

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)	CPA Australia
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Tiffany Tan
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	tiffany.tan@cpaaustralia.com.au
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>Asia Pacific</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).	<p>As one of the largest professional accounting bodies in the world, CPA Australia represents the diverse interests of more than 173,000 members working in over 100 countries and regions around the world.</p> <p>We make this submission on behalf of our members and in the broader public interest.</p>

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:

We understand and acknowledge that the proposals in this ED are designed to ensure consistency and interoperability between the IAASB's standards and the IESBA's final pronouncement on Using the Work

of an External Expert. Specifically, we note that the IESBA's new provisions establish an ethical framework for professional accountants (PAs) and sustainability assurance practitioners (SAPs) in evaluating whether an external expert has the necessary competence, capabilities and objectivity (CCO) for their work to be relied upon. In this context, we recognise that the IAASB's scope on this ED may be limited to ensuring consistency between its standards and the IESBA's requirements.

On that basis, we commend the IAASB for its thoughtful and disciplined approach in developing this ED. The narrow scope nature of the proposed amendments is very much welcomed. It reflects a targeted standard-setting process that maintains the overall stability of the IAASB's standards while addressing a specific interoperability need with the IESBA Code. Each proposed amendment appears to be well considered, proportionate to the project objective, and the scoping decisions, both in terms of which standards are affected and which are not are well articulated. We also appreciate the decision to avoid changes to definitions and to limit revisions to only four standards, which promotes implementation consistency.

However, as per [our earlier submission to the IESBA](#), we remain concerned about the practical implications of certain provisions introduced by the IESBA, particularly those relating to the evaluation of an external expert's objectivity. While we acknowledge that the IAASB is not responsible for setting these requirements, and its mandate is limited to ensuring alignment, we consider it important to raise these concerns given their potential impact on the application of IAASB standards in practice.

Specifically, the high threshold established by the IESBA Code for evaluating objectivity may pose implementation challenges for assurance practitioners, particularly in emerging areas such as sustainability assurance. In many of these contexts, relevant experts may not be subject to the same professional standards or oversight frameworks as assurance practitioners. As a result, practitioners may be unable to obtain the level of information required by the IESBA Code, despite the expert otherwise meeting competence and capability criteria. This limitation could inadvertently prevent the use of appropriate external expertise, ultimately affecting the quality of assurance engagements.

We therefore encourage the IAASB to remain alert to these practical risks and implementation challenges as it finalises its amendments, and to continue coordinating with the IESBA where appropriate to ensure that standard setting outcomes support high-quality assurance in practice.

In the Australian context, given that Australia is to be among the first jurisdictions to adopt both the IAASB's International Standard on Sustainability Assurance (ISSA) 5000 and the IESBA's revised provisions on the Use of an External Expert, we encourage the AUASB to carefully consider the potential implications for the Australian market. Australia's relatively small practitioner and expert pool, when compared to larger jurisdictions, may amplify the implementation challenges associated with the high threshold for evaluating an external expert's objectivity.

We suspect this issue is not confined to the Australian market; hence, we recommend that the IAASB work closely with the IESBA to manage these practical issues and support effective implementation. Proactive monitoring, guidance, and a potential earlier post-implementation review could help identify and mitigate unintended consequences, ensuring that high-quality assurance remains achievable without compromising access to appropriate expertise.

We offer detailed responses to the IAASB's specific questions below.

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 comments below

Detailed comments (if any):

Yes, we agree that the proposed amendments are responsive to the public interest. They:

- Address interoperability concerns with the IESBA Code in a timely and proportionate manner;
- Reinforce consistency across standards without unnecessary disruption; and
- Promote enforceability and clarity by referencing relevant ethical requirements appropriately in the IAASB context.

However, we note that if assurance practitioners are unable to use competent and capable experts due to limitations imposed by the IESBA's objectivity provisions. This may inadvertently reduce the quality of assurance engagements. Particularly, in sustainability contexts and any future emerging topics. We encourage the Boards to consider how such downstream impacts might be mitigated through guidance or enablement efforts.

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):

We support the proposed narrow-scope amendments to ISA 620 as appropriate to maintain interoperability with the new provisions in the IESBA Code. We believe the proposed amendments will effectively link the ethical framework with the assurance practitioner's responsibilities, in particular:

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

- The new requirement in paragraph 8(f) and related application material (A13A) to consider relevant ethical provisions when determining procedures;
- Paragraph A19A, which explicitly outlines when the use of an expert may be prohibited under the IESBA Code;
- The added guidance in paragraphs A18A(b), A24 and the Appendix on written representations from the expert.

However, our concerns remain as noted in our response to Question 1 and our comments above.

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: Agree, with comments below

Detailed comments (if any):

We agree that the proposed amendments to these standards are consistent with the changes to ISA 620 and necessary to maintain alignment with the IESBA Code.

Please also refer to our earlier comments on the practical implications of certain provisions introduced by the IESBA, particularly those relating to the evaluation of an external expert's objectivity.

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)?

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*

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):

Please refer to our response to Question 3.1 above.

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):

Please refer to our response to Question 3.1 above.

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):

In light of the practical challenges noted above, particularly those relating to the evaluation of an external expert's objectivity under the IESBA provisions, we encourage the IAASB and the IESBA to consider proactive implementation support, including:

- Targeted guidance or FAQs to assist practitioners with applying the objectivity provisions in contexts where external experts may not be subject to professional oversight
- Engagement with firms, industry bodies and the IESBA to clarify expectations and ethical responsibilities
- Proactive monitoring of implementation support, including comments that came through via the stakeholder feedback loops ([IAASB – Submit Question & Feedback on ISSA 5000 Implementation](#)) and ([IESBA – Submit Questions & Feedback on IESSA Implementation](#))

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: See comments on effective date below

Detailed comments (if any):

We support the proposed effective date of December 15, 2026, in the public interest to align the effective date with the Code.