

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 no further comments)

Overall response: Agree, with comments below

Detailed comments (if any):

The proposed amendments align with core qualitative principles of the Public Interest Framework, notably relevance and timeliness. By responding to the increasing dependence on specialized expertise in fields such as sustainability and technology, the IAASB reinforces the continued applicability of its standards. That said, the ED might strengthen its impact by more directly addressing how these revisions reduce risks in critical sectors. For instance, by elaborating on their role in mitigating challenges on climate-related disclosures.

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 no further comments)

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

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

Detailed comments (if any):

The additional requirement paragraph 8(f) to consider ethical provisions is critical, but the ED should clarify how auditor safeguards evaluation of external expert.

New application material paragraph A31A can strengthen the linkage between competence, capabilities and objectivity evaluation and audit evidence reliability.

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 no further comments)**

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

Detailed comments (if any):

The proposed application material (A97C) should mirror ISA 620's prohibitions on using experts lacking competence, capabilities and objectivity. This avoids confusion in review engagements, where practitioners may face similar ethical dilemmas.

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):

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*

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 no further comments)**

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 no further comments)**

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

Detailed comments (if any):

Paragraph A47A is added to require indicating circumstances that prohibit using external expert. It may include a requirement for practitioners to document their rationale for using an expert despite potential threats.

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: **No response**

Overall response: **No other matters to raise**

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**

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):

Usually, the work of an external expert will be used for annual audit and suggest allowing 18 months for the entity to source alternative if the work cannot meet CCO.

Overall response: **See comments on effective date below**

Detailed comments (if any):

The proposed 12-month implementation period post-PIOB certification is reasonable but should account for jurisdictions requiring translations. Also, training modules should be developed with member bodies (e.g. HKICPA).

Remarks: The above comments are from two Members Companies only.