

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)	Accounting & Auditing Advisory Committee of the Virginia Society of CPAs
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)	Emily Walker
E-mail address(es) of contact(s)	ewalker@vscpa.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>North America</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)

Overall response: Agree, with comments below

Detailed comments (if any):

The proposed narrow-scope amendments are responsive to the public interest and support the continued interoperability of the IAASB's standards with the IESBA Code. The revisions improve consistency across standards and provide clarity regarding the responsibilities of auditors when using the work of external experts.

Implementing the changes may be tough for smaller firms due to added policy updates, documentation, and training—especially in specialized fields. Still, the benefits of clearer guidance and stronger ethics outweigh the challenges. Smaller or niche firms may face challenges with the proposed amendments due to: (a) More documentation, including written statements from external experts, which can strain limited resources. (b) Difficulty assessing competence, capabilities, and objectivity in complex or specialized fields without in-house expertise. (c) A limited pool of objective experts, especially in niche areas, making compliance harder. (d) More complex agreements with experts, which may be tough without legal support; (e) Tight timelines for updating methods and training, particularly for firms with fewer internal resources.

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):

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

The amendments to ISA 620 appropriately maintain alignment with the new IESBA Code provisions. In particular:

- The addition of paragraph 8(f) and related application material ensures that relevant ethical requirements are considered when planning and evaluating the work of an external expert.
- The clarification strengthens guidance around competence, capabilities, and objectivity (CCO) evaluation and its implications.
- The proposed clarification that work cannot be relied upon if the expert does not meet CCO criteria upholds audit quality and ethical integrity.

Requiring ethical considerations and disallowing the use of experts who don't meet CCO standards are important improvements. While implementation may add to procedures and workload, the added clarity and consistency make it worthwhile.

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):

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*

The proposed changes to ISRE 2400 align well with the ISA 620 amendments and support consistent application of ethical requirements in review engagements. The new application paragraphs (e.g., A97A–A97C) provide guidance for evaluating whether an expert's work can be used.

The new guidance offers practical tips for deciding if an expert's work is usable. Training teams may be a challenge, especially where external experts aren't often used. Firms should update their methods and training to reflect this.

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 targeted changes to ISAE 3000 are consistent with the ISA 620 amendments and appropriately tailored for assurance engagements outside of historical financial reporting. The additions improve clarity on the CCO evaluation and the conditions under which an external expert's work must not be used.

The additions clarify when external experts can be used and how to assess CCO. Implementation may require better documentation, evaluation, and training—especially for complex topics—but the clarity and consistency gained are worth the effort.

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 application material added to ISRS 4400 (Revised), appropriately reinforces ethical considerations when using an external expert.

Practitioners may need to update engagement planning procedures to meet new guidance, adding some admin burden—but it's key to ensuring quality and integrity.

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): We've seen that in practice, users often confuse these roles under other standards or contexts, including myself. While the ED clearly pointed out that it applies only to external experts—not internal or management's experts—as clarified in Sections 1-B and 1-C of the document, it would be great for the IAASB to clarify the differences between external, internal, and management's experts, as this often causes confusion. More guidance on documenting expert objectivity would also be helpful.

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):

No significant translation issues are foreseen based on review of the ED.

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):