

ASA 2026-1
(February 2026)

Explanatory Statement

ASA 2026-1 Amendments to ASA 620 Using the Work of an Auditor's Expert

Issued by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

Obtaining a Copy of this Explanatory Statement

This Explanatory Statement is available on the Auditing and Assurance Standards Board (AUASB) website: www.auasb.gov.au

Contact Details

Auditing and Assurance Standards Board

Phone: (03) 8080 7400

E-mail: enquiries@auasb.gov.au

Postal Address:

PO Box 204, Collins Street West

Melbourne Victoria 8007

AUSTRALIA

Reasons for Issuing Auditing Standard ASA 2026-1

The AUASB issues ASA 2026-1 *Amendments to ASA 620 Using the Work of an Auditor's Expert* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB was established under section 227A of the *Australian Securities and Investments Commission Act 2001*. Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislation Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council, the AUASB is required, *inter alia*, to develop auditing standards that have a clear public interest focus and are of the highest quality.

Main Features

This Standard makes minor amendments to the requirements, application and other explanatory material and appendices of ASA 620 *Using the Work of an Auditor's Expert* (Issued 27 October 2009 and amended to 5 November 2021). These minor amendments are consistent with amendments made by the International Auditing and Assurance Standards Board (IAASB) to the equivalent International Standards on Auditing.

The amendments arise from changes made by the Accounting Professional & Ethical Standards Board Limited (APESB) to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* on the use of external experts. Those changes are consistent with changes made by the International Ethical Standards Board for Accountants to the equivalent international code.

Operative Date

ASA 2026-1 *Amendments to ASA 620 Using the Work of an Auditor's Expert* is operative for financial reporting periods commencing on or after 15 December 2026.

Process of making Australian Auditing Standards

The AUASB's Strategic Direction, *inter alia*, provides that the AUASB develop Australian Auditing Standards that:

- have a clear public interest focus and are of the highest quality;
- use the International Standards on Auditing of the International Auditing and Assurance Standards Board as the underlying standards;
- conform with the Australian regulatory environment; and
- are capable of enforcement.

Consultation Process prior to issuing the Auditing Standard

The AUASB has consulted publicly as part of its due process in developing ASA 2026-1. An AUASB Consultation Paper wrap-around the IAASB's *Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project* was issued on 26 May 2025 with a 42-day comment period.

Submissions were received by the AUASB and these were considered as part of the development and finalisation of the Auditing Standard.

Impact Analysis

A Preliminary Assessment form has been prepared in connection with the preparation of ASA 2026-1 and lodged with the Office of Impact Analysis (OIA). The OIA advised that an Impact Analysis is not required in relation to this standard.

Exemption from Sunsetting

Auditing Standards promulgated by the AUASB that are legislative instruments are exempt from the sunset provisions of the *Legislation Act 2003* through section 12 of the *Legislation (Exemption and Other Matters) Regulation 2015* (Item 18(a)).

The AUASB's Standards incorporate Standards set by the International Auditing and Assurance Standards Board. The AUASB's Standards are exempt from sunset because a more stringent review process than sunset applies to the Standards. This review process ensures Australia's Auditing Standards regime remains consistent with international standards. Typically, the AUASB Standards are revised at least once within a ten-year period, with most of the Standards subject to revisions much more frequently than that. Each revision follows the stringent review process (which includes the opportunity for public comment) in order to remain consistent with international Standards. It is very unlikely that any AUASB Standard would not have been amended (or else considered for amendment) within a ten-year period through these review processes. Therefore, if it applied, a ten-year sunset regime would have very limited practical application to AUASB Standards. Parliamentary oversight is retained whenever a Standard is replaced or amended since the Standards are disallowable instruments and subject to the normal tabling and scrutiny process as required by the *Legislation Act 2003*.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Legislative Instrument: **Auditing Standard ASA 2026-1 Amendments to ASA 620 Using the Work of an Auditor's Expert**

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Background

The AUASB was established under section 227A of the *Australian Securities and Investments Commission Act 2001*. Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Main Features

This Standard makes minor amendments to the requirements, application and other explanatory material and appendices of ASA 620 *Using the Work of an Auditor's Expert* (Issued 27 October 2009 and amended to 5 November 2021).

The amendments arise from changes made by the APESB to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* on the use of external experts.

Human Rights Implications

AUASB Standards are issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standards do not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.