

We've seen that in practice, users often confuse these roles under other standards or contexts, including myself. While the ED clearly pointed out that it applies only to external experts—not internal or management's experts—as clarified in Sections 1-B and 1-C of the document, it would be great for the IAASB to clarify the differences between external, internal, and management's experts, as this often causes confusion. More guidance on documenting expert objectivity would also be helpful.

ASEAN Federation of Accountants

ISRE 2410 – Review of Interim Financial Information:

AFA encourages the IAASB to evaluate whether a minor amendment to ISRE 2410 is warranted to explicitly recognise circumstances in which the assurance provider may be prohibited from relying on the work of an expert due to ethical concerns. Such clarification would provide consistency with the revised IESBA Code and help practitioners exercise appropriate judgement in review engagements.

Managing Compliance Gaps with External Experts:

One of the key practical challenges is the ability of professional accountants to obtain the necessary information from external experts, particularly with regard to financial interests, independence, and other ethical matters. As external experts are not typically subject to the IESBA Code, a compliance gap emerges.

AFA recommends the IAASB and IESBA:

Provide implementation guidance on reasonable actions practitioners can take to meet ethical expectations, including the use of engagement letters or written declarations;
Clarify whether such documentation is deemed sufficient under the Code;
Engage in outreach to the external expert community to raise awareness of the information needs of professional accountants and their ethical obligations.

We believe that such measures would foster better understanding between auditors and experts and support effective and proportionate application of the requirements in practice.

Consejo General de Economistas de España

We recommend reinforcing a proportional and risk-based approach in applying the requirements, allowing SMPs to tailor procedures according to the nature and complexity of the engagement and the external expert involved. Additionally, including sector-specific examples relevant to SMEs—such as manufacturing, construction, and services—would be beneficial.

Whilst we acknowledge the importance of alignment between the International Standards and the Code of Ethics, we note the challenges that are put forward by the process followed. Firstly, there was an Exposure Draft by IESBA on Experts which led to a final pronouncement. We are now at the second stage of a related IAASB Exposure Draft likely leading to changes to the Standards. Such a process poses additional burden upon auditors, especially those in the SMP-sector, both when considering these proposals and when implementing the final pronouncements. We urge IAASB and IESBA to ensure that projects that have impact both on Standards and on the Code are jointly developed and consulted, so that practitioners can consider and implement these projects holistically and not on a piece-meal basis.

CPA Australia

In light of the practical challenges noted above, particularly those relating to the evaluation of an external expert's objectivity under the IESBA provisions, we encourage the IAASB and the IESBA to consider proactive implementation support, including:

- Targeted guidance or FAQs to assist practitioners with applying the objectivity provisions in contexts where external experts may not be subject to professional oversight
- Engagement with firms, industry bodies and the IESBA to clarify expectations and ethical responsibilities
- Proactive monitoring of implementation support, including comments that came through via the stakeholder feedback loops (IAASB – Submit Question & Feedback on ISSA 5000 Implementation) and (IESBA – Submit Questions & Feedback on IESSA Implementation)

European Federation of Accountants and Auditors for SMEs

We recommend reinforcing a proportional and risk-based approach in applying the requirements, allowing SMPs to tailor procedures according to the nature and complexity of the engagement and the external expert involved. Additionally, including sector-specific examples relevant to SMEs—such as manufacturing, construction, and services—would be beneficial.

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Institute of Chartered Accountants of Nigeria

Yes, In addition to the responses already provided, there are a few other important matters we would like to raise for the IAASB's consideration with respect to the Exposure Draft (ED) on the Proposed Narrow-Scope Amendments Arising from the IESBA's "Using the Work of an External Expert" Project:

1. Capacity Building and Practical Implementation in Developing Jurisdictions

Relevant to: All Standards – ISA 620, ISRE 2400 (Revised), ISAE 3000 (Revised), ISRS 4400 (Revised)

Observation:

While the proposed amendments are conceptually sound and well-aligned with the IESBA Code, practical implementation in jurisdictions with limited audit and assurance capacity (such as Nigeria and other sub-Saharan African countries) may be challenging.

Recommendation:

Include implementation support materials, such as:

- Practical checklists for evaluating the competence, capabilities, and objectivity of external experts.
- Sector-specific examples or case studies (e.g., banking, energy, public sector audits) to enhance understanding.
- Suggested documentation templates for expert evaluations.

2. Role of Experts in Technology and Digital Assurance

Relevant to: ISA 620 and ISAE 3000 (Revised)

Observation:

The scope of external experts is evolving rapidly due to technology. Increasingly, AI experts, data scientists, cybersecurity professionals, and ESG specialists are engaged to support assurance engagements.

Recommendation:

Expand examples in the Application Material of ISA 620 and ISAE 3000 to explicitly refer to:

- Artificial Intelligence and Machine Learning experts,
- Blockchain and FinTech professionals,
- Climate scientists and sustainability data modelers.

This would future proof the standards and ensure relevance in emerging assurance landscapes.

3. Harmonization with Other Frameworks and Local Laws

Relevant to: ISAE 3000 (Revised) and ISRE 2400 (Revised)

Observation:

The ED does not currently reference the need to reconcile expert use with local regulatory or professional frameworks, which may impose their own constraints (e.g., Central Bank guidelines, Financial Reporting Council of Nigeria requirements, or ESG reporting mandates).

Recommendation:

Include a note in the Application Guidance encouraging practitioners to consider national professional standards, sector regulations, and legal requirements when engaging and relying on external experts.

4. Expert Independence in Multi-Firm and Public Sector Settings

Relevant to: ISRS 4400 (Revised) and ISAE 3000 (Revised)

Observation:

The independence and objectivity of experts can be particularly complex in multi-firm engagements or public sector projects where experts are seconded, co-sponsored, or jointly appointed.

Recommendation:

Add clarifying guidance on assessing objectivity in such situations, possibly under a new application paragraph or footnote referring to IESBA's broader framework for independence threats and safeguards.

Conclusion:

The ED reflects good progress toward alignment between IAASB and IESBA standards. However, implementation support, future-oriented guidance, and context-aware considerations are necessary to ensure successful global application especially in regions like Africa where the auditing ecosystem is still developing.

Institute of Singapore Chartered Accountants

Amendments to other standards

IAASB to consider whether the amendments should also be included in ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

Implementation support and guidance

One of the key concerns relates to the ability of professional accountants to obtain the relevant information from external experts (such as details on financial interests, relationships, independence and other ethical considerations) as required by the IESBA Code.

While professional accountants are required to comply with the IESBA Code, external experts may not be subjected to the same requirements. This creates a potential gap that needs to be addressed to ensure compliance. As such, stakeholder engagement is crucial to support professional accountants in obtaining the necessary information from external experts. To support effective implementation, the IAASB and IESBA can play a key role in increasing outreach to the external expert community to raise awareness of the expectations placed on professional accountants and the types of information needed from them to comply with the requirements.

Guidance on practical steps PAs can reasonably take to meet the requirements, including how the auditors can practically obtain information about financial interests or relationships from external experts in writing would be helpful. One area that could benefit from clarification is whether documentation in the engagement letter would be sufficient.

International Federation of Accountants

We recognize that the proposals made need to be responsive to the changes already finalized for the IESBA Code, but the approach undertaken with separate projects at separate times has limited the opportunity to consider the implications of amendments in a holistic manner. This could create challenges to interoperability and has resulted in stakeholders having to take added time to consider each element in isolation through the respective consultations. Closer coordination in future on projects with interconnected implications would guard against this, benefit all stakeholders, and increase alignment with the public interest.

Challenges can also be raised regarding the cost vs benefit of the proposals, especially for SMPs. We flag elsewhere in our responses that the proposals are neutral in enhancing the public interest and supporting interoperability with the IESBA Code. If the 'problem' being addressed by these proposed requirements is consistency with the Code, it is not entirely clear that much will result, especially if it is taken that ISA 620 always had an 'implicit prohibition' where failing CCO is concerned. Where stakeholders are unable to understand the problem being solved through amendments and are unable to see a clear resolution, this raises the possibility for challenges in adoption and implementation. Amendments to standards should more clearly set out the behavioural changes expected and seek to ensure there is adequate call for such changes from stakeholders. In this case, as interoperability already appears to be in place, the IAASB could have considered issuing guidance that avoided amendments to requirements and application material within the standards.

As much of the new content is akin to reminders that point to the requirements of ethical guidance, perhaps a more coordinated approach to how such references are made in IAASB standards should be considered. The approach adopted in these proposals differs to elsewhere in the ISAs, resulting in a somewhat piecemeal response to interoperability through references to ethical requirements in some areas, but not others. There is also a challenge that can be made about elevating references to ethical requirements to create requirements within IAASB standards themselves. This 'doubling up' in both sets of standards adds unnecessary length and complexity.

One final area where we have received feedback is in relation to the due process of standard setting with respect to this project. Concurrent approval of the ED and the project in the same Board meeting has raised some questions as to whether the Board was given adequate time to consider the ED before the project progressed.

Malaysian Institute of Accountants - Auditing and Assurance Standards Board

It may be appropriate to consider a minor amendment to ISRE 2410 to explicitly address circumstances arising from ethical requirements where the assurance provider may be prohibited from relying on the work of an auditor's expert. This would include situations where, during a limited review, matters may come to the assurance provider's attention whether through confirmation or heightened awareness that raise ethical concerns about the expert's independence or objectivity. Such clarification would enhance consistency with the ethical provisions of the IESBA Code and support professional judgment in limited assurance engagements.

One of the key concerns relates to the ability of professional accountants to obtain the necessary information from external experts to comply with the IESBA Code particularly around independence, financial interests and relationships. While professional accountants are bound by the IESBA Code, external experts may not be, thus creating a potential compliance gap that must be managed by the practitioner.

Currently, ISAE 3000 (Revised), particularly paragraphs 52 and A128, already require the practitioner to evaluate the objectivity of the expert, including obtaining written representations regarding any interests or relationships with the client and its related entities. However, the proposed narrow-scope enhancements could be strengthened by mirroring the proposed addition to ISA 620 (paragraph 8(f)) by explicitly referencing relevant ethical requirements, including the IESBA Code, as part of assessing the expert's independence.

To support effective implementation, stakeholder engagement with the external expert community is critical. Outreach by the IAASB and IESBA can raise awareness of the expectations placed on professional accountants and the types of information required from external experts. Practical guidance would also be helpful, particularly on how practitioners can reasonably obtain such information (e.g. through engagement letters or formal written confirmations), and whether this would be considered sufficient evidence for compliance.

Ultimately, while the responsibility lies with the practitioner to meet the ethical requirements, clearer guidance, consistent language across standards, and proactive engagement with external experts will be essential to ensure practical and consistent application.

Pan African Federation of Accountants

The proposed amendments are a positive step but must be adapted to African realities for effective implementation.

Key considerations include:

- **Aligning with Local Regulations:** Application material should reference local regulatory frameworks to ensure consistency in expert evaluation.
- **Building Capacity:** Many jurisdictions will need training to understand and apply independence and objectivity assessments effectively.
- **Supporting SMPs:** Resource constraints call for simplified tools or phased implementation to ease the burden on smaller firms.

- Guidance for Remote Experts: Clear instructions are needed for verifying the authenticity and integrity of remotely obtained expert deliverables.

These adjustments will help ensure the amendments are practical, scalable, and impactful across Africa.