

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)	Auditing and Assurance Standards Board (AASB), Canada
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Bob Bosshard, CPA, CA, ICD.D Chair, AASB (Canada)
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Karen DeGiobbi, CPA, CA Director, AASB (Canada)
E-mail address(es) of contact(s)	bbosshard@asbcanada.ca kdegiobbi@asbcanada.ca
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>North America</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>Jurisdictional standard setter</u>
	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:

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

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):

Observation on projects to revise IAASB Standards as a result of IESBA Code changes

The AASB is committed to adopting the ISAs and ISQMs in Canada and strives to adopt other international standards when it is in the Canadian public interest to do so (e.g., ISAE 3000 (Revised),¹ ISRS 4400 (Revised)² and ISSA 5000³).

The IAASB has recently undertaken several projects to revise its standards in response to changes made to the IESBA Code. The AASB agrees that maintaining interoperability between the IAASB standards and the IESBA Code is in the public interest. However, IAASB projects driven by IESBA Code changes create increased complexity in jurisdictions that have not adopted the most current version of the IESBA Code. Such complexities may present challenges in adopting IAASB standards without jurisdictional amendments.

Many jurisdictions that adopt IAASB standards follow ethical standards that may differ from the IESBA Code. The [International Standards: 2022 Global Adoption Status Snapshot | IFAC](#) indicates that 50% of jurisdictions have fully adopted the IESBA Code, 46% have partially adopted it, and 4% have not adopted it. However, according to the [2023 IESBA Annual Report | Ethics Board](#), not all IFAC member jurisdictions who have adopted the IESBA Code use the most current version.

In Canada, differences exist between the Canadian ethical standards and the IESBA Code. One such difference relevant to this project is that the Canadian ethical standards do not contain the IESBA's recent provisions on the use of a practitioner's external expert.

When IAASB projects are driven by IESBA Code changes, IAASB revisions:

- may not be fully interoperable with Canadian ethical standards, or
- may be less relevant in Canada.

At times, this has led to challenges in adopting the IAASB revisions. For example, we decided to [defer adoption of the PIE Track 2 revisions](#).

As the IAASB standards have seen more widespread and mature global adoption compared to the IESBA Code, a continued approach of revising IAASB standards solely in response to IESBA Code changes could hinder some jurisdictions' ability to adopt those revisions. Therefore, this approach may impede progress toward the IAASB's overarching goal of serving the public interest by developing globally accepted assurance standards.⁴

Moving forward, we encourage the IAASB to carefully consider whether changes to the IESBA Code require revisions in the IAASB standards, or whether alternative approaches – such as developing non-authoritative materials – might be sufficient to ensure interoperability.

¹ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

² International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*

³ International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*

⁴ [IAASB-Strategy-Work-Plan-2024-2027-Elevating-Trust.pdf](#)

Specific Questions

Proposed Narrow-Scope Amendments to ISA 620⁵

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 no further comments)

Detailed comments (if any):

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),⁶ ISAE 3000 (Revised)⁷ and ISRS 4400 (Revised)⁸

- 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 no further comments)

Detailed comments (if any):

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):

⁵ International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*

⁶ International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

⁷ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

⁸ International Standards on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements*

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 no further comments)

Detailed comments (if any):

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 no further comments)

Detailed comments (if any):

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):

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 translated the proposed narrow-scope amendments into French. We did not identify any significant issues.

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 support the proposed effective date. We did not identify any challenges with the proposed implementation timeline.