

**PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB
STANDARDS ARISING FROM THE IESBA'S USING THE WORK OF AN
EXTERNAL EXPERT PROJECT****[Approved by the IAASB]**

The grey highlighted paragraphs from the extant standards are included to provide additional context for the narrow-scope amendments. The related footnotes in those paragraphs from the extant standards are not included.

(Effective for audits and reviews of financial statements for periods beginning on or after December 15, 2026, and for other assurance and related services engagements beginning on or after December 15, 2026)

ISA 620, USING THE WORK OF AN AUDITOR'S EXPERT

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Definitions

6. For purposes of the ISAs, the following terms have the meanings attributed below:

- (a) Auditor's expert – An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the auditor to assist the auditor in obtaining sufficient appropriate audit evidence. An auditor's expert may be either an auditor's internal expert (who is a partner or staff, including temporary staff, of the auditor's firm or a network firm), or an auditor's external expert. (Ref: Para. A1–A3, A11–A13)
- (b) Expertise – Skills, knowledge and experience in a particular field.
- (c) Management's expert – An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial statements.

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Requirements

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Nature, Timing and Extent of Audit Procedures

8. The nature, timing and extent of the auditor's procedures with respect to the requirements in paragraphs 9–13 of this ISA will vary depending on the circumstances. In determining the nature, timing and extent of those procedures, the auditor shall consider matters including: (Ref: Para. A10)
- (a) The nature of the matter to which that expert's work relates;
 - (b) The risks of material misstatement in the matter to which that expert's work relates;
 - (c) The significance of that expert's work in the context of the audit;
 - (d) The auditor's knowledge of and experience with previous work performed by that expert; ~~and~~
 - (e) Whether that expert is subject to the auditor's firm's system of quality management; and (Ref: Para. A11–A13)
 - (f) Whether relevant ethical requirements include provisions related to using the work of an expert. (Ref: Para A13A)

The Competence, Capabilities and Objectivity of the Auditor's Expert

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)
- 9A. If, based on the evaluation in accordance with paragraph 9, the auditor concludes that the auditor's expert does not have the necessary competence or capabilities, or that threats to the expert's objectivity cannot be eliminated or reduced to an acceptable level, the auditor shall not use the work of that expert. (Ref: Para. A19A–A19B)
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Agreement with the Auditor's Expert

11. The auditor shall agree, in writing when appropriate, on the following matters with the auditor's expert: (Ref: Para. A23–A26)
- (a) The nature, scope and objectives of that expert's work; (Ref: Para. A27)
 - (b) The respective roles and responsibilities of the auditor and that expert; (Ref: Para. A28–A29)
 - (c) The nature, timing and extent of communication between the auditor and that expert, including the form of any report to be provided by that expert; and (Ref: Para. A30)
 - (d) The need for the auditor's expert to observe confidentiality requirements. (Ref: Para. A31)

Evaluating the Adequacy of the Auditor's Expert's Work

12. The auditor shall evaluate the adequacy of the auditor's expert's work for the auditor's purposes, including: (Ref: Para. A32)
- (a) The relevance and reasonableness of that expert's findings or conclusions, and their consistency with other audit evidence; (Ref: Para. A33–A34)

- (b) If that expert's work involves use of significant assumptions and methods, the relevance and reasonableness of those assumptions and methods in the circumstances; and (Ref: Para. A35–A37)
- (c) If that expert's work involves the use of source data that is significant to that expert's work, the relevance, completeness, and accuracy of that source data. (Ref: Para. A38–A39)

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Application and Other Explanatory Material

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Nature, Timing and Extent of Audit Procedures (Ref: Para. 8)

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The Auditor's Firm's System of Quality Management (Ref: Para. 8(e))

- A11. An auditor's internal expert may be a partner or staff (i.e. personnel), including temporary staff, of the auditor's firm, and therefore subject to the system of quality management of that firm in accordance with ISQM 1⁹ or national requirements that are at least as demanding.¹⁰ An auditor's internal expert may also be a partner or staff, including temporary staff, of a network firm, and is subject to the firm's policies or procedures for network requirements and network services in accordance with ISQM 1. In some instances, the auditor's internal expert of a network firm may be subject to common quality management policies or procedures as the auditor's firm, given that they are part of the same network.
- A12. ISQM 1 requires the firm to address the use of resources from a service provider, which includes the use of an external expert.¹¹ An auditor's external expert is not a member of the engagement team and may not be subject to the firm's policies or procedures under its system of quality management.¹² Furthermore, the firm's policies or procedures for relevant ethical requirements may include policies or procedures that apply to the auditor's external expert.¹³ In some cases, relevant ethical requirements or law or regulation may require that an auditor's external expert be:
- Treated as a member of the engagement team (i.e., the external expert may be subject to relevant ethical requirements, including those related to independence); or
 - Subject to other professional requirements.
- A13. As described in ISA 220 (Revised), quality management at the engagement level is supported by the firm's system of quality management and informed by the specific nature and circumstances of the audit engagement.¹⁴ For example, the auditor may be able to depend on the firm's related policies or procedures in respect of:
- Competence and capabilities, through recruitment and training programs.
 - Objectivity. Auditor's internal experts are subject to relevant ethical requirements, including those related to independence.
 - The auditor's evaluation of the adequacy of the auditor's expert's work. For example, the firm's training programs may provide auditor's internal experts with an appropriate understanding of the interrelationship of their expertise with the audit process. Reliance on such training may

affect the nature, timing and extent of the auditor's procedures to evaluate the adequacy of the auditor's expert's work.

- Adherence to regulatory and legal requirements, through monitoring processes.
- Agreement with the auditor's expert.

Matters that the auditor may take into account when determining whether to depend on the firm's policies or procedures are described in ISA 220 (Revised).¹⁵ Depending on the firm's policies or procedures does not reduce the auditor's responsibility to meet the requirements of this ISA.

Relevant Ethical Requirements (Ref: Para 8(f))

A13A. Relevant ethical requirements may include provisions that address an auditor's ethical responsibilities related to using the work of an expert in the performance of an audit of financial statements. For example, the IESBA Code includes provisions related to a professional accountant's use of the work of an external expert.¹

The Competence, Capabilities and Objectivity of the Auditor's Expert (Ref: Para. 9)

A14. 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. Competence relates to the nature and level of expertise of the auditor's expert. Capability relates to the ability of the auditor's expert to exercise that competence in the circumstances of the engagement. Factors that influence capability may include, for example, geographic location, and the availability of time and resources. Objectivity relates to the possible effects that bias, conflict of interest, or the influence of others may have on the professional or business judgment of the auditor's expert.

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A16. Matters relevant to evaluating the competence, capabilities and objectivity of the auditor's expert include whether that expert's work is subject to technical performance standards or other professional or industry requirements, for example, ethical standards and other membership requirements of a professional body or industry association, accreditation standards of a licensing body, or requirements imposed by law or regulation.

A16A. Relevant ethical requirements related to using the work of an auditor's expert may include provisions addressing the fulfillment of the auditor's ethical responsibilities related to evaluating whether an auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes.²

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A18. A broad range of circumstances may threaten objectivity, for example, self-interest threats, advocacy threats, familiarity threats, self-review threats, and intimidation threats. Such threats may be

¹ See Section 390 of the IESBA Code.

² See, for example, paragraphs R390.6–R390.21 of the IESBA Code related to using the work of an external expert.

addressed by eliminating the circumstances that create the threats, or applying safeguards to reduce threats to an acceptable level. There may also be safeguards specific to the audit engagement.

A18A. [Relocated from A20] When evaluating the objectivity of an auditor's external expert, it may be relevant to:

- (a) Inquire of the entity about any known interests or relationships that the entity has with the auditor's external expert that may affect that expert's objectivity.
- (b) Discuss with that expert any applicable safeguards, ~~including any professional requirements that apply to that expert~~; and evaluate whether the safeguards are adequate to reduce threats to an acceptable level. Interests and relationships that it may be relevant to discuss with the auditor's expert include:
 - Financial interests.
 - Business and personal relationships.
 - Provision of other services by the expert, including by the organization in the case of an external expert that is an organization.

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. 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.³

A19. The evaluation of whether the threats to objectivity are at an acceptable level may depend upon the role of the auditor's expert and the significance of the expert's work in the context of the audit. In some cases, it may not be possible to eliminate circumstances that create threats or apply safeguards to reduce threats to an acceptable level, for example, if a proposed auditor's expert is an individual who has played a significant role in preparing the information that is being audited, that is, if the auditor's expert is a management's expert.

Prohibition on Using the Work of an Auditor's Expert (Ref: Para. 9A)

A19A. Using the work of an auditor's expert that does not have the necessary competence, capabilities, or objectivity for the auditor's purposes would affect the auditor's fulfillment of fundamental ethical principles such as integrity, objectivity, and professional competence and due care.

A19B. Relevant ethical requirements may also prohibit the auditor from using the work of an auditor's expert if the auditor is unable to determine whether the expert has, or determines that the expert does not have, the necessary competence, capabilities, or objectivity for the auditor's purposes.⁴

³ See, for example, paragraphs R390.5 and R390.12–R390.17 of the IESBA Code.

⁴ See, for example, paragraph R390.21 of the IESBA Code related to using the work of an external expert.

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Agreement with the Auditor's Expert (Ref: Para. 11)

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A24. The matters noted in paragraph 8 may affect the level of detail and formality of the agreement between the auditor and the auditor's expert, including whether it is appropriate that the agreement be in writing. For example, the following factors may suggest the need for a more a—detailed agreement than would otherwise be the case, or for the agreement to be set out in writing:

- The auditor's expert will have access to sensitive or confidential entity information.
- The respective roles or responsibilities of the auditor and the auditor's expert are different from those normally expected.
- Multi-jurisdictional legal or regulatory requirements apply.
- Relevant ethical requirements require the provision of information in writing from an auditor's expert.⁵
- The matter to which the auditor's expert's work relates is highly complex.
- The auditor has not previously used work performed by that expert.
- The greater the extent of the auditor's expert's work, and its significance in the context of the audit.

A25. The agreement between the auditor and an auditor's external expert is often in the form of an engagement letter. The Appendix lists matters that the auditor may consider for inclusion in such an engagement letter, or in any other form of agreement with an auditor's external expert.

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Appendix

(Ref: Para. A25)

Considerations for Agreement between the Auditor and an Auditor's External Expert

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Communications and Reporting

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- If required by the provisions of relevant ethical requirements, the auditor's external expert's agreement to provide requested information in writing for purposes of assisting the auditor's

⁵ See, for example, paragraphs R390.5 and R390.12–R390.17 of the IESBA Code related to using the work of an external expert.

evaluation of that expert's objectivity, and a commitment to communicate any changes to the information provided as set out in the relevant ethical requirements.⁶

- The auditor's external expert's responsibility to communicate circumstances that may create threats to that expert's objectivity, including any changes in those circumstances, and any relevant safeguards actions that may eliminate such threats, or safeguards that may reduce such those threats to an acceptable level.

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ISRE 2400 (REVISED), ENGAGEMENTS TO REVIEW HISTORICAL FINANCIAL STATEMENTS

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Requirements

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Performing the Engagement

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Use of work performed by others

55. In performing the review, it may be necessary for the practitioner to use work performed by other practitioners, or the work of an individual or organization possessing expertise in a field other than accounting or assurance. ~~If the practitioner uses work performed by another practitioner or an expert in the course of performing the review~~ In these circumstances, the practitioner shall:

- (a) With respect to the work of an expert, evaluate whether the expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. If the practitioner concludes that the expert does not have the necessary competence or capabilities, or that threats to the expert's objectivity cannot be eliminated or reduced to an acceptable level, the practitioner shall not use the work of that expert. (Ref: Para. A97A-A97D)
- (b) If using the work of another practitioner or an expert, take appropriate steps to be satisfied that the work performed is adequate for the practitioner's purposes. (Ref: Para. A78)

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Application and Other Explanatory Material

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Using work performed by a practitioner's expert (Ref: Para. 55)

A97A. The practitioner may use work performed by a practitioner's expert in the course of the review engagement. A practitioner's expert may be an external expert engaged by the practitioner (who is

⁶ See, for example, paragraphs R390.5 and R390.12–17 of the IESBA Code.

not part of engagement team), or an internal expert (who is part of the engagement team). The competence, capabilities and objectivity of a practitioner's expert are factors that significantly affect whether the work of the practitioner's expert will be adequate for the practitioner's purposes.

A97B. Relevant ethical requirements may include provisions addressing the fulfillment of the practitioner's ethical responsibilities related to 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 a professional accountant's use of the work of an external expert.⁷

Prohibition on using the work of a practitioner's expert (Ref: Para. 55(a))

A97C. Using the work of a practitioner's expert that does not have the necessary competence, capabilities, or objectivity for the practitioner's purposes would affect the practitioner's fulfillment of fundamental ethical principles such as integrity, objectivity, and professional competence and due care.

A97D. Relevant ethical requirements may also prohibit the practitioner from using the work of a practitioner's expert if the practitioner is unable to determine whether the expert has, or determines that the expert does not have, the necessary competence, capabilities, or objectivity for the practitioner's purposes.⁸

ISAE 3000 (REVISED), ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OR REVIEWS OF HISTORICAL FINANCIAL INFORMATION

Definitions

12. For purposes of this ISAE and other ISAEs, unless indicated to the contrary, the following terms have the meanings attributed below. (Ref: Para. A27)

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- (s) Practitioner's expert—An individual or organization possessing expertise in a field other than assurance, whose work in that field is used by the practitioner to assist the practitioner in obtaining sufficient appropriate evidence. A practitioner's expert may be either a practitioner's internal expert (who is a partner or staff, including temporary staff, of the practitioner's firm or a network firm), or a practitioner's external expert. (Ref: Para. A124–A125)

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Requirements

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⁷ IESBA Code, paragraphs R390.6–R390.21

⁸ See, for example, paragraph R390.21 of the IESBA Code related to using the work of an external expert.

Obtaining Evidence

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Work Performed by a Practitioner's Expert

52. When the work of a practitioner's expert is to be used, the practitioner shall also: (Ref: Para. A121–A125)
- (a) Evaluate whether the practitioner's expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. In the case of a practitioner'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. A126–A129)
 - (b) Obtain a sufficient understanding of the field of expertise of the practitioner's expert; (Ref: Para. A130–A131)
 - (c) Agree with the practitioner's expert on the nature, scope and objectives of that expert's work; and (Ref: Para. A132–A133)
 - (d) Evaluate the adequacy of the practitioner's expert's work for the practitioner's purposes. (Ref: Para. A134–A135)
- 52A. If, based on the evaluation in accordance with paragraph 52(a), the practitioner concludes that the practitioner's expert does not have the necessary competence or capabilities, or that threats to the expert's objectivity cannot be eliminated or reduced to an acceptable level, the practitioner shall not use the work of that expert. (Ref: Para. A128A–A128B)

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Application and Other Explanatory Material

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Obtaining Evidence

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Considerations When a Practitioner's Expert Is Involved on the Engagement

Nature, Timing and Extent of Procedures (Ref: Para. 52)

A121. The following matters are often relevant when determining the nature, timing and extent of procedures with respect to the work of a practitioner's expert when some of the assurance work is performed by one or more practitioner's expert (see paragraph A70):

- (a) The significance of that expert's work in the context of the engagement (see also paragraphs A122–A123);
- (b) The nature of the matter to which that expert's work relates;
- (c) The risks of material misstatement in the matter to which that expert's work relates;
- (d) The practitioner's knowledge of and experience with previous work performed by that expert;
and

- (e) Whether that expert is subject to the practitioner's firm's quality management policies or procedures (see also paragraphs A124-A125); and
- (f) Whether relevant ethical requirements include provisions that address a practitioner's ethical responsibilities related to using the work of an expert in the performance of an assurance engagement. For example, the IESBA Code includes provisions related to a professional accountant's use of the work of an external expert.⁹

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The practitioner's firm's quality management policies or procedures

A124. A practitioner's internal expert may be a partner or staff, including temporary staff, of the practitioner's firm, and therefore subject to the firm's system of quality management, including its policies or procedures, in accordance with ISQM 1 or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQM 1. Alternatively, a practitioner's internal expert may be a partner or staff, including temporary staff, of a network firm, which may share common quality management policies or procedures with the practitioner's firm. A practitioner's external expert is not a member of the engagement team.

A125. Ordinarily, the engagement team may depend on the firm's system of quality management (see paragraph A65). The extent of dependence will vary with the circumstances, and may affect the nature, timing and extent of the practitioner's procedures with respect to such matters as:

- Competence and capabilities, through recruitment and training programs.
- The practitioner's evaluation of the objectivity of the practitioner's expert. Practitioner's internal experts are subject to relevant ethical requirements, including those pertaining to independence.
- The practitioner's evaluation of the adequacy of the practitioner's expert's work. For example, the firm's training programs may provide the practitioner's internal experts with an appropriate understanding of the interrelationship of their expertise with the evidence gathering process. Depending on such training and other firm processes, such as protocols for scoping the work of the practitioner's internal experts, may affect the nature, timing and extent of the practitioner's procedures to evaluate the adequacy of the practitioner's expert's work.
- Adherence to regulatory and legal requirements, through the firm's monitoring and remediation process.
- Agreement with the practitioner's expert.

Such dependence does not reduce the practitioner's responsibility to meet the requirements of this ISAE.

⁹ See Section 390 of the IESBA Code.

The Competence, Capabilities and Objectivity of the Practitioner's Expert (Ref: Para. 52(a))

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A127A. [Relocated from A129] When evaluating the objectivity of a practitioner's external expert, it may be relevant to:

- Inquire of the appropriate party(ies) about any known interests or relationships that the appropriate party(ies) has with the practitioner's external expert that may affect that expert's objectivity.
- Discuss with that expert any applicable safeguards, ~~including any professional requirements that apply to that expert~~, and evaluate whether the safeguards are adequate to reduce threats to an acceptable level. Interests and relationships that it may be relevant to discuss with the practitioner's expert include:
 - Financial interests;
 - Business and personal relationships;
 - Provision of other services by the expert, including by the organization in the case of an external expert that is an organization.

In some cases, it may also be appropriate for the practitioner to obtain a written representation from the practitioner's external expert about any interests or relationships with the appropriate party(ies) of which that expert is aware. Relevant ethical requirements may also require the practitioner to obtain information, in writing, from the practitioner's external expert regarding interests, relationships or circumstances that may create a threat to that expert's objectivity.¹⁰

A128. The evaluation of whether the threats to objectivity are at an acceptable level may depend upon the role of the practitioner's expert and the significance of the expert's work in the context of the engagement. In some cases, it may not be possible to eliminate circumstances that create threats or apply safeguards to reduce threats to an acceptable level, for example, if a proposed practitioner's expert is an individual who has played a significant role in preparing the subject matter information.

Prohibition on Using the Work of a Practitioner's Expert (Ref: Para. 52A)

A128A. Using the work of a practitioner's expert that does not have the necessary competence, capabilities, or objectivity for the practitioner's purposes would affect the practitioner's fulfillment of fundamental ethical principles such as integrity, objectivity, and professional competence and due care.

A128B. Relevant ethical requirements also may prohibit the practitioner from using the work of a practitioner's expert if the practitioner is unable to determine whether the expert has, or determines that the expert does not have, the necessary competence, capabilities, or objectivity for the practitioner's purposes.¹¹

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¹⁰ See, for example, paragraphs R390.5 and R390.12–R390.17 of the IESBA Code.

¹¹ See, for example, paragraph R390.21 of the IESBA Code related to using the work of an external expert.

ISRS 4400 (REVISED), AGREED-UPON PROCEDURES ENGAGEMENTS

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Definitions

13. For purposes of this ISRS, the following terms have the meanings attributed below:

...

- (i) Practitioner's expert – An individual or organization possessing expertise in a field other than assurance and related services, whose work in that field is used to assist the practitioner in fulfilling the practitioner's responsibilities for the agreed-upon procedures engagement. A practitioner's expert may be either a practitioner's internal expert (who is a partner or staff, including temporary staff, of the practitioner's firm or a network firm) or a practitioner's external expert. (Ref: Para. A47)

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Requirements

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Using the Work of a Practitioner's Expert

29. If the practitioner uses the work of a practitioner's expert, the practitioner shall: (Ref: Para. A46-A47, A50)

- (a) Evaluate the competence, capabilities and objectivity of the practitioner's expert;
- (b) Agree with the practitioner's expert on the nature, scope and objectives of that expert's work; (Ref: Para. A48–A49)
- (c) Determine whether the nature, timing and extent of the work performed by the practitioner's expert is consistent with the work agreed with the expert; and
- (d) Determine whether the findings adequately describe the results of the work performed, taking into account the work performed by the practitioner's expert.

29A. If, based on the evaluation in accordance with paragraph 29(a), the practitioner concludes that the practitioner's expert does not have the necessary competence or capabilities, or that threats to the expert's objectivity cannot be eliminated or reduced to an acceptable level, the practitioner shall not use the work of that expert. (Ref: Para. A50A–A50B)

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Application and Other Explanatory Material

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Using the Work of a Practitioner's Expert (Ref: Para. 29)

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A47. A practitioner's expert may be an external expert engaged by the practitioner or an internal expert who is part of the firm and therefore subject to the firm's system of quality management. Ordinarily, the practitioner may depend on the firm's system of quality management, unless:

- The practitioner's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or
- Information provided by the firm or other parties about the effectiveness of such policies or procedures suggests otherwise.

The extent of that dependence will vary with the circumstances and may affect the nature, timing and extent of the practitioner's procedures with respect to matters such as:

- Competence and capabilities, through recruitment and training programs.
- The practitioner's evaluation of the objectivity of the practitioner's expert.
- Agreement with the practitioner's expert.

Such dependence does not reduce the practitioner's responsibility to meet the requirements of this ISRS.

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Prohibition on Using the Work of a Practitioner's Expert (Ref: Para. 29A)

A50A. Using the work of a practitioner's expert that does not have the necessary competence, capabilities, or objectivity for the practitioner's purposes would affect the practitioner's fulfillment of fundamental ethical principles such as integrity, objectivity, and professional competence and due care.

A50B. Relevant ethical requirements may also prohibit the practitioner from using the work of a practitioner's expert if the practitioner is unable to determine whether the expert has, or determines that the expert does not have, the necessary competence, capabilities, or objectivity for the practitioner's purposes.¹²

¹² See, for example, paragraph R390.21 of the IESBA Code related to using the work of an external expert.