

23 July 2025

International Auditing and Assurance Standards Board
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, 10017 USA

RE: International Auditing and Assurance Standards Board's ("IAASB") Exposure Draft, "Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project"

Dear Colleagues

The Saudi Organization for Chartered and Professional Accountants (SOCPA) appreciates the effort of IAASB and welcomes this opportunity to comment on the IAASB's Exposure Draft (ED), 4/2025, *"Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project"*.

SOCPA welcomes this opportunity to offer its comment on the ED about "Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project". Our interest in this topic comes from SOCPA's continuous efforts to provide sufficient technical and ethical guidance to professional accountants (PAs), individuals and institutions. We believe that the IAASB's ED proposed narrow-scope amendments to the IAASB standards serve the objective of responding to public interest concerns regarding reinforcing the ethical foundation for using the work of external experts, and maintaining the interoperability between the IAASB's standards and the International Ethics Standards Board for Accountants (IESBA) Code. Since the IESBA Code represents the approved ethical requirements for professional accountants in practice in Saudi, we support the proposed targeted amendments to the IAASB's standards which ensure their alignment and interconnectivity with the Code. Accordingly, SOCPA's comment on the ED is further explained in its responses to the ED's survey questions in the appendix.

Please feel free to contact Dr. Abdulrahman Alrazeen at (razeena@socpa.org.sa) for any clarification or further information.

Sincerely,

Dr. Ahmad Almeghames

SOCPA Chief Executive Officer



Appendix

SOCPA Comments on the IAASB's ED, 4/ 2025, "Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project".

Responses to Questions in the Explanatory Memorandum (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.

<p>Overall Question</p> <p><i>Public Interest Responsiveness</i></p> <p>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?</p> <p>(See EM, Section 1-A)</p>
<p>Overall response: <u>Agree, with comments below</u></p> <p>Detailed comments (if any):</p> <p>The proposed amendments are responsive to public interest concerns, particularly by reinforcing the ethical foundation for using external experts in high-risk areas such as ESG reporting. By explicitly linking ISA 620 and other standards to Section 390 of the IESBA Code, they promote consistency, transparency, and accountability in expert use.</p> <p>To support practical application, we recommend highlighting and, where possible, expanding cross-references to application material (e.g., ISA 620 A18A–A19A), which already provide useful examples for evaluating objectivity threats arising from prior relationships with a client. This would reinforce the usability of the amendments without duplicating existing content.</p>

<p>Specific Questions</p> <p><i>Proposed Narrow-Scope Amendments to ISA 620¹</i></p> <p>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?</p> <p>(See EM, Section 1-C)</p>
<p>Overall response: <u>Agree, with comments below</u></p> <p>Detailed comments (if any):</p> <p>Yes, the proposed narrow-scope amendments to ISA 620 appropriately maintain interoperability with the IESBA's revised Code, particularly Section 390.</p> <p>To further enhance the clarity and practical implementation of these targeted changes, we suggest the following:</p>

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

- While ISA 230 already requires documentation of significant judgements, reinforcing within ISA 620's application material that assessments of an external expert's objectivity (particularly when threats or safeguards apply) should be documented, this would aid consistent compliance with both ISA 620 and the Code.
- The proposed amendments would benefit from illustrative examples of situations that may impair objectivity—such as contingent fee arrangements (IESBA Code 390.8. A2)—to support auditors' evaluation processes.
- The proposed additions are helpful. Further illustrative terms—e.g., regarding confidentiality, ongoing disclosure of conflicts, and expert withdrawal procedures—would promote consistent practice in managing ethical requirements in expert engagements.

These suggestions aim to refine the application of the ED's proposed amendments without broadening their scope. We support the IAASB's objective of maintaining clear alignment between ISA 620 and the IESBA Code, and believe these refinements will enhance the practical effectiveness of that alignment.

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):

Not applicable

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 comments below

Detailed comments (if any):

The proposed amendments to ISRE 2400 (Revised) appropriately reflect the principles introduced in ISA 620 and the IESBA Code, while respecting the nature of review engagements.

To further support implementation, we suggest the IAASB consider:

- Clarifying how practitioners may scale their procedures based on materiality or risk, consistent with the review-level nature of the engagement. While ISRE 2400 is intentionally flexible, providing illustrative examples would help firms tailor their approach proportionately.

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*

- Cross-referencing ISA 620 in the application material where relevant, to support consistency for practitioners who perform both audits and reviews.

These suggestions would reinforce the interoperability objective without broadening the scope of the ED.

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):

Not applicable

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 comments below

Detailed comments (if any):

The proposed amendments to ISAE 3000 (Revised) are consistent with those to ISA 620.

To further support implementation and interoperability with the Code, we suggest the IAASB consider the following enhancements:

- Clarifying the application of these requirements where external experts are engaged through group entities or affiliated firms, particularly where ethical threats may arise. While paragraph A127A touches on this, additional emphasis or cross-referencing IESBA Code paragraph 390.8 could improve accessibility.
- Including non-authoritative implementation support (outside the standard), such as flowcharts, decision trees, or illustrative scenarios, to help practitioners apply the framework in complex engagements involving technical experts (e.g., in sustainability contexts).

These refinements would enhance the clarity and usability of the narrow-scope amendments, without extending their scope, and support practitioners in meeting their ethical and assurance obligations consistently.

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):

Not applicable

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)
<p>Overall response: <u>Agree, with comments below</u></p> <p>Detailed comments (if any):</p> <p>The ISRS 4400 amendments strike a good balance between flexibility and ethical rigor. For clarity, the IAASB could distinguish between experts conducting procedures versus those verifying outputs, outline communication protocols with engaging parties (ISRS 4400, para. 31), and offer guidance on managing cross-border expert engagements. Including practical examples—such as evaluating objectivity in a multi-jurisdictional setting—would help ensure consistent application across varied engagement types.</p>
<p>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)?</p>
<p>Detailed comments (if any):</p> <p>Not applicable</p>

<p><i>Other Matters</i></p> <p>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.</p>
<p>Overall response: <u>Yes, with comments below</u></p> <p>Detailed comments (if any):</p> <p>Several additional matters merit attention to facilitate implementation. First, clearer guidance is needed on how these amendments interact with quality management standards, especially regarding internal experts (ISQM 1, para. 30). Second, continued coordination with IESBA on sustainability-focused provisions (Section 5390) is critical, particularly where client-engaged experts are involved (ISSA 5000, para. 64). Third, guidance on scaling evaluation procedures based on risk and materiality (ISA 320) would help firms apply these requirements proportionately. These refinements would promote consistent and effective implementation.</p>

Part C: Request for General Comments

The IAASB is also seeking comments on the matters set out below:

<p>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.</p>
<p>Overall response: <u>No response</u></p> <p>Detailed comments (if any):</p>

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):

The proposed 12-month implementation period is appropriate and aligns with the IESBA’s effective date. To support adoption, especially among small- and medium-sized firms, we recommend that the IAASB develop enablement resources, including methodology integration guides (ISA 220), training programs, and monitoring checklists. Templates for expert agreements and evaluation tools would also streamline compliance. Timely communication of these resources would ensure stakeholders are well-prepared across all practice sizes.