

24 July 2025

International Auditing and Assurance Standards Board

To: Mr. Thomas R. Seidenstein (Chair)

529 Fifth Avenue

New York

10017 USA

Submitted electronically

**Subject: Comments on the IAASB's Exposure Draft on Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project**

Dear Mr Seidenstein,

1. The International Forum of Independent Audit Regulators (IFIAR) appreciates the opportunity to comment on the International Auditing and Assurance Standards Board (IAASB) request for input on its Exposure Draft for *Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project* (ED Narrow Scope) issued in April 2025.
2. As an international organisation of independent audit oversight regulators that share the goal of serving the public interest and enhancing investor protection, IFIAR is committed to improving audit quality globally through the promotion of high-quality auditing and professional standards, as well as other pronouncements and statements.
3. IFIAR's objectives are as follows:
  - Sharing knowledge of the audit market environment and practical experience of independent audit regulatory activity, with a focus on inspections of auditors and audit firms.
  - Promoting collaboration and consistency in regulatory activity.
  - Initiating and leading dialogue with other policy-makers and organisations that have an interest in audit quality.
  - Forming common and consistent views or positions on matters of importance to its members, while taking into account the legal mandates and missions of individual members.
4. The comments we provide reflect the views expressed by many, but not necessarily all, of the members of the IFIAR. However, the comments are not intended to include, or reflect, all of the views that might be provided by individual members on behalf of their respective organisation.
5. Where we did not comment on certain specific matters, this should not be interpreted as either approval or disapproval by the IFIAR.

## 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:** Neither agree/disagree, but see comments below

6. IFIAR welcomes the IAASB's project aimed at maintaining interoperability between IAASB standards and the IESBA Code as it promotes consistent application by auditors.
7. We understand that the proposed amendments are narrow in scope and do not entail a full review of the IAASB standards.
8. IFIAR believes that proposed amendments might pose some challenges in terms of coherence with the IESBA Code, enforceability and clarity. Please refer to our specific comments under question 2.

## 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)

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

9. The IAASB recognizes in paragraph 21 of its Explanatory Memorandum (EM Narrow Scope) to the ED Narrow Scope that the "requirement for the external expert to provide information, in writing, for purposes of assisting the evaluation of the external expert's objectivity" is a significant new aspect. It further acknowledges that this new requirement in the IESBA Code "can have an effect on the nature, timing and extent of the auditor's procedures, particularly for evaluating the external expert's CCO (paragraph 9 of ISA 620) and the agreement with the expert (paragraph 11 of ISA 620)." However, besides a new paragraph 8 (f) referring to relevant ethical requirements, the IAASB has not suggested targeted amendments to paragraphs 9 (Evaluation of the competence, capabilities and objectivity (CCO) of the auditor's expert) or 11 (Agreement with the auditor's expert) of ISA 620. As discussed below,

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

we believe that given the significance of amendments to the IESBA Code in these areas, that the IAASB should consider related amendments to ISA 620 as opposed to updates to application material only.

10. We are generally supportive of references to relevant ethical requirements, to remind auditors of ethics and independence frameworks, which complement the audit work undertaken.
11. However, we are of the view that the new requirements in the IESBA Code related to using the work of an auditor's external expert are important considerations for the auditor and should be explicitly included in ISA 620 to foster consistent application across the globe.
12. Given the different adoption rates of the IESBA Code as well as the diverse landscape of ethical frameworks around the world, the proposed narrow scope amendments to ISA 620 will likely not result in improvements concerning the consistent application of the standards. Whilst we acknowledge that jurisdictions might have requirements at least as strict as the IESBA Code, we are cognisant of the fact that there might be jurisdictions where provisions related to the use of experts are less rigorous than the IESBA Code or where issues addressed by the IESBA Code are not or not fully considered by national standard setters, law or regulation.
13. A global benchmark of requirements related to using the work of an external expert in the auditing standards by the IAASB that auditors have to comply with would facilitate harmonisation in the approaches taken and promote consistency in the performance of audits across jurisdictions and is in the public interest too.
14. In terms of evaluating the CCO of the auditor's external expert, we urge the IAASB to amend the requirements of extant ISA 620 to align more closely with the new provisions in the IESBA Code. Specifically:
  - a. As in R390.12 of the IESBA Code, the external expert should be requested to provide specific information in writing pertaining to interests, relationships and circumstances threatening its objectivity from the beginning of the period covered by the audit report until the completion of the external expert's work. We also recommend indicating more clearly that the information provided by the external expert in writing should cover interests or relationships involving the entity where the external expert is performing their work – which may differ from the audited entity.
  - b. IFIAR is of the view that the IAASB, in their efforts to align to the IESBA Code to the greatest extent possible, should also include the provisions of the IESBA Code (R390.21) that explicitly describe the circumstances in which the auditor is prohibited from using the work of an auditor's external expert. We are not convinced that addressing the implicit presumption in ISA 620 by adding and rearranging application material as well as linking it via paragraph A19A in the ED to the IESBA Code (refer to our comments above) is sufficiently clear or that it would be consistently interpreted by all auditors. Not having explicit and direct requirements increases the risk of inconsistent understanding and application across practitioners. In addition, the IESBA Code is only an example, which includes specific prohibitions. The use of the language "may prohibit" suggests that where other ethical requirements apply which are less strict than the IESBA Code it might be permissible to use the work of an external expert in situations where the IESBA Code would prohibit. We support IESBA's view that in situations identified by the IESBA Code

the use of the work of an external expert would not be appropriate and believe such prohibitions should be explicitly included in ISA 620.

15. Lastly, in order to enhance the interoperability of the standards, we invite the IAASB to align the definitions with the IESBA Code and also include a specific definition of “external experts”. Whilst ISA 620.A12 clarifies that the external expert is not a part of the engagement team, we feel that incorporating it in a specific definition of external experts in ISA 620 similar to the IESBA definition would diminish potential ambiguity and foster consistent application.

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](#)

16. We agree with the proposed effective date of the narrow-scope amendments for audits of financial statements for periods beginning on or after December 15, 2026, which would align to the effective dates of the PIE Track 2, Going Concern and Fraud projects.

Please do not hesitate to contact me or James Ferris, Chair of the IFIAR Standards Coordination Working Group (SCWG), to discuss any of our comments.

Yours sincerely,



Kevin Prendergast, IFIAR Chair

Cc: Chia-Tern Huey Min, IFIAR Vice Chair  
James Ferris, SCWG Chair,  
Stacy Hammett, SCWG Vice Chair  
Delon Abrams, Acting Executive Director