

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

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| Your organization's name (or your name if you are making a submission in your personal capacity) | External Reporting Board |
| Name(s) of person(s) responsible for this submission (or leave blank if the same as above) | New Zealand Auditing and Assurance Standards Board (NZAuASB) |
| Name(s) of contact(s) for this submission (or leave blank if the same as above) | Misha Pieters |
| E-mail address(es) of contact(s) | Misha.pieters@xrb.govt.nz |
| 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. | Asia Pacific |
| | 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. | Jurisdictional standard setter |
| | If "Other", please specify |
| Should you choose to do so, you may include information about your organization (or yourself, as applicable). | The External Reporting Board (XRB) is a Crown Entity responsible for issuing accounting, climate and audit and assurance standards in New Zealand. We enable high quality, trusted, and integrated reporting through frameworks and standards that are internationally credible and locally relevant. We are focused on reporting and assurance in New Zealand that promotes trust, confidence, transparency and accountability. The XRB delegates responsibility for issuing auditing and assurance standards to the NZAuASB. |

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 comments below

Detailed comments (if any):

Yes, we agree that the proposed narrow-scope are responsive to the public interest. The rationale for this agreement is based on the following considerations:

1. **Relevance:** The amendments ensure that the IAASB standards, including ISA 620, remain relevant in light of the new provisions in the IESBA Code related to using the work of an external expert. This is particularly important given the growing involvement of experts in areas such as estimates and technology.
2. **Timeliness:** The timely alignment of the effective date between the IESBA standard and IAASB amending standard is crucial to avoid inconsistencies and ensure consistent implementation.
3. **Appropriateness of scope:** The amendments are targeted and necessary to maintain interoperability of the audit, assurance, and related services standards with the IESBA code. We support the use of narrow scope amendments to respond quickly to matters of this nature.
4. **Coherence and Comprehensiveness:** The amendments ensure consistency across the audit, assurance, and related services standards, and ethical standards, preventing conflicts in requirements related to using the work of an external expert. This coherence is vital for the effective application of the standards. The proposals also ensure comprehensiveness particularly pointing out that the practitioner takes into account relevant ethical requirements when evaluating an external expert's competence, capability, and objectivity (CCO).
5. **Enforceability:** The amendments clearly state the responsibilities of the practitioner, making the standards enforceable.

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):

Yes, we 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.

We agree with the addition of sub-requirement (f) in paragraph 8. This requirement is particularly necessary given the new provision in the Code for the external expert to provide written information relating to objectivity.

We agree that the additional application material in paragraph of A31A helps to clarify that the auditor would not evaluate the adequacy of the auditor's expert's work if the expert does not possess the necessary CCO and therefore paragraph 12 would not apply in this circumstance.

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):

N/A

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

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):

Yes, we 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.

We agree that it is necessary to add application material to the standard to provide a bridge to the Code provisions indicating circumstances in which relevant ethical requirements may prohibit the assurance practitioner from using the work of an external expert. This standard is well used in NZ. The additions to the application material providing context regarding the use of an expert are welcome.

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: Agree, with comments below

Detailed comments (if any): Yes, we 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.

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):

N/A

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):

Yes, we 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.

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):

N/A

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: See comments on effective date below

Detailed comments (if any):

We agree with the proposed effective date of approximately 12 months after the PIOB's process of certification of the final narrow-scope amendments.