

ED-EXPERTS: RESPONSE TEMPLATE

April 2025

RESPONSE TEMPLATE FOR THE ED OF PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK OF AN EXTERNAL EXPERT PROJECT

Guide for Respondents

Comments are requested by **July 24, 2025**.

This template is for providing comments on the Exposure Draft (ED) of proposed Narrow-Scope Amendments to International Auditing and Assurance Standards Board® (IAASB®) Standards Arising from the International Ethics Standards Board for Accountants' (IESBA) Using the Work of an External Expert project, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate the IAASB's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
 - Respond directly to the questions.
 - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
 - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
 - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the “**Submit Comment**” button on the ED [web page](#) to upload the completed template.

Responses to IAASB's Request for Comments in the EM for the ED, Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	Financial Reporting Council
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Mark Babington
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	m.babington@frc.org.uk
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	<u>Europe</u>
	If "Other", please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	<u>Regulator or assurance oversight authority</u>
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	As the UK's Competent Authority for Audit, our mandate includes: the setting of auditing, assurance and ethical standards; inspection of public interest entity audits and enforcement action against auditors. We also oversee the accountancy profession in regulation of its members and take public interest misconduct cases where conduct falls below expected standards (e.g., where practitioners fail to comply with the fundamental principles and requirements set out in the Code of Ethics). The FRC also is responsible for setting the UK Corporate Governance Code and its associated guidance.

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB's preference is that you incorporate all your views in your comments to the questions (also, the last question in Part B allows for raising any other matters in relation to the ED).

Information, if any, not already included in responding to the questions in Parts B and C:

PART B: Responses to Questions in the EM for the ED

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

Overall Question

Public Interest Responsiveness

1. Do you agree that the proposed narrow-scope amendments are responsive to the public interest, considering the qualitative standard-setting characteristics and standard-setting actions in the project proposal? If not, why not?

(See EM, Section 1-A)

Overall response: Agree, with comments below

Detailed comments (if any):

We are generally supportive of the proposed amendments, recognising that they are “narrow-scope” and not a full review of the current standards addressed. However, we identify below a small number of enhancements and clarifications that we believe should be made. In particular we consider it important for the IAASB to clarify its position regarding circumstances when it would not be acceptable to use the work of an external expert as the proposals appear to introduce some ambiguity – see the comments on proposed paragraph A19A of ISA 620.

Specific Questions

Proposed Narrow-Scope Amendments to ISA 620¹

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?

(See EM, Section 1-C)

Overall response: Agree, with comments below

Detailed comments (if any):

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.

¹ International Standard on Auditing (ISA) 620, *Using the Work of an Auditor’s Expert*

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.

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)?

Detailed comments (if any):

Proposed Narrow-Scope Amendments to ISRE 2400 (Revised),² ISAE 3000 (Revised)³ and ISRS 4400 (Revised)⁴

- 3.1 Do you agree that the proposed narrow-scope amendments to ISRE 2400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-D)

Overall response: Agree, with comments below

Detailed comments (if any):

Prohibition on using the work of an external expert

The same comments apply for paragraph A97C as we make above for A19A of ISA 620.

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)?

Detailed comments (if any):

- 3.2 Do you agree that the proposed narrow-scope amendments to ISAE 3000 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-E)

Overall response: Agree, with comments below

Detailed comments (if any):

² International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

³ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

⁴ International Standards on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements*

Definitions

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

Prohibition on using the work of an external expert

The same comments apply for paragraph A128A as we make above for A19A of ISA 620.

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)?

Detailed comments (if any):

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

(See EM, Section 1-F)

Overall response: Agree, with comments below

Detailed comments (if any):

Definitions

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

Prohibition on using the work of an external expert

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

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)?

Detailed comments (if any):

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Other Matters

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

Overall response: [Click to select from dropdown menu](#)

Detailed comments (if any):

Part C: Request for General Comments

The IAASB is also seeking comments on the matters set out below:

5. Translations—Recognizing that many respondents may intend to translate the final narrow-scope amendments for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED.

Overall response: No response

Detailed comments (if any):

6. Effective Date—Given the public interest benefit of aligning the effective date of these proposed narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert, the IAASB believes that an appropriate implementation period would be approximately 12 months after the PIOB's process of certification of the final narrow-scope amendments. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the narrow-scope amendments.

(See EM, Section 1-G)

Overall response: See comments on effective date below

Detailed comments (if any):

We agree the proposals for the effective date.