

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)	Institute of Chartered Accountants of Nigeria (ICAN)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	aookunola@ican.org.ng
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>Africa and Middle East</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>Professional accountancy or other professional organization (PAO or similar)</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

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)

Yes, we agree that the proposed narrow-scope amendments are responsive to the public interest, particularly when assessed against the qualitative standard-setting characteristics and actions outlined in the project proposal.

The proposed amendments seek to improve clarity, consistency, and coordination between the **International Auditing and Assurance Standards Board (IAASB)** and the **International Ethics Standards Board for Accountants (IESBA)** with respect to the auditor's use of the work of an **external expert**. This alignment is vital because it reduces interpretative ambiguity and promotes high-quality assurance engagements.

From a public interest perspective, the proposals:

- Reinforce **transparency and accountability** in how auditors assess, rely on, and document the use of external expertise—an area that has historically involved judgmental inconsistency.
- Improve **audit quality and professional scepticism**, particularly in complex engagements involving fair value measurements, actuarial estimates, and scientific data, where external experts are commonly relied upon.
- Address expectations for **robust documentation and evaluation** of an expert's competence, capabilities, objectivity, and the relevance of his work elements that directly impact the credibility of audit evidence.

Furthermore, the narrow scope of the amendments ensures **proportionality and timeliness**, in line with due process, without triggering unnecessary disruption across IAASB standards. The revisions maintain a **principles-based approach**, which allows for adaptability across jurisdictions, while embedding essential enhancements that support ethical behaviour and effective risk management.

Therefore, we believe the amendments uphold the public interest by enhancing auditor accountability and ensuring consistency with ethical expectations set out by the IESBA, particularly considering recent corporate failures and stakeholder calls for increased assurance reliability.

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)

Yes, we agree that the proposed narrow-scope amendments to **ISA 620: Using the Work of an Auditor's Expert** are appropriate to maintain interoperability with the new provisions in the **IESBA Code of Ethics**, specifically those relating to the use of an **external expert**.

The IAASB's revisions to ISA 620 reflect a deliberate and well-calibrated effort to align audit procedures with the **IESBA's definitional and ethical framework** for external experts, thereby ensuring that both ethical and assurance standards speak in a consistent and complementary manner.

Key reasons why the amendments are appropriate include:

1. Consistent Terminology and Definitions (Para. 6 and A1–A3)

The updates to definitions of an "external expert" mirror those in the IESBA Code, reducing ambiguity for practitioners who operate under both frameworks. This alignment minimizes the risk of inconsistent application and enhances clarity when evaluating the nature and role of an expert.

2. Enhanced Guidance on Evaluating Objectivity (Para. 9 and A30–A35)

The proposals reflect an expanded focus on the **objectivity of the expert**, which is consistent with the ethical lens in the revised IESBA Code. The amendments encourage auditors to not only assess competence and capability, but also consider **threats to objectivity**, especially when the expert is employed by the entity being audited.

3. Preserved Principles-Based Approach

Despite the new ethical requirements, the IAASB avoids over-prescriptive changes and retains the principles-based framework of ISA 620. This allows for scalability in audits of varying complexity, particularly in small and medium practices (SMPs), without undermining professional judgment.

4. Clarity in Relationship Between Auditor and Expert (Para. A8–A10)

The revised application material improves understanding of when an expert is considered part of the **engagement team** versus when they are external. This distinction supports ethical compliance and practical implementation.

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)?

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

If Disagreement: Alternatives?**(Hypothetically, if one were to suggest improvements)**

While we support the proposed changes, one potential refinement could be:

- **ISA 620, Para. A33–A35** (on objectivity): The guidance could be further strengthened by referencing the **IESBA's conceptual framework for addressing threats**, which includes possible **safeguards** to reduce threats to an acceptable level. This could help auditors better operationalize the ethical expectations in practice.

Conclusion:

Overall, the proposed amendments to ISA 620 are well-conceived and appropriately responsive to the IESBA's developments. They maintain **interoperability**, enhance **audit quality**, and foster a more **integrated assurance-ethics ecosystem**, which is essential for upholding stakeholder confidence in the evolving audit landscape.

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

Detailed comments (if any):

Yes, we agree that the proposed narrow-scope amendments to ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised) are consistent with the proposed changes to ISA 620 and are appropriate to maintain interoperability with the new provisions in the IESBA Code concerning the use of external experts. Below is a specific assessment for each standard:

3.1 ISRE 2400 (Revised) – Engagements to Review Historical Financial Statements

Agreement: Yes

Commentary:

The amendments to ISRE 2400 appropriately reflect the updated definitions and requirements regarding the use of external experts. By aligning key concepts such as **competence, capabilities, and objectivity** with those introduced in the ISA 620 amendments and the IESBA Code, the revision improves consistency across assurance engagements.

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*

Importantly, the standard maintains a **proportional and risk-based approach**, which is suitable for review engagements that require less assurance than audits. The use of an external expert in review engagements is less frequent but may arise in complex estimates or financial instruments hence the updated guidance ensures clarity without introducing unnecessary burden.

3.2 ISAE 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews

Agreement: Yes

Commentary:

The amendments to ISAE 3000 (Revised) are particularly vital given the broad applicability of this standard to non-financial assurance areas, including **sustainability reporting, ESG metrics, and compliance assurance**, where experts (e.g., engineers, scientists, statisticians) are commonly involved.

The revised guidance integrates well with the ISA 620 updates and the IESBA Code by:

- Reaffirming the need to evaluate the **relevance and reliability** of an expert's work,
- Emphasizing the importance of **independence and objectivity** (where applicable),
- Clarifying the practitioner's responsibility in obtaining sufficient appropriate evidence from the expert's work.

This ensures the practitioner remains accountable while still relying appropriately on expertise beyond their domain an essential consideration in modern multidisciplinary assurance contexts.

3.3 ISRS 4400 (Revised) – Agreed-Upon Procedures Engagements

Agreement: Yes

Commentary:

Although agreed-upon procedures (AUP) engagements do not involve the provision of assurance or expression of a conclusion, the proposed amendments to ISRS 4400 appropriately incorporate references to the use of external experts where necessary.

The updates maintain the **non-assurance nature** of AUP while introducing guidance that:

- Helps define the role and scope of work performed by an external expert,
- Encourages transparent **disclosure** of the involvement of experts in the engagement report,
- Aligns with ethical expectations for **objectivity and competence**, even though independence is not required for AUP engagements.

This consistency with ISA 620 and the IESBA Code fosters better quality and credibility in engagements where stakeholders increasingly rely on AUP reports, particularly in areas like grant compliance, tax audits, or due diligence.

Conclusion

The proposed narrow-scope amendments across these standards are:

- **Internally consistent** with ISA 620;
- **Substantively aligned** with the IESBA's ethical provisions; and
- **Practically suited** to the unique characteristics and reporting expectations of each type of engagement.

They collectively enhance interoperability, reduce the risk of inconsistent application, and reinforce a unified ethical and professional framework for engagements involving external experts.

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

Detailed comments (if any):

Yes, we agree that the proposed narrow-scope amendments to ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised) are consistent with the proposed changes to ISA 620 and are appropriate to maintain interoperability with the new provisions in the IESBA Code concerning the use of external experts. Below is a specific assessment for each standard:

[3.1 ISRE 2400 \(Revised\) – Engagements to Review Historical Financial Statements](#)

Agreement: Yes

Commentary:

The amendments to ISRE 2400 appropriately reflect the updated definitions and requirements regarding the use of external experts. By aligning key concepts such as **competence, capabilities, and objectivity** with those introduced in the ISA 620 amendments and the IESBA Code, the revision improves consistency across assurance engagements.

Importantly, the standard maintains a **proportional and risk-based approach**, which is suitable for review engagements that require less assurance than audits. The use of an external expert in review engagements is less frequent but may arise in complex estimates or financial instruments hence the updated guidance ensures clarity without introducing unnecessary burden.

[3.2 ISAE 3000 \(Revised\) – Assurance Engagements Other Than Audits or Reviews](#)

Agreement: Yes

Commentary:

The amendments to ISAE 3000 (Revised) are particularly vital given the broad applicability of this standard to non-financial assurance areas, including **sustainability reporting, ESG metrics, and compliance assurance**, where experts (e.g., engineers, scientists, statisticians) are commonly involved.

The revised guidance integrates well with the ISA 620 updates and the IESBA Code by:

- Reaffirming the need to evaluate the **relevance and reliability** of an expert's work,

- Emphasizing the importance of **independence and objectivity** (where applicable),
- Clarifying the practitioner's responsibility in obtaining sufficient appropriate evidence from the expert's work.

This ensures the practitioner remains accountable while still relying appropriately on expertise beyond their domain an essential consideration in modern multidisciplinary assurance contexts.

3.3 ISRS 4400 (Revised) – Agreed-Upon Procedures Engagements

Agreement: Yes

Commentary:

Although agreed-upon procedures (AUP) engagements do not involve the provision of assurance or expression of a conclusion, the proposed amendments to ISRS 4400 appropriately incorporate references to the use of external experts where necessary.

The updates maintain the **non-assurance nature** of AUP while introducing guidance that:

- Helps define the role and scope of work performed by an external expert,
- Encourages transparent **disclosure** of the involvement of experts in the engagement report,
- Aligns with ethical expectations for **objectivity and competence**, even though independence is not required for AUP engagements.

This consistency with ISA 620 and the IESBA Code fosters better quality and credibility in engagements where stakeholders increasingly rely on AUP reports, particularly in areas like grant compliance, tax audits, or due diligence.

Conclusion

The proposed narrow-scope amendments across these standards are:

- **Internally consistent** with ISA 620,
- **Substantively aligned** with the IESBA's ethical provisions,
- And **practically suited** to the unique characteristics and reporting expectations of each type of engagement.

They collectively enhance interoperability, reduce the risk of inconsistent application, and reinforce a unified ethical and professional framework for engagements involving external experts.

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: Disagree, with comments below

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):

Since in the previous responses, we agreed that the **proposed narrow-scope amendments to ISA 620, ISRE 2400 (Revised), ISAE 3000 (Revised), and ISRS 4400 (Revised)** are largely appropriate and consistent with the public interest and the IESBA Code, **there are no fundamental disagreements**. However, as professional accountants reviewing from a practical implementation standpoint in jurisdictions like Nigeria and other developing economies, we would respectfully suggest a few *clarificatory enhancements* or *alternatives* to aid better application of these standards in practice:

1. ISA 620 (Revised) – Using the Work of an Auditor's Expert

Suggested Clarification:

- | • Paragraph | A4 | (Application | Material): |
|--|----|--------------|------------|
| The illustrative examples of types of experts (e.g., actuaries, engineers, valuation experts,) could be expanded to include ICT and cybersecurity experts among others , given the increasing relevance of IT work/control/infrastructural environments and digital assets in audits. | | | |

Reason:

- This addition will align the guidance with **modern audit risks** and evolving business models (e.g., fintech, blockchain etc.) and help auditors in emerging markets recognize when to engage such experts.

2. ISRE 2400 (Revised)

Suggested Clarification:

- Paragraph 59 (as proposed):** While the paragraph emphasizes evaluating the competence and objectivity of an external expert, a **cross-reference to relevant sections of the IESBA Code** (especially the independence provisions and professional behaviour expectations) would be helpful.

Reason:

- Review engagements often involve smaller firms or practitioners with limited in-house resources. Direct cross-referencing would help ensure the ethical expectations are not overlooked.

3. ISAE 3000 (Revised)

Suggested Enhancement:

- **Paragraph A89 (Application Guidance):** Consider explicitly addressing **multi-disciplinary expert reliance** in ESG and sustainability reporting, including metrics developed by environmental scientists, engineers, or data scientists.

Reason:

- Practitioners face ambiguity in determining the extent of procedures needed when relying on data from highly specialised experts. Clearer application guidance would support **consistent and quality assurance** in evolving subject matters.

4. ISRS 4400 (Revised)

Suggested Amendment:

- **Paragraph 22 (proposed)** – Disclosure of expert's involvement in the AUP report: Rather than optional disclosure, **require a statement** of whether an external expert was used, and describe the expert's role if material to the procedures.

Reason:

- Enhancing **transparency** in the AUP report builds credibility and reduces misunderstanding by users who may not fully grasp the nature or boundaries of AUP engagements.

Conclusion

These suggestions are not rejections of the proposed amendments but **enhancements for practical clarity**, particularly in **developing economies** where interpretative guidance is critical to consistent application. By expanding examples, cross-referencing ethical codes, and ensuring transparency, the IAASB will better serve public interest and support capacity-building across jurisdictions.

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):

Yes, In addition to the responses already provided, there are a few **other important matters** we would like to raise for the IAASB's consideration with respect to the Exposure Draft (ED) on the **Proposed Narrow-Scope Amendments Arising from the IESBA's "Using the Work of an External Expert" Project:**

1. Capacity Building and Practical Implementation in Developing Jurisdictions

Relevant to: All Standards – ISA 620, ISRE 2400 (Revised), ISAE 3000 (Revised), ISRS 4400 (Revised)

Observation:

While the proposed amendments are conceptually sound and well-aligned with the IESBA Code, **practical implementation in jurisdictions with limited audit and assurance capacity** (such as Nigeria and other sub-Saharan African countries) may be challenging.

Recommendation:

Include **implementation support materials**, such as:

- Practical checklists for evaluating the competence, capabilities, and objectivity of external experts.
- Sector-specific examples or case studies (e.g., banking, energy, public sector audits) to enhance understanding.
- Suggested documentation templates for expert evaluations.

2. Role of Experts in Technology and Digital Assurance

Relevant to: ISA 620 and ISAE 3000 (Revised)

Observation:

The scope of external experts is evolving rapidly due to technology. Increasingly, **AI experts, data scientists, cybersecurity professionals, and ESG specialists** are engaged to support assurance engagements.

Recommendation:

Expand examples in the **Application Material** of ISA 620 and ISAE 3000 to explicitly refer to:

- Artificial Intelligence and Machine Learning experts,
- Blockchain and FinTech professionals,
- Climate scientists and sustainability data modelers.

This would future proof the standards and ensure relevance in emerging assurance landscapes.

3. Harmonization with Other Frameworks and Local Laws

Relevant to: ISAE 3000 (Revised) and ISRE 2400 (Revised)

Observation:

The ED does not currently reference the **need to reconcile expert use with local regulatory or professional frameworks**, which may impose their own constraints (e.g., Central Bank guidelines, Financial Reporting Council of Nigeria requirements, or ESG reporting mandates).

Recommendation:

Include a note in the **Application Guidance** encouraging practitioners to consider **national professional standards, sector regulations, and legal requirements** when engaging and relying on external experts.

4. Expert Independence in Multi-Firm and Public Sector Settings

Relevant to: ISRS 4400 (Revised) and ISAE 3000 (Revised)

Observation:

The independence and objectivity of experts can be particularly complex in **multi-firm engagements** or **public sector projects** where experts are seconded, co-sponsored, or jointly appointed.

Recommendation:

Add clarifying guidance on assessing objectivity in such situations, possibly under a new application paragraph or footnote referring to IESBA's broader framework for independence threats and safeguards.

Conclusion:

The ED reflects good progress toward alignment between IAASB and IESBA standards. However, **implementation support, future-oriented guidance, and context-aware considerations** are necessary to ensure successful global application especially in regions like Africa where the auditing ecosystem is still developing.

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

Detailed comments (if any):

We acknowledge and commend the IAASB's sensitivity to global adoption needs, especially with regards to translations. In reviewing the Exposure Draft, we do not foresee major issues in translation; however, there are a few points to consider:

- **Terminological Consistency:** Terms such as “external expert,” “objectivity,” “competence and capabilities,” and “professional judgment” may have subtle nuances in different languages or professional contexts. Clear definitions and illustrative examples in the final standard would greatly aid accurate translation and interpretation.
- **Legal and Regulatory Variance:** In jurisdictions where local legal frameworks use different classifications for “experts” (e.g., “specialists,” “consultants,” or “technical advisers”), translation teams should be guided by IAASB-supplied glossaries or footnotes to ensure consistency with the IESBA Code.
- **Recommendation:** The IAASB may consider issuing a *translation support guide* or glossary appendix alongside the final pronouncement to aid accurate, harmonized adoption in multilingual jurisdictions.

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):

We agree with the IAASB's proposed approach to align the effective date of the narrow-scope amendments with the effective date of the revised IESBA Code provisions related to using the work of an external expert.

- A **12-month implementation window**, post-approval by the Public Interest Oversight Board (PIOB), is generally sufficient and appropriate for most jurisdictions with well-developed assurance systems.
- However, **capacity-building considerations** must be made for developing jurisdictions such as Nigeria where additional time may be required to:
 - Train practitioners and assurance teams on the revised requirements,
 - Update national auditing standards or manuals,
 - Develop regulatory and institutional guidance.
- **Recommendation:** While we support the 12-month timeline as a global benchmark, we suggest that the IAASB consider **allowing for a staggered or adaptable implementation option** for jurisdictions facing practical adoption hurdles.