

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)	Institut der Wirtschaftsprüfer (IDW)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Gillian Waldbauer Wolf Böhm Torsten Moser
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Gillian Waldbauer Wolf Böhm Torsten Moser Ellen Krekeler
E-mail address(es) of contact(s)	gillian.waldbauer@idw.de boehm@idw.de torsten.moser@idw.de ellen.krekeler@idw.de
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.	Europe
	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.	Jurisdictional standard setter
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

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:

24 July 2025

Dear Tom and Willie,

Thank you for the opportunity to comment 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 our letter to IESBA dated 30 April 2024, the IDW raised several serious concerns as to specific aspects of IESBA's project; including in regard to the need for closer coordination with the IAASB. Indeed, the fact that IESBA had finalized its own project after the IAASB had finalized ISSA 5000 but before it had published these proposals served to deny any opportunity for the Boards and their stakeholders to consider the impacts of all proposed changes holistically.

We remain concerned that IESBA has now prescribed work effort requirements that go beyond the notion of a principles-based ethics code, are not practicable – especially for SMPs who may need to engage the services of an external expert and, due to the prescriptive requirements in Section 390 of the IESBA Code, will likely find it impossible or increasingly difficult to do so – and are thus not responsive to the public interest.

Globally fewer jurisdictions have adopted the IESBA Code than the ISAs for financial statement audits. The more granular the requirements in the IESBA Code become, the more difficult it may become to determine at what point an auditor can no longer claim to have fulfilled the requirements of ISA 200.14. This issue will demand due consideration by both Boards in collaboration with one another.

In our view, since auditors applying ISAs are already required to adhere to the relevant ethical requirements, the addition of an additional requirement in ISA 620.8(f) for the auditor to consider any “relevant” ethical requirements does not constitute an essential new requirement that would improve auditor behavior. We therefore suggest a “reminder” would be sufficient and more appropriately placed in the application material (as proposed in A18A(b)). Similarly, there is no compelling reason to align the effective date of revisions to the IAASB's standards to that set by IESBA.

If you have any questions or need further clarification or information, we would be pleased to be of further assistance.

Kind regards,

Torsten Moser
Executive Director

Gillian Waldbauer
Head of International Affairs

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: Neither agree/disagree, but see comments below

Detailed comments (if any):

We refer to our comment letter dated 30 April 2024 to the IESBA in which we raised serious concerns as to the potential impact of the IESBA's proposals on the availability of external experts – a potential impact that we do not believe is in the public interest. Consequently, while most of the proposed changes in the exposure draft of the IAASB are in the public interest, we also believe that not all of the changes proposed for ISA 620 are in the public interest. As we explain below in more detail, we believe that, under ISA 620, depending on the particular engagement circumstances, auditors may use methods other than obtaining the (lengthy) information detailed by section 390 of the IESBA Code from the external expert in writing when evaluating an external expert's objectivity.

We have also previously expressed concerns about the lack of adequate coordination between the IESBA and the IAASB when dealing with issues affecting both Boards' standards (see the IDW submission to the IAASB on PIE Track 2). The project on experts illustrates well why further improvements in coordination are needed. The IESBA completed its own work and finalized changes to the Code, presenting a "fait accompli" for the IAASB to determine whether and where changes might be needed to its standards. This denied any opportunity for the Boards and their stakeholders to consider the impacts of all proposed changes holistically.

With respect to coordination, we are also concerned about IESBA setting forth "work effort" requirements in relation to ethical matters – particularly when these work effort requirements address issues that are already covered by IAASB standards. As we communicated to IESBA in our comment letter dated 30 April 2024 on their "external experts project", we question whether work effort requirements are within the remit of IESBA, but we are also concerned that the lack of a standard setting infrastructure for work effort requirements at IESBA (e.g., CUSP). This could cause difficulties in practice when practitioners seek to determine whether the requirements in IAASB standards are different from those of IESBA in terms of work effort.

Whilst we fully agree with the IAASB's stated reasoning for excluding ISSA 5000 from the scope of this project, we are concerned at the way this has been explained. The text in the explanatory memorandum could be misunderstood as implying that changes to ISSA 5000 might have been needed to align ISSA 5000 to the IESBA Code but this was not explored further due to a desire to not re-open ISSA 5000 at this time; any such implication is reputationally unfortunate for both Boards.

We also suggest it would have been in the public interest to undertake an impact analysis before yet more changes were proposed to the IAASB's standards.

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: Neither agree/disagree, but see comments below

Detailed comments (if any):

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.

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):

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

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

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):

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

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):

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

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*

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):

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

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):

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: No other matters to raise

Detailed comments (if any):

We have not identified any other matters.

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: See comments on translation below

Detailed comments (if any):

We have not identified any translation issues at this stage.

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):

As a matter of principle, we note that these amendments are not conforming amendments and that practitioners in those jurisdictions applying the IESBA Code will need to comply with the IESBA Code regardless of any changes made to the IAASB standards. Therefore, there is no technical reason why the effective date should be aligned with that of IESBA. We believe that setting the same effective date sets a bad precedent for future IAASB standard setting when IESBA makes changes that affect the IAASB. For these reasons, we believe that 18 months would be a more acceptable time period, which would be the usual time period for IAASB pronouncements not involving major substantive changes.