

Exposure Draft

Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project

APRIL 2025

COMMENTS DUE: JULY 24, 2025

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About the IAASB

This document was developed and approved by the International Auditing and Assurance Standards Board. It does not constitute an authoritative pronouncement of the IAASB, nor does it amend, extend or override the International Standards on Auditing (ISAs) or other of the IAASB's International Standards.

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

REQUEST FOR COMMENTS

This Explanatory Memorandum (EM) accompanies, and should be read along with, the Exposure Draft (ED), *Proposed Narrow-Scope Amendments to IAASB Standards Arising from the International Ethics Standards Board for Accountants' (IESBA) Using the Work of an External Expert project*, which was developed and approved by the International Auditing and Assurance Standards Board® (IAASB®). This publication may be downloaded from the IAASB website: www.iaasb.org. The approved text is published in the English language.

The proposals set out in this ED may be modified, based on comments received, before being issued as a final pronouncement. **Comments are requested by July 24, 2025.**

Use of Response Template

We encourage all respondents to submit their comments electronically using the [Response Template](#) provided. The response template has been developed to facilitate responses to the questions in **Section 2** of this EM. Use of the template will facilitate our collation and analysis of the responses.

Recognizing that the IAASB utilizes software to support our analysis of comments received from respondents to public consultations, you can assist our review of the responses by bearing the following in mind in preparing your submission:

- Respond directly to the questions in the template and **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 or application material. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.**
- You may respond to all questions or only those questions for which you have specific comments.
- When formulating your responses to a question, it is most helpful to 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.

The completed response template can be uploaded using the “Submit Comment” [link](#) on the IAASB website: www.iaasb.org. When submitting your completed response template, it is not necessary to include a covering letter with a summary of your key issues. The response template provides the opportunity to provide details about your organization and, should you choose to do so, any overall views 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.

EXPLANATORY MEMORANDUM

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Introduction

1. This memorandum provides background to, and an explanation of, the IAASB's proposed narrow-scope amendments to IAASB standards arising from the IESBA's Using the Work of an External Expert project. The IAASB approved the proposed amendments to IAASB standards on March 21, 2025, for exposure.

Background

IESBA Project on Using the Work of an External Expert

2. In December 2023, the IESBA approved an ED for proposed revisions to the IESBA's *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) related to [Using the Work of an External Expert](#). The proposals included three new sections to the Code:
 - Section 390 for professional accountants (PAs) in public practice;
 - Section 290 for PAs in business; and
 - Section 5390 for sustainability assurance practitioners (SAPs). Proposed Section 5390 was an integral part of IESBA's ED [Proposed International Ethics Standards for Sustainability Assurance \(including International Independence Standards\) \(IESSA\) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting](#).
3. The IESBA approved the provisions on using the work of an external expert at its December 2024 meeting.¹
4. The approved new Code sections establish an ethical framework to guide PAs and SAPs in evaluating whether an external expert has the necessary competence, capabilities and objectivity (CCO) for the PA or SAP to use the expert's work for the PA's or SAP's purposes. The revised Code also includes provisions to guide a PA or SAP in applying the Code's conceptual framework when using the work of an external expert.

IAASB Narrow-Scope Amendments Project

5. The [IAASB Strategy and Work Plan for 2024–2027](#) includes a project to consider narrow-scope amendments arising from IESBA's project, recognizing that IESBA's introduction of ethical requirements related to using the work of an external expert in audit, assurance and other services engagements may necessitate amendments to IAASB standards, including ISA 620,² to ensure that the two Boards' standards can continue to be effectively applied together.
6. The IAASB discussed and approved a [project proposal](#) to undertake this narrow-scope amendments project at its March 2025 meeting. The project objective is to maintain the interoperability of the IAASB standards with the new provisions in the Code related to using the work of an external expert. While ISA 620 and other IAASB standards address both internal and external experts, this narrow-scope amendments project is focused on requirements related to using the work of an *external expert*, while maintaining the distinction between internal and external experts.

¹ [Final Pronouncement: Using the Work of an External Expert | Ethics Board](#)

² International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*

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7. Given the objective of this narrow-scope amendments project, the proposed standard-setting actions do **not** include:
- A full review and revision of ISA 620;
 - Considerations related to the work of auditors' or practitioners' internal experts; and
 - Considerations related to the work of a management's expert. Section 390 of the Code does not apply to the use of the work of an expert employed or engaged by the client to assist the client in preparing financial or non-financial information.
8. The following standards are **not** within the scope of this project:
- ISSA 5000³ – The IAASB and IESBA agreed in September 2024 that the two Boards were in alignment on the interoperability of ISSA 5000 and Section 5390 of the Code (see Section 7 of Agenda Item J.1 for the [September 2024 IAASB meeting](#)). Because ISSA 5000 was recently issued, and is a new standard in an evolving area, the IAASB concluded that the public interest benefit of a stable platform outweighs the benefits of further changes to ISSA 5000 at this time to align with proposed changes to the other IAASB standards.
 - ISAE 3410⁴ - As explained in paragraph 19 of the [ISSA 5000 Basis for Conclusions](#), the IAASB agreed that ISAE 3410 could be withdrawn in accordance with due process once ISSA 5000 becomes effective. The IAASB approved the withdrawal in March 2025.

Coordination Between the IESBA and IAASB

9. The IESBA's development of the provisions for using the work of an external expert was closely coordinated with the IAASB to maximize alignment and interconnectivity between the Code and the IAASB's standards. In particular, in developing the provisions, the IESBA endeavored to avoid (a) conflict with ISA 620, ISSA 5000 or other relevant IAASB standards, and (b) incorporating provisions relating to the performance of audit or assurance procedures versus encapsulating ethics-related considerations. When IAASB was developing ISSA 5000, there was extensive coordination with IESBA on a range of topics, including external experts, which led to the determination that the Boards were in alignment as noted in paragraph 8 above. Ongoing coordination between the two Boards continued as IESBA finalized their provisions related to using the work of an external expert.
10. To ensure alignment with the Code, the IAASB's Experts project team also coordinated with IESBA staff when developing the project proposal and the proposed narrow-scope amendments.

Coordination with Other IAASB Task Force and Project Teams

11. The project team coordinated with Staff of the Fraud Task Force and Audit Evidence and Risk Response project team to share the objective of the Experts project and the Experts project team's analysis of the effect of the Code revisions on the IAASB standards. The IAASB concluded that there is nothing at this point that will affect either of those projects.

³ International Standard on Sustainability Assurance (ISSA)TM 5000, *General Requirements for Sustainability Assurance Engagements*

⁴ International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*

Section 1 – Significant Matters

Section 1-A – Public Interest Issues Addressed

12. In developing this ED, the IAASB considered the qualitative standard-setting characteristics included in the [Public Interest Framework](#) (PIF) as criteria to assess the proposed standard's responsiveness to the public interest. Paragraph 15 of the project proposal sets out the following qualitative standard-setting characteristics that were front of mind in how the achievement of the project objective will serve stakeholder needs and the broader public interest:
- *Relevance* – focuses on the continued relevance of IAASB standards, including ISA 620, in view of the new provisions in the Code related to using the work of an external expert, and the growing involvement of experts in areas such as estimates, technology and sustainability.
 - *Timeliness* – focuses on any actual or perceived differences in the requirements and guidance between ISA 620 and other IAASB standards and the new provisions in the Code so that any such differences can be addressed on a timely basis, taking into account the effective date of the new provisions of the Code.
 - *Appropriateness of scope* – focuses on targeted amendments necessary to maintain the interoperability of ISA 620 or other IAASB standards with the Code (i.e., not a complete revision of ISA 620).
 - *Coherence* – focuses on the consistency of requirements across the body of standards to make sure that requirements related to using the work of an external expert are not in conflict.
 - *Comprehensiveness* – focuses on limiting the extent to which there are exceptions to the principles set out in ISA 620 or other IAASB standards, including taking into account that relevant ethical requirements, such as the IESBA Code, may include provisions addressing the fulfillment of the practitioner's ethical responsibilities related to evaluating whether an external expert has the necessary CCO for the practitioner's purposes.
 - *Enforceability* – focuses on clearly stated responsibilities of the PA or practitioner.
13. The IAASB believes that these qualitative standard-setting characteristics are addressed by the proposed narrow-scope amendments, which were developed through the standard-setting actions intended to enable the achievement of the project objective.

Section 1-B – Approach to Determining the Narrow-Scope Amendments

14. The IAASB focused its narrow-scope amendments project on identifying only those targeted amendments to IAASB standards needed to maintain interoperability with the Code. From this standpoint, the new provisions in the Code relate primarily to:
- Evaluating the CCO of the external expert, including, in connection with agreeing the terms of engagement with the external expert, the provision of certain information in writing by the expert to assist the PA in evaluating the external expert's objectivity; and
 - Concluding on the external expert's CCO, including circumstances in which the PA would be unable to use the work of the external expert.
15. ISA 620 addresses using the work of an auditor's expert and therefore the IAASB determined that it would be an appropriate starting point for determining the narrow-scope amendments that may be

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needed to maintain interoperability with the provisions in the Code. However, Section 390 of the Code applies to all professional services, with specific provisions that apply to audit, review and other assurance engagements. Accordingly, based on the proposed amendments to ISA 620, the IAASB explored the need for targeted amendments to other IAASB standards, taking into account the nature and scope of the engagements addressed by these standards and in the context of the provisions of the Code applicable to such engagements.

16. The IAASB noted references to “expert” in the requirements and application material in the other ISAs (i.e., other than ISA 620) and International Standards on Quality Management (ISQMs) ordinarily relate to:
- General references to an internal expert (part of the engagement team), external expert (not part of the engagement team) or a management’s expert. As indicated in paragraph 7 above, this narrow-scope amendments project does not include considerations related to the work of an auditor’s or practitioner’s internal expert or to the work of a management’s expert.
 - General references to ISA 620.
 - Determining the need to involve an expert and, if so, the type of expert that may be most appropriate in the circumstances.
 - In the context of audit evidence,⁵ references to the work of an expert as a source of information and the evaluation of the relevance and reliability of information intended to be used as audit evidence.

Given the nature of these references, the IAASB determined that no targeted amendments to the other ISAs were needed as a result of the revisions to the Code related to using the work of an external expert.

17. The IAASB also considered references to “expert” in the ISREs (International Standards on Review Engagements), ISAEs and ISRSs (International Standards on Related Services) series, and determined that targeted amendments would be appropriate in ISRE 2400 (Revised),⁶ ISAE 3000 (Revised)⁷ and ISRS 4400 (Revised).⁸ As noted in paragraph 8 above, ISSA 5000 and ISAE 3410 are outside the scope of this project.

Section 1-C – Narrow-Scope Amendments to ISA 620

Definitions

18. The definition of “expert” in the Code is aligned with the core definition of “auditor’s expert” in ISA 620, as both address the expert possessing expertise in a field outside of the auditor’s competence (i.e., a field other than accounting or auditing). The Code also has a definition of “external expert” stating, for audit engagements, that the expert’s work in that field of expertise is used to assist the auditor in obtaining sufficient appropriate audit evidence.

⁵ With respect to audit evidence, the IAASB considered references in the “Proposed ISA 500 (Revised) Pre-finalization Holding Package.”

⁶ ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*

⁷ ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

⁸ ISRS 4400 (Revised), *Agreed-upon Procedures Engagements*

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19. The IAASB noted that ISA 620 does not specifically define an “external expert.” However, the definition of “auditor’s expert” differentiates between an internal expert (a partner or staff, including temporary staff, of the auditor’s firm or a network firm) and an external expert. In addition, paragraph A12 of ISA 620 indicates that ISQM 1⁹ requires the firm to address the use of resources from a service provider, which includes the use of an external expert. Therefore, the IAASB agreed that no change is needed to the ISA 620 definition as this differentiation between an internal and external expert is important throughout the ISAs (and other IAASB standards) for determining who is or is not part of the engagement team.

Evaluating the CCO of the External Expert

Nature, Timing and Extent of the Auditor’s Procedures

20. Paragraph 8 of ISA 620 addresses the nature, timing and extent of the auditor’s procedures with respect to the evaluation of CCO as well as the other requirements in paragraphs 10–13 (i.e., obtaining an understanding of the expert’s field of expertise, the agreement with the expert, and evaluating the adequacy of the expert’s work).
21. The IAASB noted that each of the items in paragraph 8(a)–(e) of ISA 620 continues to be relevant in light of the new Code provisions (see paragraph 14 above). However, a significant new aspect of the Code provisions is the requirement for the external expert to provide information, in writing, for purposes of assisting the evaluation of the external expert’s objectivity. Although this Code provision is in the context of agreeing the terms of engagement with an external expert,¹⁰ the IAASB noted that this is an overarching factor that 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).
22. Therefore, the IAASB is proposing an additional sub-requirement (f) to paragraph 8 of ISA 620 for the auditor to consider provisions of relevant ethical requirements relating to using the work of an expert. A new application material paragraph (paragraph A13A) also is proposed to indicate, by example, that the IESBA Code includes provisions related to using the work of an external expert.

Auditor’s Evaluation of the CCO of the Auditor’s Expert

23. No targeted amendments are proposed to the core requirement in paragraph 9 of ISA 620 regarding the auditor’s evaluation of whether the expert has the necessary CCO for the auditor’s purposes. The requirement already states that, in the case of an auditor’s external expert, the evaluation of objectivity shall include inquiry regarding interests and relationships that may create a threat to that expert’s objectivity. The IAASB noted that inquiry continues to be appropriate as a baseline requirement, but that application material may be needed to indicate that relevant ethical requirements may include provisions addressing the fulfillment of the auditor’s ethical responsibilities related to evaluating whether an auditor’s expert has the necessary CCO for the auditor’s purposes (see proposed paragraph A16A in the ED).

⁹ ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

¹⁰ IESBA Code, paragraph R390.5

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24. The new Code provisions make explicit the circumstances in which the auditor is prohibited from using the work of an auditor's expert.¹¹ Therefore, the IAASB discussed whether the implicit presumption in ISA 620 that the work of an auditor's expert cannot be used if the auditor concludes that the expert does not have the necessary CCO for the auditor's purposes should be made more explicit. The IAASB determined that the most appropriate way to address this presumption would be through additional application material. Accordingly, the IAASB proposes to add the following new application material in ISA 620:
- A paragraph (see paragraph A19A in the ED) to provide a bridge to relevant ethical requirements and, by example, the Code provisions indicating circumstances in which the auditor is prohibited from using the work of an auditor's external expert. This proposed new paragraph is consistent with paragraph A145 of ISSA 5000. The IAASB's view was that linking proposed paragraph A19A to the requirement in paragraph 9 would help to clarify the importance of the auditor's evaluation of CCO and the implications if the auditor is unable to determine whether, or concludes that, the auditor's external expert does not have the necessary CCO for the auditor's purposes.
 - A paragraph (see paragraph A31A in the ED) to more clearly indicate that the evaluation of the adequacy of the auditor's expert's work is based on the presumption that the auditor has determined that the expert has the necessary CCO for the auditor's purposes (see also paragraphs 28–30 below).
25. The IAASB also noted that the flow of the application material in ISA 620 would be improved by reversing the order of extant paragraphs A19 and A20. This reordering was deemed appropriate because the information provided by the external expert, including information that may be required to be provided in writing by relevant ethical requirements, assists the auditor's evaluation of whether any threats to the external expert's objectivity are at an acceptable level. In this regard, the IAASB also proposes an addition to the hanging paragraph in the last bullet in proposed new paragraph A18A(b) (extant paragraph A20(b)).

Agreement with the Auditor's Expert

26. The IAASB proposes no targeted amendments to paragraph 11 of ISA 620, which addresses the agreement with the auditor's expert. Paragraph A24 of ISA 620 already indicates that the matters noted in paragraph 8 of the standard may affect the level of detail and formality of the agreement between the auditor and the auditor's expert, including whether it is appropriate that the agreement be in writing. However, the IAASB is proposing an additional bullet in paragraph A24 to indicate that a factor to consider may be relevant ethical requirements that require the provision of information in writing from an auditor's external expert.
27. The IAASB's view is that the proposed amendment to paragraph 8(f) and the proposed addition of paragraph A13A, along with the proposed bullet to paragraph A24, provide an appropriate link to the provisions in the Code regarding the need to obtain information from the external expert in writing. However, the IAASB noted that some helpful points could be included in the Appendix to ISA 620, which lists matters that the auditor may consider for inclusion in any agreement with an auditor's external expert. See the proposed additions to the Appendix to ISA 620 in the ED.

¹¹ IESBA Code, paragraph R390.21

Evaluating the Adequacy of the Auditor's Expert's Work

28. Paragraph 12 of ISA 620 requires the auditor to evaluate the adequacy of the auditor's expert's work for the auditor's purposes. This requirement is based on the presumption that the auditor has determined, in accordance with paragraph 9, that the expert has the necessary CCO for the auditor's purposes. Paragraph A14 of ISA 620 already indicates that the CCO of an auditor's expert are factors that significantly affect whether the work of the expert will be adequate for the auditor's purposes.
29. The IAASB concluded that proposed application material paragraph A31A in the ED would further highlight this presumption. The intended purpose of this application material is to provide a link between paragraphs 9 and 12, and to clarify that paragraph 12 of ISA 620 would not be relevant if the auditor has determined that the expert does not have the necessary CCO for the auditor's purposes (i.e., if the expert does not possess the necessary CCO, there would be no need to evaluate the adequacy of the expert's work).
30. Paragraph 13 of ISA 620 indicates that the auditor may perform additional procedures appropriate to the circumstances if the auditor determines that the work of the expert is not adequate for the auditor's purposes. The IAASB also discussed whether clarification may be needed to explain that this requirement is not a "work around" for circumstances in which the expert does not possess the necessary CCO and decided not to propose any targeted amendments in this regard. The IAASB noted 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 13 would not apply in this circumstance.

Section 1-D – Narrow-Scope Amendments to ISRE 2400 (Revised)

31. Paragraph 55 of ISRE 2400 (Revised) broadly applies to the use of work performed by others (i.e., other practitioners or experts). It indicates that, in the course of performing the review, it may be necessary for the practitioner to use the work of an individual or organization possessing expertise in a field other than accounting or assurance. There is no requirement for the practitioner to evaluate the CCO of the expert. If the practitioner uses work performed by an expert, the practitioner is required to take appropriate steps to be satisfied that the work performed is adequate for the practitioner's purposes. There is no application material indicating what steps might be appropriate in the circumstances.
32. The IAASB acknowledged that the broad nature of the requirement in paragraph 55 is different from the requirements related to experts in other IAASB standards. However, the IAASB was of the view that proposing no targeted amendments to ISRE 2400 (Revised) would be inconsistent with the proposed amendments to the other standards. Therefore, the IAASB is proposing to add an application material paragraph (see paragraph A97C in the ED), which is similar to proposed paragraph A19A in ISA 620, to provide a bridge to the Code provisions¹² indicating circumstances in which relevant ethical requirements may prohibit the auditor from using the work of an auditor's expert.
33. In addition, the IAASB is proposing to add application material, based on the concepts in the application material in ISA 620, to help provide appropriate context (see paragraphs A97A and A97B in the ED).

¹² IESBA Code, paragraph R390.21

Section 1-E – Narrow-Scope Amendments to ISAE 3000 (Revised)

34. The definition of “practitioner’s expert” in paragraph 12(s) of ISAE 3000 (Revised) is aligned with the definitions in the Code and is consistent with the definition of “auditor’s expert” in ISA 620. Therefore, no amendments are proposed to the definition.
35. Paragraph 32(b)(i) of ISAE 3000 (Revised) requires the engagement partner to be satisfied that the practitioner will be able to be involved in the work of a practitioner’s expert where the work of that expert is to be used. This requirement is not directly related to the new provisions in the Code for using the work of an external expert. Therefore, no targeted amendments are necessary.
36. Paragraph 52 of ISAE 3000 (Revised) is a conditional requirement for circumstances in which the work of a practitioner’s expert is to be used. The requirement is consistent with the core requirements in paragraphs 9–12 of ISA 620. Therefore, the IAASB is proposing the following targeted amendments to ISAE 3000 (Revised) (see ED):
- Adding a bullet to paragraph A121 similar to the wording in proposed paragraph A13A in ISA 620. The IAASB was of the view that this addition is appropriate because paragraph A121 is consistent with paragraph 8 of ISA 620 (see paragraph 22 above).
 - Reversing the order of paragraphs A128 and A129, and adding a sentence to the hanging paragraph in proposed new paragraph A127A (extant paragraph A129). This is similar to what is being proposed for ISA 620 (see paragraph 25 above).
 - Adding a new paragraph A128A similar to proposed paragraph A19A in ISA 620 (see paragraphs 23–24 above).
 - Adding a new paragraph A133A similar to proposed paragraph A31A in ISA 620 (see paragraphs 28–29 above).
37. Paragraph 70 of ISAE 3000 (Revised) addresses reference to the practitioner’s expert in the assurance report. It does not relate to the evaluation of the CCO of a practitioner’s expert and therefore is outside the scope of this project.

Section 1-F – Narrow-Scope Amendments to ISRS 4400 (Revised)

38. The definition of “practitioner’s expert” in paragraph 13(i) of ISRS 4400 (Revised) is aligned with the definitions in the Code and is consistent with the definition of “auditor’s expert” in ISA 620. Therefore, no amendments are proposed to the definition.
39. The requirements in paragraphs 19–20 of ISRS 4400 (Revised) are not directly related to the new provisions in the Code for using the work of an external expert. Therefore, no targeted amendments are necessary.
40. Paragraph 29 of ISRS 4400 (Revised) is a conditional requirement for circumstances in which the work of a practitioner’s expert is to be used. If the work of a practitioner’s expert is used, the practitioner is required to evaluate the CCO of that expert (paragraph 29(a)). Therefore, the IAASB is proposing to add an application material paragraph (see paragraph A47A in ED) indicating circumstances in which relevant ethical requirements may prohibit the practitioner from using the work of a practitioner’s external expert.

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41. Paragraph 31 of ISRS 4400 (Revised) addresses reference to the practitioner's expert in the agreed-upon procedures report. It does not relate to the evaluation of the CCO of a practitioner's expert and therefore is outside the scope of this project.

Section 1-G – Effective Date and Proposed Implementation Period

42. The IAASB believes that there is a public interest benefit in aligning the effective date of these proposed IAASB narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert, which is December 15, 2026.
43. The IAASB anticipates that the final pronouncement will be approved in September 2025 or December 2025.¹³ Therefore, the IAASB proposes an implementation period of approximately 12 months after the Public Interest Oversight Board's (PIOB) process of certification of the final narrow-scope amendments.¹⁴
44. The IAASB is of the view that such period would allow sufficient time to implement the narrow-scope amendments, along with efforts that would already be underway to implement the revised Code related to using the work of an external expert, including adoption and translation by jurisdictions, and incorporating the changes into firm methodologies, enablement tools and training materials.

¹³ Owing to the relatively short time available after closure of the comment period in July 2025 to finalize Board materials for the September 2025 IAASB meeting, the number of comment letters received and the nature of the responses may necessitate an adjustment to the project timeline.

¹⁴ After approval by the IAASB, the PIOB will consider its public certification of an approved new or revised standard(s) to confirm the PIOB's oversight of the standard-setting process throughout the full development cycle, that the standard was developed in a manner consistent with agreed due process and that the standard is responsive to the public interest, in accordance with the PIF.

Section 2 – Questions for Respondents

Respondents are asked to respond to the questions below using the [Response Template](#) as explained in the **Request for Comments** on page 4 of this EM.

*Please note that this public consultation does **not** extend to and is **not** inviting comments on the provisions in the IESBA Code related to using the work of an external expert. The IESBA project was completed in December 2024 and the final IESBA Pronouncement was issued on January 17, 2025.*

Questions for Respondents	Sections in this EM for reference
Overall Question	
<i>Public Interest Responsiveness</i>	
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?	Section 1-A
Specific Questions	
<i>Proposed Narrow-Scope Amendments to ISA 620</i>	
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? 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)?	Section 1-C
<i>Proposed Narrow-Scope Amendments to ISRE 2400 (Revised), ISAE 3000 (Revised) and ISRS 4400 (Revised)</i>	
3. Do you agree that the proposed narrow-scope amendments to these other IAASB standards 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? The response template provides for answering this question in relation to each of the following standards: 3.1 ISRE 2400 (Revised) 3.2 ISAE 3000 (Revised) 3.3 ISRS 4400 (Revised)	Sections 1-D to 1-F

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Questions for Respondents	Sections in this EM for reference
If applicable, for each instance where 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)?	
<i>Other Matters</i>	
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.	

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.
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 (see Section 1-G above). The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the narrow-scope amendments.

**PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB
STANDARDS ARISING FROM THE IESBA'S USING THE WORK OF AN
EXTERNAL EXPERT PROJECT**
[MARKED-UP FROM EXTANT STANDARDS¹]

The grey highlighted paragraphs have been added from the extant standards to provide additional context for the proposed narrow-scope amendments.

(Effective for ... [DATE])

ISA 620, USING THE WORK OF AN AUDITOR'S EXPERT

...

Requirements

...

Nature, Timing and Extent of Audit Procedures

8. The nature, timing and extent of the auditor's procedures with respect to the requirements in paragraphs 9–13 of this ISA will vary depending on the circumstances. In determining the nature, timing and extent of those procedures, the auditor shall consider matters including: (Ref: Para. A10)
- (a) The nature of the matter to which that expert's work relates;
 - (b) The risks of material misstatement in the matter to which that expert's work relates;
 - (c) The significance of that expert's work in the context of the audit;
 - (d) The auditor's knowledge of and experience with previous work performed by that expert; ~~and~~
 - (e) Whether that expert is subject to the auditor's firm's system of quality management; and
(Ref: Para. A11–A13)
 - (f) Provisions of relevant ethical requirements related to using the work of an expert. (Ref: Para A13A)

The Competence, Capabilities and Objectivity of the Auditor's Expert

9. The auditor shall evaluate whether the auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes. In the case of an auditor's external expert, the evaluation of objectivity shall include inquiry regarding interests and relationships that may create a threat to that expert's objectivity. (Ref: Para. A14–A20)

...

¹ The ISA, ISRE, ISAE and ISRS as published in the 2023–2024 Handbooks (Volumes I and III).

Agreement with the Auditor's Expert

11. The auditor shall agree, in writing when appropriate, on the following matters with the auditor's expert: (Ref: Para. A23–A26)
- (a) The nature, scope and objectives of that expert's work; (Ref: Para. A27)
 - (b) The respective roles and responsibilities of the auditor and that expert; (Ref: Para. A28–A29)
 - (c) The nature, timing and extent of communication between the auditor and that expert, including the form of any report to be provided by that expert; and (Ref: Para. A30)
 - (d) The need for the auditor's expert to observe confidentiality requirements. (Ref: Para. A31)

Evaluating the Adequacy of the Auditor's Expert's Work

12. The auditor shall evaluate the adequacy of the auditor's expert's work for the auditor's purposes, including: (Ref: Para. A31A–A32)
- (a) The relevance and reasonableness of that expert's findings or conclusions, and their consistency with other audit evidence; (Ref: Para. A33–A34)
 - (b) If that expert's work involves use of significant assumptions and methods, the relevance and reasonableness of those assumptions and methods in the circumstances; and (Ref: Para. A35–A37)
 - (c) If that expert's work involves the use of source data that is significant to that expert's work, the relevance, completeness, and accuracy of that source data. (Ref: Para. A38–A39)

...

Application and Other Explanatory Material

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Nature, Timing and Extent of Audit Procedures (Ref: Para. 8)

...

A13A. Relevant ethical requirements may include provisions that address a professional accountant's ethical responsibilities relating to the use of the work of an expert in the performance of an audit of financial statements. For example, the IESBA Code includes provisions related to the auditor's use of the work of an external expert.²

The Competence, Capabilities and Objectivity of the Auditor's Expert (Ref: Para. 9)

A14. The competence, capabilities and objectivity of an auditor's expert are factors that significantly affect whether the work of the auditor's expert will be adequate for the auditor's purposes. Competence relates to the nature and level of expertise of the auditor's expert. Capability relates to the ability of the auditor's expert to exercise that competence in the circumstances of the engagement. Factors that influence capability may include, for example, geographic location, and the availability of time

² See Section 390 of the IESBA Code.

**PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK
OF AN EXTERNAL EXPERT PROJECT**

and resources. Objectivity relates to the possible effects that bias, conflict of interest, or the influence of others may have on the professional or business judgment of the auditor's expert.

...

A16. Matters relevant to evaluating the competence, capabilities and objectivity of the auditor's expert include whether that expert's work is subject to technical performance standards or other professional or industry requirements, for example, ethical standards and other membership requirements of a professional body or industry association, accreditation standards of a licensing body, or requirements imposed by law or regulation.

A16A. Relevant ethical requirements related to using the work of an auditor's expert may include provisions addressing the fulfillment of the auditor's ethical responsibilities related to evaluating whether an auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes. See also paragraph A13A.

...

A18. A broad range of circumstances may threaten objectivity, for example, self-interest threats, advocacy threats, familiarity threats, self-review threats, and intimidation threats. Such threats may be addressed by eliminating the circumstances that create the threats, or applying safeguards to reduce threats to an acceptable level. There may also be safeguards specific to the audit engagement.

A18A. [Relocated from A20] When evaluating the objectivity of an auditor's external expert, it may be relevant to:

- (a) Inquire of the entity about any known interests or relationships that the entity has with the auditor's external expert that may affect that expert's objectivity.
- (b) Discuss with that expert any applicable safeguards, including any professional requirements that apply to that expert; and evaluate whether the safeguards are adequate to reduce threats to an acceptable level. Interests and relationships that it may be relevant to discuss with the auditor's expert include:
 - Financial interests.
 - Business and personal relationships.
 - Provision of other services by the expert, including by the organization in the case of an external expert that is an organization.

In some cases, it may also be appropriate for the auditor to obtain a written representation from the auditor's external expert about any interests or relationships with the entity of which that expert is aware. Relevant ethical requirements may also require the auditor to obtain information, in writing, from the auditor's external expert regarding interests, relationships or circumstances that may create a threat to that expert's objectivity.³

A19. The evaluation of whether the threats to objectivity are at an acceptable level may depend upon the role of the auditor's expert and the significance of the expert's work in the context of the audit. In some cases, it may not be possible to eliminate circumstances that create threats or apply safeguards

³ See, for example, paragraphs R390.5 and R390.12–17 of the IESBA Code.

**PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK
OF AN EXTERNAL EXPERT PROJECT**

to reduce threats to an acceptable level, for example, if a proposed auditor's expert is an individual who has played a significant role in preparing the information that is being audited, that is, if the auditor's expert is a management's expert.

A19A. Relevant ethical requirements may prohibit the auditor from using the work of an auditor's expert in certain circumstances. For example, the IESBA Code prohibits the auditor from using the work of an external expert if the auditor:⁴

- (a) Is unable to determine whether the expert has the necessary competence or capabilities, or is objective;
- (b) Has determined that the expert does not have the necessary competence or capabilities; or
- (c) Has determined that it is not possible to eliminate circumstances that create threats to the expert's objectivity, or apply safeguards to reduce such threats to an acceptable level.

...

Agreement with the Auditor's Expert (Ref: Para. 11)

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A24. The matters noted in paragraph 8 may affect the level of detail and formality of the agreement between the auditor and the auditor's expert, including whether it is appropriate that the agreement be in writing. For example, the following factors may suggest the need for a more a—detailed agreement than would otherwise be the case, or for the agreement to be set out in writing:

- The auditor's expert will have access to sensitive or confidential entity information.
- The respective roles or responsibilities of the auditor and the auditor's expert are different from those normally expected.
- Multi-jurisdictional legal or regulatory requirements apply.
- Relevant ethical requirements require the provision of information in writing from an auditor's expert.⁵
- The matter to which the auditor's expert's work relates is highly complex.
- The auditor has not previously used work performed by that expert.
- The greater the extent of the auditor's expert's work, and its significance in the context of the audit.

A25. The agreement between the auditor and an auditor's external expert is often in the form of an engagement letter. The Appendix lists matters that the auditor may consider for inclusion in such an engagement letter, or in any other form of agreement with an auditor's external expert.

...

⁴ IESBA Code, paragraph R390.21

⁵ See, for example, paragraphs R390.5 and R390.12–17 of the IESBA Code.

Evaluating the Adequacy of the Auditor's Expert's Work (Ref: Para. 12)

A31A. Paragraph 9 requires the auditor to evaluate whether the auditor's expert has the necessary competence, capabilities and objectivity for the auditor's purposes. The requirement in paragraph 12 to evaluate the adequacy of the auditor's expert's work is based on the presumption that the auditor has determined that the expert has the necessary competence, capabilities and objectivity for the auditor's purposes. See also paragraph A19A.

...

Appendix

(Ref: Para. A25)

Considerations for Agreement between the Auditor and an Auditor's External Expert

...

Communications and Reporting

...

- If required by the provisions of relevant ethical requirements, the auditor's external expert's agreement to provide requested information in writing for purposes of assisting the auditor's evaluation of that expert's objectivity, and a commitment to communicate any changes to the information provided as set out in the relevant ethical requirements.⁶
- The auditor's external expert's responsibility to communicate circumstances that may create threats to that expert's objectivity, including any changes in those circumstances, and any relevant safeguards actions that may eliminate such threats, or safeguards that may reduce such those threats to an acceptable level.

...

ISRE 2400 (REVISED), ENGAGEMENTS TO REVIEW HISTORICAL FINANCIAL STATEMENTS

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Requirements

...

Performing the Engagement

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⁶ See, for example, paragraphs R390.5 and R390.12–17 of the IESBA Code.

Use of work performed by others

55. In performing the review, it may be necessary for the practitioner to use work performed by other practitioners, or the work of an individual or organization possessing expertise in a field other than accounting or assurance. If the practitioner uses work performed by another practitioner or an expert in the course of performing the review, the practitioner shall take appropriate steps to be satisfied that the work performed is adequate for the practitioner's purposes. (Ref: Para. A78, A97A-A97C)

...

Application and Other Explanatory Material

...

Using Work Performed by an Expert (Ref: Para. 55)

A97A. The practitioner may use work performed by a practitioner's expert in the course of the review engagement. A practitioner's expert may be an external expert engaged by the practitioner (who is not part of engagement team), or an internal expert (who is part of the engagement team). The competence, capabilities and objectivity of a practitioner's expert are factors that significantly affect whether the work of the practitioner's expert will be adequate for the practitioner's purposes.

A97B. Relevant ethical requirements may include provisions addressing the fulfillment of the practitioner's ethical responsibilities related to evaluating whether a practitioner's expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. For example, the IESBA Code includes provisions related to the practitioner's use of the work of an external expert.⁷

A97C. Relevant ethical requirements may prohibit the practitioner from using the work of a practitioner's expert in certain circumstances. For example, the IESBA Code prohibits the practitioner from using the work of an external expert if the practitioner:⁸

- (a) Is unable to determine whether the expert has the necessary competence or capabilities, or is objective;
- (b) Has determined that the expert does not have the necessary competence or capabilities; or
- (c) Has determined that it is not possible to eliminate circumstances that create threats to the expert's objectivity, or apply safeguards to reduce such threats to an acceptable level.

⁷ See Section 390 of the IESBA Code.

⁸ IESBA Code, paragraph R390.21

ISAE 3000 (REVISED), ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OR REVIEWS OF HISTORICAL FINANCIAL INFORMATION

...

Requirements

...

Obtaining Evidence

...

Work Performed by a Practitioner's Expert

52. When the work of a practitioner's expert is to be used, the practitioner shall also: (Ref: Para. A121–A125)
- (a) Evaluate whether the practitioner's expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. In the case of a practitioner's external expert, the evaluation of objectivity shall include inquiry regarding interests and relationships that may create a threat to that expert's objectivity; (Ref: Para. A126–A129)
 - (b) Obtain a sufficient understanding of the field of expertise of the practitioner's expert; (Ref: Para. A130–A131)
 - (c) Agree with the practitioner's expert on the nature, scope and objectives of that expert's work; and (Ref: Para. A132–A133)
 - (d) Evaluate the adequacy of the practitioner's expert's work for the practitioner's purposes. (Ref: Para. ~~A134~~A133A–A135)

...

Application and Other Explanatory Material

...

Obtaining Evidence

...

Considerations When a Practitioner's Expert Is Involved on the Engagement

Nature, Timing and Extent of Procedures (Ref: Para. 52)

A121. The following matters are often relevant when determining the nature, timing and extent of procedures with respect to the work of a practitioner's expert when some of the assurance work is performed by one or more practitioner's expert (see paragraph A70):

**PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK
OF AN EXTERNAL EXPERT PROJECT**

- (a) The significance of that expert's work in the context of the engagement (see also paragraphs A122-A123);
- (b) The nature of the matter to which that expert's work relates;
- (c) The risks of material misstatement in the matter to which that expert's work relates;
- (d) The practitioner's knowledge of and experience with previous work performed by that expert;
~~and~~
- (e) Whether that expert is subject to the practitioner's firm's quality management policies or procedures (see also paragraphs A124-A125); and
- (f) Whether relevant ethical requirements include provisions that address a practitioner's ethical responsibilities relating to the use of the work of an expert in the performance of an assurance engagement. For example, the IESBA Code includes provisions related to the practitioner's use of the work of an external expert.⁹

...

The Competence, Capabilities and Objectivity of the Practitioner's Expert (Ref: Para. 52(a))

...

A127A. **[Relocated from A129]** When evaluating the objectivity of a practitioner's external expert, it may be relevant to:

- Inquire of the appropriate party(ies) about any known interests or relationships that the appropriate party(ies) has with the practitioner's external expert that may affect that expert's objectivity.
- Discuss with that expert any applicable safeguards, including any professional requirements that apply to that expert, and evaluate whether the safeguards are adequate to reduce threats to an acceptable level. Interests and relationships that it may be relevant to discuss with the practitioner's expert include:
 - Financial interests;
 - Business and personal relationships;
 - Provision of other services by the expert, including by the organization in the case of an external expert that is an organization.

In some cases, it may also be appropriate for the practitioner to obtain a written representation from the practitioner's external expert about any interests or relationships with the appropriate party(ies) of which that expert is aware. Relevant ethical requirements may also require the practitioner to obtain information, in writing, from the practitioner's external expert regarding interests, relationships or circumstances that may create a threat to that expert's objectivity.¹⁰

A128. The evaluation of whether the threats to objectivity are at an acceptable level may depend upon the role of the practitioner's expert and the significance of the expert's work in the context of the engagement. In some cases, it may not be possible to eliminate circumstances that create threats or

⁹ See Section 390 of the IESBA Code.

¹⁰ See, for example, paragraphs R390.5 and R390.12–17 of the IESBA Code.

**PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK
OF AN EXTERNAL EXPERT PROJECT**

apply safeguards to reduce threats to an acceptable level, for example, if a proposed practitioner's expert is an individual who has played a significant role in preparing the subject matter information.

A128A. Relevant ethical requirements may prohibit the practitioner from using the work of a practitioner's expert in certain circumstances. For example, the IESBA Code prohibits the practitioner from using the work of an external expert if the practitioner:¹¹

- (a) Is unable to determine whether the expert has the necessary competence or capabilities, or is objective;
- (b) Has determined that the expert does not have the necessary competence or capabilities; or
- (c) Has determined that it is not possible to eliminate circumstances that create threats to the expert's objectivity, or apply safeguards to reduce such threats to an acceptable level.

...

Evaluating the Adequacy of the Practitioner's Expert's Work (Ref: Para. 52(d))

A133A. Paragraph 52(a) requires the practitioner to evaluate whether the practitioner's expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. The requirement in paragraph 52(d) to evaluate the adequacy of the practitioner's expert's work is based on the presumption that the practitioner has determined that the expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. See also paragraph A128A.

...

ISRS 4400 (REVISED), AGREED-UPON PROCEDURES ENGAGEMENTS

...

Requirements

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Using the Work of a Practitioner's Expert

29. If the practitioner uses the work of a practitioner's expert, the practitioner shall: (Ref: Para. A46-A47, A50)
- (a) Evaluate the competence, capabilities and objectivity of the practitioner's expert; (Ref: Para. A47A)
 - (b) Agree with the practitioner's expert on the nature, scope and objectives of that expert's work; (Ref: Para. A48–A49)
 - (c) Determine whether the nature, timing and extent of the work performed by the practitioner's expert is consistent with the work agreed with the expert; and
 - (d) Determine whether the findings adequately describe the results of the work performed, taking into account the work performed by the practitioner's expert.

...

¹¹ IESBA Code, paragraph R390.21

Application and Other Explanatory Material

...

Using the Work of a Practitioner's Expert (Ref: Para. 29)

...

A47. A practitioner's expert may be an external expert engaged by the practitioner or an internal expert who is part of the firm and therefore subject to the firm's system of quality management. Ordinarily, the practitioner may depend on the firm's system of quality management, unless:

- The practitioner's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or
- Information provided by the firm or other parties about the effectiveness of such policies or procedures suggests otherwise.

The extent of that dependence will vary with the circumstances and may affect the nature, timing and extent of the practitioner's procedures with respect to matters such as:

- Competence and capabilities, through recruitment and training programs.
- The practitioner's evaluation of the objectivity of the practitioner's expert.
- Agreement with the practitioner's expert.

Such dependence does not reduce the practitioner's responsibility to meet the requirements of this ISRS.

A47A. Relevant ethical requirements may prohibit the practitioner from using the work of a practitioner's expert in certain circumstances. For example, the IESBA Code prohibits the practitioner from using the work of an external expert if the practitioner:¹²

- Is unable to determine whether the expert has the necessary competence or capabilities, or is objective;
- Has determined that the expert does not have the necessary competence or capabilities; or
- Has determined that it is not possible to eliminate circumstances that create threats to the expert's objectivity, or apply safeguards to reduce such threats to an acceptable level.

...

¹² IESBA Code, paragraph R390.21

International Standards on Auditing, International Standard on Auditing for Audits of Financial Statements of Less Complex Entities, International Standards on Assurance Engagements, International Standards on Review Engagements, International Standards on Related Services, International Standards on Quality Management, International Auditing Practice Notes, Exposure Drafts, Consultation Papers, and other IAASB publications are copyright of IFAC.

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