

Tuesday, 8 July 2025

Doug Niven  
Chair  
Auditing and Assurance Standards Board  
Level 20  
500 Collins Street  
Melbourne 3000

Via e-mail: [enquiries@auasb.gov.au](mailto:enquiries@auasb.gov.au)

Dear Doug,

**Preliminary informal staff feedback – IAASB’s Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA’s Using the Work of an External Expert Project**

We provide attached Appendix 1, our preliminary views on the Exposure Draft: Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA’s Using the Work of an External Expert Project (ED).

CPA Australia has not finalised its submission to the IAASB at the date of this letter and therefore cannot provide the definitive positions it will submit to the IAASB. The responses to **Appendix 1** are preliminary CPA Australia staff views, which may change as we finalise our submission to the IAASB on the ED.

Should you have any questions about the matters raised in this preliminary informal staff feedback or wish to discuss them further, please contact Tiffany Tan, Audit and Assurance Lead at [tiffany.tan@cpaaustralia.com.au](mailto:tiffany.tan@cpaaustralia.com.au).

## Appendix 1

We understand and acknowledge that the proposals in this ED are designed to ensure consistency and interoperability between the IAASB's standards and the IESBA's final pronouncement on *Using the Work of an External Expert*. Specifically, we note that the IESBA's new provisions establish an ethical framework for professional accountants (PAs) and sustainability assurance practitioners (SAPs) in evaluating whether an external expert has the necessary **competence, capabilities and objectivity** (CCO) for their work to be relied upon. In this context, we recognise that the IAASB's scope on this ED may be limited to ensuring consistency between its standards and the IESBA's requirements.

On that basis, we commend the IAASB for its thoughtful and disciplined approach in developing this ED. The narrow-scope nature of the proposed amendments is very much welcomed. It reflects a targeted standard-setting process that maintains the overall stability of the IAASB's standards while addressing a specific interoperability need with the IESBA Code. Each proposed amendment appears to be well considered, proportionate to the project objective, and the scoping decisions—both in terms of which standards are affected and which are not—are well articulated. We also appreciate the decision to avoid changes to definitions and to limit revisions to only four standards, which promotes implementation consistency.

However, as per [our earlier submission to the IESBA](#), we remain concerned about the practical implications of certain provisions introduced by the IESBA, particularly those relating to the evaluation of an external expert's objectivity. While we acknowledge that the IAASB is not responsible for setting these requirements, and its mandate is limited to ensuring alignment, we consider it important to raise these concerns given their potential impact on the application of IAASB standards in practice.

Specifically, the high threshold established by the IESBA Code for evaluating objectivity may pose implementation challenges for assurance practitioners, particularly in emerging areas such as sustainability assurance. In many of these contexts, relevant experts may not be subject to the same professional standards or oversight frameworks as assurance practitioners. As a result, practitioners may be unable to obtain the level of information required by the IESBA Code, despite the expert otherwise meeting competence and capability criteria. This limitation could inadvertently prevent the use of appropriate external expertise, ultimately affecting the quality of assurance engagements.

We therefore encourage the IAASB to remain alert to these practical risks and implementation challenges as it finalises its amendments, and to continue coordinating with the IESBA where appropriate to ensure that standard-setting outcomes support high-quality assurance in practice.

In the Australian context, given that Australia is to be among the first jurisdictions to adopt both the IAASB's International Standard on Sustainability Assurance (ISSA) 5000 and the IESBA's revised provisions on the Use of an External Expert, we encourage the AUASB to carefully consider the potential implications for the Australian market. Australia's relatively small practitioner and expert pool, when compared to larger jurisdictions, may amplify the implementation challenges associated with the high threshold for evaluating an external expert's objectivity.

We recommend that the AUASB work closely with the APESB to manage these practical issues and support effective implementation. Proactive monitoring, guidance, and a potential earlier post-implementation review could help identify and mitigate unintended consequences, ensuring that high-quality assurance remains achievable without compromising access to appropriate expertise.

We offer detailed responses to the IAASB's specific questions below.

## 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)

Yes, we agree that the proposed amendments are responsive to the public interest. They:

- Address interoperability concerns with the IESBA Code in a timely and proportionate manner;
- Reinforce consistency across standards without unnecessary disruption; and
- Promote enforceability and clarity by referencing relevant ethical requirements appropriately in the IAASB context.

However, we note that if assurance practitioners are unable to use competent experts due to limitations imposed by the IESBA's objectivity provisions, this may inadvertently reduce the quality of assurance engagements. Particularly, in sustainability contexts and any future emerging topics. We encourage the Boards to consider how such downstream impacts might be mitigated through guidance or enablement efforts.

## 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)

We support the proposed narrow-scope amendments to ISA 620 as appropriate to maintain interoperability with the new provisions in the IESBA Code. We believe the proposed amendments will effectively link the ethical framework with the assurance practitioner's responsibilities, in particular:

- The new requirement in paragraph 8(f) and related application material (A13A) to consider relevant ethical provisions when determining procedures;
- Paragraph A19A, which explicitly outlines when the use of an expert may be prohibited under the IESBA Code;
- The added guidance in paragraphs A18A(b), A24 and the Appendix on written representations from the expert.

However, our concerns remain as noted in our response to Question 1 and our comments above.

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

*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)*

We agree that the proposed amendments to these standards are consistent with the changes to ISA 620 and necessary to maintain alignment with the IESBA Code.

Please also refer to our earlier comments on the practical implications of certain provisions introduced by the IESBA, particularly those relating to the evaluation of an external expert's objectivity.

- 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)*

Please refer to our response to Question 3.1 above.

- 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)*

Please refer to our response to Question 3.1 above.

*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.

Aside from the practical implications already discussed above, particularly those relating to the evaluation of an external expert's objectivity under the IESBA provisions, we have no further comments to add at this stage.

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.

No comment.

<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*

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)

We support the proposed effective date of December 15, 2026, in the public interest to align the effective date with the Code.

### Australian Specific Questions:

#### Aus 1:

Do you agree with the AUASB making corresponding changes to Australian auditing standards to those changes proposed in the IAASB's exposure draft? If not, why not?

Yes, we support the AUASB adopting corresponding changes to Australian auditing standards in line with the IAASB's proposed narrow-scope amendments. Consistency with international standards is important to maintain alignment and interoperability across jurisdictions, particularly as assurance engagements increasingly span global markets.

However, we urge the AUASB to remain alert to the practical implementation challenges that may arise in the Australian context, especially those stemming from the IESBA's provisions relating to the evaluation of an external expert's objectivity. These provisions introduce a high threshold that may prove difficult to meet in practice, particularly where experts are not subject to equivalent professional or ethical frameworks.

Australia is among the first jurisdictions to adopt both ISSA 5000 and the IESBA's revised Code, and the domestic expert pool, particularly in emerging areas like sustainability, is arguably more limited compared to larger markets. These constraints could reduce assurance practitioners' ability to access suitable external experts, despite their technical competence and capability, and could inadvertently impact the quality or feasibility of assurance engagements.

We recommend the AUASB consider these localised risks when finalising its response, and to work closely with the APESB to support practical implementation in the Australian market.

#### Aus 2:

Do you have any other comments on the matters covered in this consultation paper, including the proposed effective date for the changes, applicable laws/regulation or principles/practices preventing application, and any significant costs/benefits?

In light of the practical challenges noted above, we encourage the AUASB to consider proactive implementation support, including:

- Targeted guidance or FAQs to assist practitioners with applying the objectivity provisions in contexts where external experts may not be subject to professional oversight
- Engagement with firms, industry bodies and the APESB to clarify expectations and ethical responsibilities
- Proactive monitoring of implementation, including stakeholder feedback loops

- Consideration of an earlier post-implementation review to identify and address any unintended consequences before they materially affect assurance quality or market access to expertise.

These steps would help ensure the intended benefits of enhanced ethical rigour are realised, without creating avoidable barriers to high-quality assurance engagements in Australia.