

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)	Forvis Mazars
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Paul Winrow
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Paul Winrow
E-mail address(es) of contact(s)	paul.winrow@mazars.co.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>Global</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>Firm (audit or assurance practitioners)</u>
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Forvis Mazars Group SC is an independent member of Forvis Mazars Global, a leading professional services network. Operating as an internationally integrated partnership in over 100 countries and territories, Forvis Mazars Group specialises in audit, tax and advisory services. The partnership draws on the expertise and cultural understanding of over 35,000 professionals across the globe to assist clients of all sizes at every stage in their development.

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: Neither agree/disagree, but see comments below

Detailed comments (if any):

It is not clear whether the proposed amendments are in the public interest, particularly with regard to the qualitative characteristics of enforceability, appropriateness of scope and comprehensiveness. Given the narrow scope of the proposed amendments, consisting merely of reference to relevant ethical requirements in ED 620.8 and changes to the application material, it is not clear that there will be any significant change in auditor behaviour. Indeed, as ISA 200.14 already requires auditors to consider relevant ethical requirements, it is debatable whether a specific reference is needed in ISA 620.

As also explained in our response to question 2, if a change in audit behaviour is expected, it may be necessary to describe such behaviour in the requirements. This may include elevating some of the language of paragraph A19 and A19A to the requirements, as applicable.

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: Disagree, with comments below

Detailed comments (if any):

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

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

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.

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):

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.

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: Disagree, with comments below

Detailed comments (if any):

The IESBA Code and ISA 620 have, in effect, a two-stage evaluation process for experts, with an initial assessment of CCO followed by an evaluation of the adequacy of the expert's work. However, ISRE 2400.55 does not clearly set out this two-step process. We believe that, as the consideration of CCO is similar for a review engagement and an audit, that the requirements in ISRE 2400 should more closely reflect those in 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):

ISRE 2400.55 should be revised to more closely reflect the requirements in ISA 620 around the two-step approach to evaluation of CCO and evaluation of the adequacy of the expert's work.

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):

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 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: 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: Click to select from dropdown menu

Detailed comments (if any):

As noted in our response to Question 2, 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. As such, the effective date of these requirements, insofar as they relate to changes in the Code, will be driven in reality by the date of adoption of the IESBA Code in each jurisdiction. As we note in our response to question 2, it would be helpful for the IAASB to include further application material or non-authoritative guidance setting out what audit firms should do where the requirements in the IESBA Code have not yet been adopted but are referred to in ISA 620.