

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)	BDO International Limited
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Daphna Smuckler
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	Daphna.Smuckler@bdointernational.com
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).	www.bdo.global

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 no further comments)

Detailed comments (if any):

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):

ISA 620.9	Section R390.6 - R390.8 of the IESBA Code requires the professional accountant to evaluate the competence, capabilities and objectivity of the expert, as does ISA 620.9. We suggest that this similarity is recognised by explaining that the relevant ethical requirements also require the auditor to evaluate the competence, capabilities and objectivity of the expert, for example, the IESBA Code.
ISA 620.A19A	This application paragraph specifies that ' <i>Relevant ethical requirements may prohibit the auditor from using the work of an auditor's external expert</i> ' and then goes on to emphasize the importance of paragraphs (a) - (c) re competence, capabilities and objectivity - however other prohibitions may arise from an audit firm's System of Quality Management too (as noted in the extant ISA 620 paragraph A12). We therefore recommend that paragraph A19A make reference to A12.

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

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: Disagree, with comments below

Detailed comments (if any):

ISA 620 follows a three-step approach to using the work of an external expert, as follows:

1. Step 1 relates to evaluating the competence, capabilities and objectivity of the external expert (ISA 620.9)
2. Step 2 requires that agreement is reached between the auditor and external expert in terms of the work to be performed (ISA 620.11)
3. Step 3 relates to evaluating whether the work of the external expert is adequate for the auditor's purpose (ISA 620.12)

While we note the presence of ISRE 2400.A97C, there is no requirement in ISRE 2400 for the practitioner to evaluate the competence, capabilities and objectivity of the external expert. ISRE 2400 also does not require the practitioner to agree with the external expert on the work to be performed. ISRE 2400 only requires the practitioner to take appropriate steps to be satisfied that the work of the external expert is adequate for the practitioner's purpose (ISRE 2400.55).

The lack of explicit requirements outlining the three steps in ISRE 2400 may result in an inconsistency between ISA 620 and ISRE 2400 as auditors may interpret and apply the requirements differently. Since the IESBA Code includes one framework when using the work of an external expert under either an audit or assurance engagement, the approach included in ISA 620 should be consistent with ISRE 2400.

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):

For the proposed narrow-scope amendments in ISRE 2400 to be consistent with ISA 620, we recommend that the IAASB add a similar paragraph as ISA 620.9 to ISRE 2400, thereby explicitly requiring the auditor to evaluate the competence, capabilities and objectivity of the external expert, with ISRE 2400.A97C being linked to this paragraph so inserted.

We further recommend that a requirement be added for the auditor to agree on the scope of work to be performed with the external expert.

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: Yes, with comments below

Detailed comments (if any):

Drafting matters

ISA 620. A19A
and ISRS 4400
(Revised).
A47A

In these paragraphs the project team has used the phrase:

‘...has the necessary competence or capabilities or is objective’

but this is inconsistent with:

- Use of ‘has the necessary competence, capabilities or objectivity’ used throughout the rest of the proposed standard (including in titles)
- Multiple use of ‘objectivity’ in the extant ISA 620
- Use of ‘objectivity’ as a fundamental principle in the IESBA Code (there is no use of ‘is objective’ in the Code)

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: No response

Detailed comments (if any):