

## 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 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)	PAN AFRICAN FEDERATION OF ACCOUNTANTS (PAFA)
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)	Benjamin Mbolonzi
E-mail address(es) of contact(s)	BenjaminM@pafa.org.za
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>
	Africa
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>
	Regional PAO
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)

**Overall response:** Agree, with comments below

**Detailed comments (if any):** In many parts of the continent, limitations in local specialist capacity make it essential for auditors to engage external experts to support high-quality audits. However, this reliance must be accompanied by appropriate safeguards. The proposed amendments reinforce the auditor's responsibility to critically assess an expert's competence, objectivity, and the adequacy of their work, ensuring that expert input enhances, rather than compromises, audit quality. Aligning these requirements with the revised IESBA Code strengthens the ethical foundation for such engagements and supports sound auditor judgment.

Importantly, these amendments are designed with scalability in mind. In Africa, where small and medium practices (SMPs) form the majority of audit service providers, the proportionality embedded in the proposals is critical. The practical guidance and limited scope help balance the need for professional rigor with the realities of constrained resources and capacity.

By addressing emerging risks and promoting consistent and ethical use of experts, the amendments serve the broader public interest. They help safeguard audit integrity, support confidence in financial reporting, and reinforce the credibility of the accountancy profession across Africa's diverse and evolving economic landscape.

### Specific Questions

#### *Proposed Narrow-Scope Amendments to ISA 620<sup>1</sup>*

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)

The proposed amendments to ISA 620 effectively align the standard with the revised IESBA Code, which is particularly relevant in Africa, where auditors increasingly rely on external experts due to limited in-house capacity. ISA 620 provides the technical framework for using expert work, while the IESBA Code ensures ethical considerations such as competence, objectivity, and confidentiality are properly addressed.

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

The amendments harmonize terminology, preserve the structure of ISA 620, and clarify situations where an expert's work should not be used. This clarity is essential in Africa, where formal accreditation of experts may be limited, and close professional networks may pose independence risks.

Importantly, the amendments confirm that auditors must assess an expert's objectivity even when the expert is appointed by management common in audits of SMEs and public entities. Overall, these changes promote consistency, support ethical judgment, and help safeguard audit quality across Africa.

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),<sup>2</sup> ISAE 3000 (Revised)<sup>3</sup> and ISRS 4400 (Revised)<sup>4</sup>*

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):** The proposed amendments to ISRE 2400 (Revised) are appropriate and well-aligned with ISA 620 and the revised IESBA Code, particularly in the African context where external experts are commonly used in review engagements.

They enhance consistency by:

- Standardising definitions of “external expert” and “auditor’s expert”;
- Requiring practitioners to assess expert objectivity and integrity in line with ethical standards; and
- Referring to ISA 620 procedures for evaluating expert competence and work quality.

These changes improve clarity, reinforce ethical safeguards, and promote consistent application of professional judgment across all types of engagements in Africa.

<sup>2</sup> International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

<sup>3</sup> International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

<sup>4</sup> 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):**

3.2 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):** The proposed amendments to ISAE 3000 (Revised) are well-suited to the African context, where assurance engagements increasingly involve external experts in areas like sustainability, fair value, and environmental reporting.

By aligning terminology with ISA 620 and the IESBA Code and reinforcing the need to evaluate expert competence and objectivity, the amendments enhance clarity, consistency, and ethical rigor. This is particularly important as ESG assurance grows across Africa, ensuring practitioners maintain trust and quality when working with non-accounting specialists.

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):** The proposed amendments to ISRS 4400 (Revised) are well-suited to Africa's growing use of external experts in agreed-upon procedures engagements. They align terminology with ISA 620

and the IESBA Code, reinforce the need to assess expert competence and objectivity, and provide clear guidance without imposing undue burden on smaller firms.

These changes improve consistency, enhance ethical compliance, and strengthen the credibility of AUP engagements across Africa, especially in contexts involving technical or donor-funded work

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):** The proposed amendments are a positive step but must be adapted to African realities for effective implementation.

Key considerations include:

- **Aligning with Local Regulations:** Application material should reference local regulatory frameworks to ensure consistency in expert evaluation.
- **Building Capacity:** Many jurisdictions will need training to understand and apply independence and objectivity assessments effectively.
- **Supporting SMPs:** Resource constraints call for simplified tools or phased implementation to ease the burden on smaller firms.
- **Guidance for Remote Experts:** Clear instructions are needed for verifying the authenticity and integrity of remotely obtained expert deliverables.

These adjustments will help ensure the amendments are practical, scalable, and impactful across Africa.

## **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:** See comments on translation below

**Detailed comments (if any):** From a Pan-African perspective, language is a critical consideration for the effective adoption and implementation of international standards. In many jurisdictions, particularly those where English is the primary language of professional practice and regulation, the proposed amendments can be adopted in their original form without major translation challenges.

However, across Francophone Africa, particularly in countries applying the OHADA framework, accurate and context-sensitive French translations will be essential. Terms such as “objectivity” and “capabilities” carry nuanced meanings that, if not clearly translated, may lead to inconsistent interpretation or application of the standards. Proactive engagement with Francophone jurisdictions during the translation and adoption process will help ensure clarity, consistency, and alignment with the intent of the standards. Africa also has Portuguese speaking countries and ensuring faithful translation of key terminologies is critical.

This linguistic consideration is critical to fostering equitable implementation across Africa’s diverse linguistic regions and maintaining the overall coherence of global assurance practices.

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):** The proposed 12-month implementation period following the Public Interest Oversight Board’s (PIOB) certification of the final narrow-scope amendments is generally appropriate and practical for African jurisdictions. This timeline offers a reasonable window for regulated entities, particularly small and medium practices (SMPs), which are predominant across Africa, to update internal policies, systems, and training in line with the revised IAASB standards and the corresponding provisions in the IESBA Code.

However, to ensure effective and consistent adoption across the continent’s diverse linguistic and institutional environments, this period must be accompanied by targeted support. Outreach, communication, and technical guidance will be essential, especially for jurisdictions where awareness of the changes and capacity for implementation may be limited.

We recommend that the IAASB coordinate with key regional and continental bodies, such as PAFA, to deliver implementation support through practitioner workshops, toolkits, and translated materials in French and

Portuguese. These collaborative efforts will help bridge resource gaps, enhance understanding of the changes, and ensure a smooth and equitable transition across all African regions.