

Agenda Item 2-C.2 (Updated)

Experts – Respondents’ Detailed Comments to EM Question 2

Do you agree that the proposed narrow-scope amendments to ISA 620 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)?

2.2 Agree with comments

3. Regulator and Audit Oversight Authority

Financial Reporting Council (UK)

Definitions

While the IAASB’s definition of “auditor’s expert” differentiates between an internal expert and an external expert we encourage the IAASB to align definitions with the IESBA Code and also give a specific definition of “external expert”. An external expert is not a member of the engagement team - while this is explained in A12 of ISA 620 it would be clearer to include it in the definition as IESBA has done. Differences in definitions can give rise to confusion and risk a perception that they are intended to reflect differences of substance when that is not the case.

The importance of IAASB and IESBA aligning definitions and terms to the greatest extent possible is addressed by the IESBA in its Strategy and Work Plan 2024-2027, which states “As many users apply both the IAASB standards and the Code simultaneously, the alignment of terms and definitions will eliminate ambiguity and improve the interoperability of the two Boards’ standards, making it easier for adoption and implementation, including translation.” This is a position we strongly support.

Threats to the external expert’s objectivity

Proposed paragraph A18A (update of current A20) states that “In some cases, it may also be appropriate for the auditor to obtain a written representation from the auditor’s external expert about any interests or relationships with the entity of which that expert is aware.” It goes on to add that “Relevant ethical requirements may also require the auditor to obtain information, in writing, from the auditor’s external expert regarding interests, relationships or circumstances that may create a threat to that expert’s objectivity” with a footnote link to paragraphs R390.5 and R390 12-17 of the IESBA Code. We recommend that, consistent with the IESBA Code, A18A is clearer that the information to be provided by the external expert includes interests or relationships in relation to the entity at which the external expert is performing their work – that may not be the same entity as the audited entity.

Prohibition on using the work of an external expert

Proposed paragraph A19A identifies that the IESBA Code prohibits the auditor from using the work of an external expert in particular circumstances. However, that is only an example of a Code giving specific prohibitions. The lead-in states that “Relevant ethical requirements “may” prohibit the auditor from using the work of an auditor’s expert in certain circumstances.” The implication of this paragraph is that if a Code other than the IESBA Code constitutes the RER and does not have prohibitions as stringent as IESBA’s, it could be possible to use the work of an external expert in a circumstance where the IESBA would deem it unacceptable. We agree with IESBA that it would not be acceptable to use the work of an external expert in the circumstances they specify. We recommend that IAASB introduce an equivalent requirement or, if it disagrees with that position, add material to explain how it may be acceptable to use the work in those circumstances if the RER does not prohibit that.

Independent Regulatory Board for Auditors - South Africa

We agree that the proposed addition of sub-requirement (f) to paragraph 8 of ISA 620 – requiring auditors to consider the relevant ethical provisions when using the work of an expert – along with the new application material paragraphs, are appropriate to maintain interoperability with the new provisions in the IESBA Code related to Using the Work of an External Expert.

The IAASB acknowledges the significant addition in the IESBA Code that requires external experts to provide written information supporting the evaluation of their objectivity. The proposed sub-requirement (f) in paragraph 8 and the new application paragraph (A13A) rightly reflect this. However, to enhance alignment with the IESBA Code's paragraph R390.12, we recommend revising paragraph 9 of ISA 620, to explicitly require external experts, where mandated by ethical requirements, to provide written information to assist auditors in evaluating their objectivity. The suggested revision, as underlined below, is as follows:

"The auditor shall evaluate whether the auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes. In the case of an auditor's external expert, the evaluation of objectivity shall include inquiry regarding interests and relationships that may create a threat to that expert's objectivity. Further, where required by the relevant ethical requirements, the auditor shall also obtain information in writing from the external expert, to assist in evaluating the expert's objectivity."

Additionally, the Explanatory Memorandum notes an implicit presumption in ISA 620 that an auditor cannot use the work of an expert who lacks the necessary competence, capabilities and objectivity (CCO). We recommend that the IAASB makes this presumption explicit by introducing a clear requirement in the section on "The Competence, Capabilities and Objectivity of the Auditor's Expert". Relying solely on application material paragraphs A19A and A31A poses the risk of inconsistent interpretation and application. An explicit prohibition would improve clarity and consistency, with paragraph A19A supporting the requirement by referencing the relevant IESBA Code provisions. The proposed requirement could read as follows:

"The auditor shall not use the work of an auditor's expert, if the expert is determined not to possess the necessary competence, capabilities and objectivity for the auditor's purposes."

These enhancements could clarify expectations, promote consistent application and ensure a better alignment with the ethics standards.

4. Jurisdictional Standard Setter

FACPCE

We agree that the amendments to ISA 620 are appropriate to maintain interoperability with the Code's provisions relating to the use of the work of an external expert.

Hong Kong Institute of Certified Public Accountants

We acknowledge the IAASB's view in paragraph 28 of the exposure draft (ED-Expert) that the requirement for the auditor to evaluate the adequacy of the auditor's expert's work (ref.: paragraph 12 of the extant ISA 620) is based on the presumption that the auditor has determined, in accordance with paragraph 9 of the extant ISA 620, that the expert has the necessary competence, capabilities and objectivity (CCO). Hence, we support the IAASB's proposal to reinforce this presumption by providing additional guidance in ISA 620 to explicitly stipulate the circumstances that may prohibit the auditor from using the expert's work and the implication if the auditor is unable to determine whether, or concludes that, the auditor's expert does not meet the CCO evaluation.

The majority of our stakeholders expressed that this enhancement to ISA 620 should be made independently of the "relevant ethical requirements (e.g. IESBA Code)" as currently drafted in paragraph A19A in ED-Expert. The auditing standard should reinforce its current framework for evaluating the CCO of an external expert, by specifying a clear prohibition on using the expert if they fail to meet the CCO evaluation criteria.

Adopting this approach would help ensure consistent application of ISA 620 across all jurisdictions. The currently proposed paragraph A19A, which links to 'relevant ethical requirements in the IESBA Code', may not be applicable to jurisdictions that do not adopt the IESBA Code or where local ethical requirements do not have equivalent provisions. As a result, when the proposed revisions to ISA 620 are applied in audit engagements, jurisdictions that follow the IESBA Code would impose more stringent requirements on auditors than those that do not. This may lead to unintended consequences, including the creation of an uneven playing field and undermining the reliability and comparability of audit outcomes globally.

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

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

We agree with the addition of sub-requirement (f) in paragraph 8. This requirement is particularly necessary given the new provision in the Code for the external expert to provide written information relating to objectivity.

We agree that the additional application material in paragraph of A31A helps to clarify that the auditor would not evaluate the adequacy of the auditor's expert's work if the expert does not possess the necessary CCO and therefore paragraph 12 would not apply in this circumstance.

Public Accountants and Auditors Board Zimbabwe

We agree that the proposed narrow-scope amendments to ISA 620 are appropriate to maintain interoperability with the new provisions in the IESBA Code. The enhancements provide greater clarity around the auditor's responsibilities when using the work of an external expert, particularly in evaluating competence, capabilities, and objectivity (CCO). The addition of paragraph 8(f) and the related application material (e.g., A13A, A16A, A19A, and A31A) appropriately link ethical requirements to ISA 620, ensuring that ethical considerations such as obtaining written confirmations on objectivity are effectively integrated without duplicating the Code. These amendments improve alignment while preserving the integrity of existing standards, and they help reinforce professional skepticism and ethical compliance in engagements involving external experts.

Saudi Organization for Chartered and Professional Accountants

Yes, the proposed narrow-scope amendments to ISA 620 appropriately maintain interoperability with the IESBA's revised Code, particularly Section 390.

To further enhance the clarity and practical implementation of these targeted changes, we suggest the following:

- While ISA 230 already requires documentation of significant judgements, reinforcing within ISA 620's application material that assessments of an external expert's objectivity (particularly when threats or safeguards apply) should be documented, this would aid consistent compliance with both ISA 620 and the Code.
- The proposed amendments would benefit from illustrative examples of situations that may impair objectivity—such as contingent fee arrangements (IESBA Code 390.8. A2)—to support auditors' evaluation processes.
- The proposed additions are helpful. Further illustrative terms—e.g., regarding confidentiality, ongoing disclosure of conflicts, and expert withdrawal procedures—would promote consistent practice in managing ethical requirements in expert engagements.

These suggestions aim to refine the application of the ED's proposed amendments without broadening their scope. We support the IAASB's objective of maintaining clear alignment between ISA 620 and the IESBA Code, and believe these refinements will enhance the practical effectiveness of that alignment.

5. Firm (Audit or Assurance Practitioners)

BDO International

ISA 620.9

Section R390.6 – R390.8 of the IESBA Code requires the professional accountant to evaluate the competence, capabilities and objectivity of the expert, as does ISA 620.9. We suggest that this similarity is recognised by explaining that the relevant ethical requirements also require the auditor to evaluate the competence, capabilities and objectivity of the expert, for example, the IESBA Code.

ISA 620.A19A

This application paragraph specifies that 'Relevant ethical requirements may prohibit the auditor from using the work of an auditor's external expert' and then goes on to emphasize the importance of paragraphs (a) – (c) re competence, capabilities and objectivity – however other prohibitions may arise from an audit firm's System of Quality Management too (as noted in the extant ISA 620 paragraph A12). We therefore recommend that paragraph A19A make reference to A12.

Grant Thornton International Ltd

We agree with the IAASB's proposed narrow-scope amendments to ISA 620 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, provide an appropriate balance of promoting interoperability while remaining framework neutral. Specifically:

- Paragraph 19: We agree that no change is needed to the ISA 620 definition of "auditor's expert."
- Paragraph 22: We agree with the proposed sub-requirement to ISA 620 paragraph 8(f) to refer to relevant ethical requirements and related examples from the Code added in application material.
- Paragraph 23: We agree that revisions to ISA 620 paragraph 9 are unnecessary and support the proposed application material referring the auditor to the relevant ethical requirements.
- Paragraphs 24 and 29: We agree that the implicit presumption in ISA 620 that the work of an auditor's expert cannot be used if the auditor concludes that the expert does not have the necessary competence, capability, and objectivity for the auditor's purpose is sufficient. We agree that interoperability of this implicit requirement can be promoted through proposed application material and reordering existing application material.
- Paragraphs 26 and 27: We agree that revisions to ISA 620 paragraph 11 are unnecessary and support 1) the proposed application material referring the auditor to the relevant ethical requirements; and 2) additions to the Appendix related to considerations for agreement between the auditor and an auditor's expert.
- Paragraphs 29 and 30: We agree that revisions to ISA 620 paragraph 13 are unnecessary and support the proposed application material to clarify the link between ISA 620 paragraphs 9 and 12.

PricewaterhouseCoopers

We agree that the proposed narrow-scope amendments to ISA 620 are appropriate to maintain the interoperability with the new provisions in the Code, subject to our overall comments in response to question 1.

RSM International Limited

We support linking the proposed changes to the IESBA Code as examples where the relevant ethical requirements may address an issue.

We noted that proposed paragraph A13A of ISA 620 includes a reference to 'professional accountant'. We believe 'auditor' would be a more appropriate term in the context of ISA 620 to be consistent with elsewhere in ISA 620. The term 'professional accountant' does not appear to be used elsewhere in ISA 620. In addition, the relevant ethical requirements would apply to the auditor performing the engagement. We recommend revising proposed paragraph A13A of ISA 620 as follows (marked from the ED):

A13A. Relevant ethical requirements may include provisions that address an auditor's ethical responsibilities relating to the use of the work of an expert in the performance of an audit of financial statements. For example, the IESBA Code includes provisions related to the auditor's use of the work of an external expert.²

² See Section 390 of the IESBA Code.

We believe that when the proposed revisions to ISA 620 includes a provision from the IESBA Code as an example, the wording should mirror the IESBA Code to the extent practicable.

Proposed paragraph A19A(b) of ISA 620 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 auditor'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. We acknowledge paragraph 9 of ISA 620 (to which proposed paragraph A19A(b) is attached) states that the evaluation should be based on the auditor's purpose for which the expert was engaged. However, we believe repeating that the evaluation should be based on the auditor's purposes is justified and would align to the wording in the IESBA Code.

The wording of proposed paragraph A19A(c) of ISA 620 also 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 A19A(c) is restating what is in the IESBA Code as an example of when relevant ethical requirements may prohibit the auditor from using the work of an external expert.

Accordingly, we recommend revising proposed paragraph A19A of ISA 620 as follows (marked from the ED):

A19A. Relevant ethical requirements may prohibit the auditor from using the work of an auditor's expert in certain circumstances. For example, the IESBA Code prohibits the auditor from using the work of an external expert if the auditor:⁴

- (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 auditor'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.

⁴ IESBA Code, paragraph R390.21

We noted that proposed paragraph A31A of ISA 620 states that 'the requirement in paragraph 12 to evaluate the adequacy of the auditor's expert is based on the presumption that the auditor has determined that the expert has the necessary competence, capabilities and objectivity for the auditor's purposes' [from the result of paragraph 9 of ISA 620]. Paragraph 30 of the explanatory memorandum indicates that the purpose of this is 'to clarify that the auditor would not evaluate the adequacy of the auditor's expert's work if the expert does not possess the necessary CCO' [i.e., capabilities, competence, and objectivity]. This seems to indicate that the auditor may not use the work of an auditor's expert if the expert does not possess the necessary CCO.

As stated in paragraph A14 of ISA 620, 'the competence, capabilities and objectivity of an auditor's expert are factors that significantly affect whether the work of the auditor's expert will be adequate for the auditor's purposes.' However, it does not appear that ISA 620 necessarily prohibits the auditor from using the work of an auditor's expert if the expert does not possess the necessary CCO unless the relevant ethical requirements prohibit it, such as when the auditor is required to comply with the IESBA Code. Thus, we

believe it may be possible, even if rare, that the auditor may still be able to evaluate the work of an auditor's expert when the expert may not completely have the necessary CCO for the auditor's purposes. This may occur if the auditor determines performing additional procedures or taking other actions to mitigate when the auditor's expert may lack the necessary CCO. Accordingly, we recommend revising proposed paragraph A31A of ISA 620 as follows (marked from the ED):

A31A. Paragraph 9 requires the auditor to evaluate whether the auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes. Relevant ethical requirements may prohibit the auditor from using the work of an auditor's expert if the expert does not have the necessary competence, capabilities or objectivity.^{fn x} The requirement in paragraph 12 to evaluate the adequacy of the auditor's expert's work is based on the presumption that the auditor has determined that the expert has the necessary competence, capabilities and objectivity for the auditor's purposes. See also paragraph A19A.

^{fn X} See, for example, paragraph R390.21 of the IESBA Code.

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

Accountancy Europe

Accountancy Europe appreciates the objective to maintain interoperability between the IAASB's ISA 620 and the IESBA Code. However, we do not agree with the context and underlying direction of the proposed changes.

We have previously responded to IESBA's Exposure Draft on the use of external experts, expressing concerns, among others to undermine the practical and proportionate use of experts, particularly in smaller practices. We refer to our previous response to IESBA for a detailed overview of these concerns.

While we do not agree with the context of the changes proposed by IESBA, we recognise the importance of maintaining alignment between the IESBA Code and the IAASB standards to avoid confusion in practice. We consider that, overall, the proposed amendments to ISA 620 achieve consistency with the corresponding sections of the IESBA Code.

We therefore acknowledge that the proposed narrow-scope changes to ISA 620 are aligned with the IESBA Using the Work of an External Expert project; however, we strongly encourage both the IAASB and IESBA to reconsider the underlying approach to ensure that alignment is achieved on a position that is practicable and operational, supporting the effective use of external experts in a manner that enhances audit quality. This might necessitate re-opening the recently changed IESBA Code of Ethics.

We note that the IESBA Code provides more detailed guidance on ethical requirements, including specific factors relevant to evaluating an expert's competence, capabilities, and objectivity (CCO). By contrast, ISA 620 makes only high-level references to these factors. We believe the IAASB could strengthen its standard by incorporating more detailed guidance to support more consistent and effective application in practice. Furthermore, auditors applying ISAs are already required to adhere to the relevant ethical requirements so that the proposed requirement in ISA 620.8(f) appears redundant. We further note it would also apply to paragraphs 12 and 13 of ISA 620, which the IESBA Code does not cover.

We also draw your attention that the issue of sectors where there are very few experts (e.g. extractive industry) remains unaddressed. It is very difficult to find an external expert with the necessary objectivity, since objectivity, as defined by the Code, is more akin to the notion of independence.

We agree with the wording of §A19 but have identified inconsistencies between §A19A and §A31A. §A19A should be reworded to be sufficiently clear to help practitioners.

Accounting and Auditing Advisory Committee of the Virginia Society of CPAs

The amendments to ISA 620 appropriately maintain alignment with the new IESBA Code provisions. In particular:

- The addition of paragraph 8(f) and related application material ensures that relevant ethical requirements are considered when planning and evaluating the work of an external expert.
- The clarification strengthens guidance around competence, capabilities, and objectivity (CCO) evaluation and its implications.
- The proposed clarification that work cannot be relied upon if the expert does not meet CCO criteria upholds audit quality and ethical integrity.

Requiring ethical considerations and disallowing the use of experts who don't meet CCO standards are important improvements. While implementation may add to procedures and workload, the added clarity and consistency make it worthwhile.

ASEAN Federation of Accountants

We support the proposed updates to ISA 620, which are necessary to ensure continued interoperability with the revised IESBA Code. We propose that paragraph A17 of ISA 620 be enhanced by including a specific reference to paragraphs R390.19 and R390.20 of the Code. This would provide clearer guidance to auditors on circumstances under which they may need to reassess the suitability of an external expert as the audit progresses.

In line with the points raised by our members, we believe that the IAASB should make explicit that the use of an external expert remains permissible where threats to objectivity exist but can be reduced to an acceptable level through the application of safeguards. This clarity would be particularly valuable in jurisdictions with limited access to qualified experts, and would help maintain audit quality without compromising ethical standards.

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

Yes, the proposed amendments to ISA 620 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 process for the amendments to the IESBA Code of Ethics did not allow for appropriate consideration of the consequential amendments that would be needed to the IAASB Standards.

Furthermore, as suggested in our response to Q1, the IAASB should clarify that when evaluating objectivity under the CCO assessment, an external expert can be used, provided that safeguards can be implemented. 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

We agree that aligning ISA 620 with the new Code provisions is necessary to ensure consistency and avoid divergent interpretations. Nevertheless, we suggest including specific application material tailored to SMPs, offering practical examples and simplified guidance on assessing the competence and objectivity of external experts, while considering the resource constraints of small and medium firms. This would help SMPs comply effectively without incurring undue costs or administrative burdens.

CPA Australia

We support the proposed narrow-scope amendments to ISA 620 as appropriate to maintain We support We support the proposed narrow-scope amendments to ISA 620 as appropriate to maintain interoperability with the new provisions in the IESBA Code. We believe the proposed amendments will effectively link the ethical framework with the assurance practitioner's responsibilities, in particular:

- The new requirement in paragraph 8(f) and related application material (A13A) to consider relevant ethical provisions when determining procedures;
- Paragraph A19A, which explicitly outlines when the use of an expert may be prohibited under the IESBA Code;
- The added guidance in paragraphs A18A(b), A24 and the Appendix on written representations from the expert.

However, our concerns remain as noted in our response to Question 1 and our comments above.

European Federation of Accountants and Auditors for SMEs

We agree that aligning ISA 620 with the new Code provisions is necessary to ensure consistency and avoid divergent interpretations. Nevertheless, we suggest including specific application material tailored to SMPs, offering practical examples and simplified guidance on assessing the competence and objectivity of external experts, while considering the resource constraints of small and medium firms. This would help SMPs comply effectively without incurring undue costs or administrative burdens.

Group of Latin American Accounting Standards Setters

GLASS agrees with the proposed amendments to ISA 620, as they strengthen alignment with the requirements of the IESBA Code. In particular, the inclusion of paragraph A13A highlights the need for the auditor to consider relevant ethical provisions when using the work of an expert. Additionally, paragraph A16A reinforces the auditor's obligation to evaluate the expert's competence, capabilities, and objectivity, in line with the provisions of Section 390 of the IESBA Code. These changes provide greater clarity regarding objectivity and potential threats, which contributes to enhancing the quality and reliability of the audit.

Institute of Chartered Accountants Ghana

This aligns with the definition as indicated in the IESBA Code, thus giving common understanding whenever external expert is mentioned or used. This convergence gives users of financial statements clearer understanding and clears all ambiguities.

Institute of Chartered Accountants in England and Wales

Although we appreciate the need to maintain interoperability between ISA 620 and the IESBA Code and agree that the IAASB's proposed narrow-scope amendments broadly achieve this, we remain unclear as to how the amendments will enhance audit quality.

Only one amendment has been proposed to the requirements of ISA 620 (Paragraph 8(f)) and even this, as is the case for the remaining amendments proposed to the application material and Appendix, simply serves as a reminder of the auditor's responsibilities under the ethical requirements. The auditor's obligations under the auditing standards, therefore, do not appear to have been substantially strengthened.

We encourage the IAASB to clarify what behaviours it is trying to encourage through these amendments and how they are conducive to enhanced audit quality.

We would also appreciate a clearer picture of how the assessment of competence, capability and objectivity of an expert operates under ISA 620 and whether there is a clear (not just implied) prohibition against using experts if the auditor is unable to make a positive assessment. (See also our response to Question 1).

Institute of Chartered Accountants of Nigeria

Yes, we agree that the proposed narrow-scope amendments to ISA 620: Using the Work of an Auditor's Expert are appropriate to maintain interoperability with the new provisions in the IESBA Code of Ethics, specifically those relating to the use of an external expert.

The IAASB's revisions to ISA 620 reflect a deliberate and well-calibrated effort to align audit procedures with the IESBA's definitional and ethical framework for external experts, thereby ensuring that both ethical and assurance standards speak in a consistent and complementary manner.

Key reasons why the amendments are appropriate include:

1. Consistent Terminology and Definitions (Para. 6 and A1–A3)

The updates to definitions of an "external expert" mirror those in the IESBA Code, reducing ambiguity for practitioners who operate under both frameworks. This alignment minimizes the risk of inconsistent application and enhances clarity when evaluating the nature and role of an expert.

2. Enhanced Guidance on Evaluating Objectivity (Para. 9 and A30–A35)

The proposals reflect an expanded focus on the objectivity of the expert, which is consistent with the ethical lens in the revised IESBA Code. The amendments encourage auditors to not only assess competence and capability, but also consider threats to objectivity, especially when the expert is employed by the entity being audited.

3. Preserved Principles-Based Approach

Despite the new ethical requirements, the IAASB avoids over-prescriptive changes and retains the principles-based framework of ISA 620. This allows for scalability in audits of varying complexity, particularly in small and medium practices (SMPs), without undermining professional judgment.

4. Clarity in Relationship Between Auditor and Expert (Para. A8–A10)

The revised application material improves understanding of when an expert is considered part of the engagement team versus when they are external. This distinction supports ethical compliance and practical implementation.

(Hypothetically, if one were to suggest improvements)

While we support the proposed changes, one potential refinement could be:

- ISA 620, Para. A33–A35 (on objectivity): The guidance could be further strengthened by referencing the IESBA's conceptual framework for addressing threats, which includes possible safeguards to reduce threats to an acceptable level. This could help auditors better operationalize the ethical expectations in practice.

Conclusion:

Overall, the proposed amendments to ISA 620 are well-conceived and appropriately responsive to the IESBA's developments. They maintain interoperability, enhance audit quality, and foster a more integrated assurance-ethics ecosystem, which is essential for upholding stakeholder confidence in the evolving audit landscape.

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

Suggested Clarification:

Paragraph A4 (Application Material):

The illustrative examples of types of experts (e.g., actuaries, engineers, valuation experts,) could be expanded to include ICT and cybersecurity experts among others, given the increasing relevance of IT work/control/infrastructural environments and digital assets in audits.

Reason:

This addition will align the guidance with modern audit risks and evolving business models (e.g., fintech, blockchain etc.) and help auditors in emerging markets recognize when to engage such experts.

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.

Institute of Singapore Chartered Accountants

We recommend targeted amendments to ISA 620 in response to paragraphs 390.19 and 390.20 of the IESBA Code. Paragraph A17 of ISA 620, which provides guidance on when the auditor may need to reconsider the initial evaluation of the competence, capabilities and objectivity of the auditor's expert as the

audit progresses, may be a suitable place to include a reference for further evaluation required by the aforementioned IESBA Code paragraphs.

Malaysian Institute of Certified Public Accountants

We agree with the proposal, as the amendments do not change the core requirements as stated in ISA 620.

Pan African Federation of Accountants

The proposed amendments to ISA 620 effectively align the standard with the revised IESBA Code, which is particularly relevant in Africa, where auditors increasingly rely on external experts due to limited in-house capacity. ISA 620 provides the technical framework for using expert work, while the IESBA Code ensures ethical considerations such as competence, objectivity, and confidentiality are properly addressed.

The amendments harmonize terminology, preserve the structure of ISA 620, and clarify situations where an expert's work should not be used. This clarity is essential in Africa, where formal accreditation of experts may be limited, and close professional networks may pose independence risks.

Importantly, the amendments confirm that auditors must assess an expert's objectivity even when the expert is appointed by management common in audits of SMEs and public entities. Overall, these changes promote consistency, support ethical judgment, and help safeguard audit quality across Africa.

South African Institute of Chartered Accountants

We agree with the recommendation by the IAASB to focus its narrow-scope amendments project on only those targeted amendments to IAASB standards needed to maintain interoperability with the IESBA Code. We note that the changes to the revised Code relate primarily to:

- Evaluating the CCO of the external expert; including, in connection with agreeing the terms of engagement with the external expert, the provision of certain information in writing by the expert to assist the professional accountants (PAs) in evaluating the external expert's objectivity; and
- Concluding on the external expert's CCO, including circumstances in which the PA would be unable to use the work of the external expert. We further agree that amendments made to ISA 620 should focus on clearly stated responsibilities of the PA or practitioner.

By aligning ISA 620 with the requirements of the IESBA Code, the proposed amendments promote greater transparency in how auditors are to consider reliance on the work of external experts and how the capabilities, competence, and objectivity of external experts are to be evaluated, which supports audit quality and public interest.

Nature, Timing and Extent of the Auditor's Procedures

We are in support of the recommendation by the IAASB to include an additional sub-requirement to (f) to paragraph 8 and the related application material Para A13 A.

Reference: Paragraph 9; A19A

Para.9 The auditor shall evaluate whether the auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes. In the case of an auditor's external expert, the evaluation of objectivity shall include inquiry regarding interests and relationships that may create a threat to that expert's objectivity. (Ref: Para. A14–A20)

Para. A19A. Relevant ethical requirements may prohibit the auditor from using the work of an auditor's expert in certain circumstances. For example, the IESBA Code prohibits the auditor from using the work of an external expert if the auditor:

- a) Is unable to determine whether the expert has the necessary competence or capabilities or is objective.*
- b) Has determined that the expert does not have the necessary competence or capabilities; or*
- c) Has determined that it is not possible to eliminate circumstances that create threats to the expert's objectivity or apply safeguards to reduce such threats to an acceptable level.*

When an auditor is unable to evaluate Competence, Capabilities and Objectivity

The extant ISA 620 does not explicitly state what auditors should do if they are unable to evaluate, or determine, whether an auditor's external expert possesses the necessary CCO. In Para. 24 of the explanatory memorandum, the IAASB noted that revised Code provisions make explicit the circumstances in which the auditor is prohibited from using the work of an auditor's expert. The IAASB considered whether the implicit presumption in ISA 620 that the work of an auditor's expert cannot be used if the auditor concludes that the expert does not have the necessary CCO for the auditor's purposes should be made more explicit.

The IAASB noted that it is implicit in the requirements (paragraphs 56 and 57 of ISSA 5000, and paragraphs 9 and 12 of ISA 620) that the practitioner/auditor would be unable to use the work of that expert in those circumstances. Para. 12 of ISA 620 requires the auditor to evaluate the adequacy of the auditor's expert's work for the auditor's purposes. This requirement is based on the presumption that the auditor has determined, in accordance with paragraph 9, that the expert has the necessary CCO for the auditor's purposes and Para. A14 of ISA 620 indicates that the CCO of an auditor's expert are factors that significantly affect whether the work of the expert will be adequate for the auditor's purposes:

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

We recommend elevating the principles included in the paragraph A19A to a requirement within the "The Competence, Capabilities and Objectivity of the Auditor's Expert" section. This will ensure that the principles in A19A are not overlooked in the application material. The proposed requirement could read as follows:

"The auditor shall not use the work of an auditor's external expert if the expert is evaluated not to possess the necessary competence, capabilities, or objectivity for the auditor's purposes."

Para.A13A could be enhanced by the inclusion of examples of instances where an auditor may be unable to evaluate the expert's CCO.

Para. A13A refers to "professional accountants'" ethical requirements, while the rest of the ISA 620 standard refers to "auditors". We recommend the use of the word "auditors" given that ISA 620 is written for auditors..

2.3 Neither agree or disagree

4. Jurisdictional Standard Setter

American Institute of Certified Public Accountants

We recognize as stated in paragraph 19 of the Explanatory Memorandum that ISA 620 does not specifically define "external expert" but differentiates between an internal and external expert in the definition of "auditor's expert". Additionally, we observe that the definition of "expert" in the IESBA Code was aligned with the definition of "auditor's expert" in ISA 620. Thus, we agree that no change is needed in the ISA 620 definition as the current differentiation between an internal and external expert is not inconsistent between the IESBA Code and ISA 620. However, a joint IAASB-IESBA staff issued Q&A may be necessary to further clarify for stakeholders who may interpret inconsistencies or identify unintended consequences.

We also note that there is only one conditional requirement proposed to ISA 620. This creates an impression that extant requirements were already sufficient to ensure interoperability, especially as the Explanatory Memorandum notes that there was already an "implicit presumption" that work of an auditor's external expert could not be used if CCO is not established. Indeed, we note that paragraph 12 of extant ISA 620, already requires the auditor to evaluate the adequacy of the auditor's experts work for the auditor's purposes. If the objectivity element of the assessment fails (i.e., objectivity threats cannot be effectively safeguarded against) then the auditor is prohibited from using the work of an external expert. Therefore, we

believe the new conditional sub-requirement (f) of paragraph 8 of ISA 620 being proposed is unnecessary because we do not normally agree that it is necessary to make the implicit explicit in order for these IAASB and IESBA standards to be interoperable, nor is it clear to us how interoperability is strengthened or facilitated with such a conditional requirement.

Institut der Wirtschaftsprüfer

Auditors applying ISAs are already required to adhere to the relevant ethical requirements. Consequently, we do not agree with the IAASB's proposal to add a requirement in ISA 620.8(f), which is not only duplicative, but would also apply to paragraphs 12 and 13 of ISA 620, which the IESBA Code does not cover. We note that the proposed additional text to A18A(b) would have achieved the same objective as the proposed requirement. On the whole, we do not see adding a requirement to consider that there might be implications as an essential new requirement improving auditor behaviour in regard to ISA 620. However, we do not have any issues with the other changes proposed to ISA 620.

However, where jurisdictional relevant ethical requirements are not as granular as the IESBA Code on this particular matter an auditor may well obtain information that allows the auditor to conclude on the objectivity of an external expert by a method (verbal inquiry corroborated by e.g., scrutiny of share registers, inquiry of loans with the entity etc.) other than obtaining a full list of IESBA-Code-specific information in writing from the expert. ISA 620.8 – in our view, correctly, – would still allow this.

This aspect of this project provides a good illustration of a more general issue; namely deciding at what point can an auditor no longer claim to have fulfilled the requirements of ISA 200.14 (see also ISA 200.A17 which states “... ordinarily comprise the provisions of the IESBA Code... together with national requirements that are more restrictive”). One Board developing increasingly granular requirements demands far closer coordination between the two boards to ensure such issues are appropriately considered and addressed.

We suggest limiting the changes to ISA 620 to the application material.

Wirtschaftsprüferkammer

Auditors already have to follow the relevant ethical requirements when applying the ISAs. Therefore, we do not agree with the IAASB's proposal to add a new requirement in ISA 620.8(f), as it would be redundant and would also apply to paragraphs 12 and 13 of ISA 620, which are not addressed by the IESBA Code. In our view, the proposed addition to paragraph A18A(b) would have achieved the same purpose in a more appropriate way.

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

International Federation of Accountants

As we note in our response to question 1, there are no significant new requirements within the proposals, and as such the extant requirements are already sufficient to ensure interoperability.

2.4 Disagree with comments

1. Monitoring Group Member

International Forum of Independent Audit Regulators

The IAASB recognizes in paragraph 21 of its Explanatory Memorandum (EM Narrow Scope) to the ED Narrow Scope that the “requirement for the external expert to provide information, in writing, for purposes of assisting the evaluation of the external expert's objectivity” is a significant new aspect. It further acknowledges that this new requirement in the IESBA Code “can have an effect on the nature, timing and extent of the auditor's procedures, particularly for evaluating the external expert's CCO (paragraph 9 of ISA 620) and the agreement with the expert (paragraph 11 of ISA 620).” However, besides a new paragraph 8 (f) referring to relevant ethical requirements, the IAASB has not suggested targeted amendments to paragraphs 9 (Evaluation of the competence, capabilities and objectivity (CCO) of the auditor's expert) or 11

(Agreement with the auditor's expert) of ISA 620. As discussed below, we believe that given the significance of amendments to the IESBA Code in these areas, that the IAASB should consider related amendments to ISA 620 as opposed to updates to application material only.

We are generally supportive of references to relevant ethical requirements, to remind auditors of ethics and independence frameworks, which complement the audit work undertaken.

However, we are of the view that the new requirements in the IESBA Code related to using the work of an auditor's external expert are important considerations for the auditor and should be explicitly included in ISA 620 to foster consistent application across the globe.

Given the different adoption rates of the IESBA Code as well as the diverse landscape of ethical frameworks around the world, the proposed narrow scope amendments to ISA 620 will likely not result in improvements concerning the consistent application of the standards. Whilst we acknowledge that jurisdictions might have requirements at least as strict as the IESBA Code, we are cognisant of the fact that there might be jurisdictions where provisions related to the use of experts are less rigorous than the IESBA Code or where issues addressed by the IESBA Code are not or not fully considered by national standard setters, law or regulation.

A global benchmark of requirements related to using the work of an external expert in the auditing standards by the IAASB that auditors have to comply with would facilitate harmonisation in the approaches taken and promote consistency in the performance of audits across jurisdictions and is in the public interest too.

In terms of evaluating the CCO of the auditor's external expert, we urge the IAASB to amend the requirements of extant ISA 620 to align more closely with the new provisions in the IESBA Code. Specifically:

As in R390.12 of the IESBA Code, the external expert should be requested to provide specific information in writing pertaining to interests, relationships and circumstances threatening its objectivity from the beginning of the period covered by the audit report until the completion of the external expert's work. We also recommend indicating more clearly that the information provided by the external expert in writing should cover interests or relationships involving the entity where the external expert is performing their work – which may differ from the audited entity.

IFIAR is of the view that the IAASB, in their efforts to align to the IESBA Code to the greatest extent possible, should also include the provisions of the IESBA Code (R390.21) that explicitly describe the circumstances in which the auditor is prohibited from using the work of an auditor's external expert. We are not convinced that addressing the implicit presumption in ISA 620 by adding and rearranging application material as well as linking it via paragraph A19A in the ED to the IESBA Code (refer to our comments above) is sufficiently clear or that it would be consistently interpreted by all auditors. Not having explicit and direct requirements increases the risk of inconsistent understanding and application across practitioners. In addition, the IESBA Code is only an example, which includes specific prohibitions. The use of the language "may prohibit" suggests that where other ethical requirements apply which are less strict than the IESBA Code it might be permissible to use the work of an external expert in situations where the IESBA Code would prohibit. We support IESBA's view that in situations identified by the IESBA Code the use of the work of an external expert would not be appropriate and believe such prohibitions should be explicitly included in ISA 620.

Lastly, in order to enhance the interoperability of the standards, we invite the IAASB to align the definitions with the IESBA Code and also include a specific definition of "external experts". Whilst ISA 620.A12 clarifies that the external expert is not a part of the engagement team, we feel that incorporating it in a specific definition of external experts in ISA 620 similar to the IESBA definition would diminish potential ambiguity and foster consistent application.

3. Regulator and Audit Oversight Authority

Committee of European Auditing Oversight Bodies

In the ED Narrow Scope, the IAASB proposes adding a new paragraph 8(f) requiring the auditor to consider relevant ethical requirements when determining the nature, timing and extent of audit procedures, but does not suggest any specific amendments to paragraph 9 (Evaluation of the competence, capabilities, and objectivity (CCO) of the auditor's expert) or paragraph 11 (Agreement with the auditor's expert) of ISA 620.

In paragraph 21 of its Explanatory Memorandum to the ED Narrow Scope, the IAASB acknowledges that the "requirement for the external expert to provide information, in writing, to assist in evaluating the expert's objectivity" represents a significant new provision. It also notes that this requirement, introduced by the IESBA Code, may impact the nature, timing, and extent of the auditor's procedures - particularly in relation to evaluating the external expert's competence, capabilities, and objectivity (paragraph 9 of ISA 620) and the agreement with the expert (paragraph 11 of ISA 620). However, these points are not sufficiently clear in the proposed amendments to the standard.

We generally support the inclusion of references to "relevant ethical requirements" in the ISAs, as they serve as useful reminders for auditors of the relevant ethics and independence frameworks or provisions to be applied that underpin and complement their audit work.

However, we believe that the new requirements in the IESBA Code concerning the use of an auditor's external expert are important and should be explicitly incorporated into ISA 620 to promote consistent application worldwide.

Due to the varying adoption rates of the IESBA Code and the IAASB standards and the diversity of ethical frameworks for auditors globally, we believe the proposed narrow-scope amendments to ISA 620 might not foster consistency in applying the standards. While some jurisdictions impose equally or more stringent requirements than the IESBA Code, others may have less robust provisions or lack equivalent requirements altogether.

It is in the public interest that a global benchmark of requirements related to using the work of an external expert in the IAASB's auditing standards is established, supporting greater harmonization in audit approaches and higher quality in the execution of audits across jurisdictions.

Accordingly, we recommend aligning the requirements of ISA 620 with the IESBA Code regarding the evaluation of the auditor's external expert's competence, capability and objectivity. In R390.12 of the IESBA Code, external experts are required to provide written disclosures of any interests, relationships, or circumstances that could impair objectivity, covering the full audit period through to the completion of their work, and this should be clearly stated in ISA 620 itself rather than referring to the IESBA Code.

For alignment with the provisions of the IESBA Code, the IAASB should further include explicit prohibitions on using the work of an auditor's external expert in certain situations, as described in paragraph R390.21 of the Code, rather than relying on implicit references or added and reordered application material. Without clear requirements, there is a heightened risk of inconsistent interpretation and application.

4. Jurisdictional Standard Setter

Nordic Federation of Public Accountants

We appreciate the continued effort to enhance alignment between the ISAs and the Code, as interoperability between these frameworks is fundamental to promoting consistent and effective audit practice globally. However, we have reservations regarding the proposed amendments as currently drafted.

While the ED introduces a single amendment to the requirements—namely, the addition in paragraph 8 referencing "provisions of relevant ethical requirements related to using the work of an expert"—this appears to function more as a reminder than a substantive enhancement. Practitioners are already required to

comply with ethical provisions grounded in jurisdictional laws and regulations; the proposed wording does not introduce a new obligation but reiterates an existing principle.

A particular area of concern — previously explored during the IESBA's deliberations — is the compatibility of the Code's prohibition on using the work of an external expert who fails to meet competence, capabilities, and objectivity (CCO) criteria, with the language of ISA 620. The ED asserts that ISA 620 contains an implicit presumption against use in such circumstances, citing paragraph A14. However, A14 merely states that CCO factors "significantly affect" whether the expert's work is adequate for audit purposes. It does not establish a clear prohibition on use in certain conditions.

In our view, the simultaneous retention of paragraph A14 and the introduction of paragraph A31A gives rise to ambiguity that may compromise the clarity necessary for effective interoperability between ISA 620 and the Code. The reference to the Code in paragraph A19A, while noted, does not sufficiently resolve this issue.

To enhance consistency with the Code, we recommend that ISA 620 be revised to more explicitly set out the conditions under which the auditor is precluded from using the work of an expert who does not meet the relevant ethical requirements. This could be achieved by either (i) reinforcing the language in paragraph A14, or (ii) elevating the principle into a requirement paragraph, aligned with the Code's prohibition.

Clarifying this linkage would improve the interpretability of the standards and the Code, and reinforce the intended integration of ethical and auditing requirements.

5. Firm (Audit or Assurance Practitioners)

Forvis Mazars

Based on the assumption that there is a public interest need to propose narrow scope amendments to be responsive to changes to the IESBA code, we fully support the need for interoperability between the IESBA Code and the IAASB's standards. We do not, however, believe that it is in the public interest that IESBA introduces changes to the Code of Ethics in isolation from the impact on the IAASB's standards, in effect "forcing the hand" of the IAASB rather than considering the requirements around the use of experts, covering aspects of ethics, independence, audit and assurance as a whole. Much closer cooperation between the Boards is imperative when there are impacts on each other's respective standards.

In this instance, changes to the IESBA Code have left the IAASB with little choice other than to add a reference to the Code prohibiting the use of experts where their competence, capability and objectivity (CCO) is unsatisfactory. In our feedback to IESBA, and that of many other respondents, we raised concerns over the outright prohibition and the impacts it may have, for example in smaller jurisdictions with fewer experts, and in the rapidly changing environment around sustainability reporting and assurance.

The adoption of the IESBA Code around the world is patchy, with many jurisdictions not having adopted the latest versions of the Code and being, in some cases, a decade or more behind the latest version. This makes a reference to relevant ethical requirements in ISA 620 difficult to address by auditors in those jurisdictions which have not adopted the latest iteration of the IESBA Code, and potentially leads to inconsistency in the application of the prohibition on the use of experts. The IAASB should include further application material setting out what audit firms should do in this situation.

There remains inconsistency between ISA 620 and the Code - for example, ISA 620.A14 talks about CCO factors significantly affecting whether the expert's work is adequate for the auditor's purposes and therefore does not specify a prohibition as set out in the Code. We believe that ISA 620 should more explicitly set out the circumstances where the auditor is precluded from using the work of an expert who does not meet the requirements set out in the IESBA Code, including consideration of the impact on the audit where, for example, there is a restricted pool of experts available. This could be achieved by perhaps elevating the language in A19 and A19A into requirement paragraphs specifically prohibiting the use of experts as per the Code, subject to application of a threats and safeguards approach, to ensure consistency.

The link between the Code requirements regarding objectivity could be enhanced by amending ED 620.9 to include “the need to obtain information in writing regarding objectivity”.

We believe that adding explicit requirements around the documentation of the conclusion on CCO would strengthen the impact of the proposed amendments and may generate a difference in auditor behaviour.

ED620.16A could be strengthened by the addition of an example linking specifically to the requirements of the IESBA Code.

8. Public Sector Organization

Government Accountability Office – United States

We do not agree that all of the proposed narrow-scope amendments to International Standard on Auditing (ISA) 620 are appropriate. We believe that some of the amendments to ISA 620 are unnecessary as they create redundancy in the standards. Specifically, paragraph A19A is not significantly different from the topics discussed in paragraph A14. We recommend integrating the first sentence of paragraph A19A into paragraph A14 to inform professional auditors that ethical requirements may prohibit the auditor from using the work of an auditor's expert. Further, we note that the first sentence references an auditor's expert in general, while the second sentence is specific to external experts. If paragraph A19A is retained, we recommend that the paragraph be split for clarity. In addition, we believe that proposed paragraph A31A is accurate but not necessary. We agree that the requirement in paragraph 12 presumes that the auditor has made the determination required by paragraph 9. However, paragraph 11 also presumes that the auditor has made the determination required by paragraph 9. Paragraphs 11 and 12 also presume that the auditor has obtained a sufficient understanding of the field of expertise of the auditor's expert, as required by paragraph 10. We do not believe that it is necessary for standards to provide application material that explains which requirements presume the completion of other requirements, and so we recommend deletion of paragraph A31A.