AASB
Auditing and Assurance Standards Board

Exposure Draft

Canadian Wraparound Exposure Draft

Use of Experts

Proposed Narrow-scope Amendments Related to the IAASB's Using the Work of an External Expert Project

May 2025

Comments to the AASB on this Exposure Draft are due on July 24, 2025.
Comments to the IAASB on its questions are due on July 24, 2025.

The Auditing and Assurance Standards Board (AASB) welcomes feedback from any interested party on any or all questions posed in this Exposure Draft.

You can provide feedback to the AASB on the proposals in the following ways:

- Connect directly with the AASB on this Exposure Draft by requesting a meeting. Our AASB Director contact information is below.
- Write a response letter and upload it via our online form. Response letters can be addressed to:

Karen DeGiobbi, CPA, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
145 King St West, Suite 500,
Toronto, ON M5H 1J8

Note: Response letters will be posted online shortly after this Exposure Draft closes for comment. Confidentiality can be requested when uploading letters via the online form.

Helpful tips when responding:

- Comments are most helpful if they relate to a specific paragraph or group of paragraphs found in the Exposure Draft.
- If you identify a potential issue in this Exposure Draft's proposals, we encourage you to clearly explain the issue and include a suggested alternative, supported by specific reasoning.
- The AASB does not expect you to respond to every single question posed – only those to which you feel you can or should respond.

HIGHLIGHTS

The AASB proposes, subject to comments received following exposure, to adopt with appropriate Canadian amendments, if any, the International Auditing and Assurance Standards Board's (IAASB) proposed narrow-scope revisions to:

- International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*;
- International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*; and
- International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*.

This would result in equivalent narrow-scope revisions to the corresponding Canadian standards.

In addition, the AASB proposes, subject to comments received following exposure, to make narrow-scope revisions to Other Canadian Standards not adopted from international standards:

- Canadian Standard on Review Engagements (CSRE) 2400, *Engagements to Review Historical Financial Statements*, to reflect the same revisions the IAASB proposes to International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*, and
- Canadian Standard on Assurance Engagements (CSAE) 3001, *Direct Engagements*, to reflect the same revisions the AASB proposes to CSAE 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*.

This Exposure Draft consists of:

- an explanation of why change is needed;
- a link to the IAASB's Exposure Draft, including its Explanatory Memorandum;
- key public interest considerations;
- a description of the AASB's process for adopting international standards;
- a discussion of the implications of the proposed narrow-scope revisions in Canada;
- a discussion of the AASB's proposals and consideration of Canadian amendments; and
- a discussion of the proposed effective date.

Please review "**Comments requested**" on page 6 for information on preparing your response to this Exposure Draft.

Why change is needed

In December 2024, the International Ethics Standards Board for Accountants (IESBA) approved new provisions in the IESBA Code[1] related to *Using the Work of an External Expert*. The new section of the IESBA Code provides an ethical framework to guide practitioners in evaluating whether an external expert has the necessary competence, capabilities and objectivity for their work to be used. The new provisions are effective as of December 15, 2026.

Consequently, in March 2025, the IAASB approved a narrow-scope revisions project to revise ISA 620 and other standards to ensure continuing interoperability between the IAASB and IESBA standards related to using the work of an external expert.

[1] *International Code of Ethics for Professional Accountants (including International Independence Standards)*

IAASB Exposure Draft

The IAASB's Exposure Draft, "Proposed Narrow-scope Amendments Arising from the IESBA's Using the Work of an External Expert Project," is available on the IAASB website.

The IAASB's Exposure Draft includes the Explanatory Memorandum, which provides background to, and an explanation for, the proposed narrow-scope revisions.

Key public interest considerations

Section 1-A of the IAASB's Explanatory Memorandum sets out the public interest issues that the project addresses.

Process for adopting international standards

The AASB is committed to adopting International Standards on Auditing (ISAs) and International Standards on Quality Management (ISQMs) as Canadian Auditing Standards (CASs) and Canadian Standards on Quality Management (CSQMs). The Board recognizes that it has a vital role in monitoring revisions to the ISAs and ISQMs to ensure that they remain in the Canadian public interest.

The AASB also decides, on a case-by-case basis, whether to adopt other international standards as Canadian standards.

When an international standard is adopted, whether through commitment or an AASB decision, adoption of any subsequent revisions to the international standards is not automatic. The AASB typically issues a Canadian exposure draft when the IAASB issues an exposure draft and follows amendment criteria, set out in Appendix A, when it considers whether Canadian amendments are required in specific circumstances.

Implications of the proposed narrow-scope revisions in Canada

In Canada, professional accountants are required to comply with ethical requirements set out in the Canadian Codes of Conduct/Ethics issued by various professional accounting bodies (the Canadian CPA Codes). When performing engagements in accordance with CSAE 3000, CSAE 3001 or Canadian Standard on Related Services (CSRS) 4400, *Agreed-upon Procedures Engagements*, Canadian practitioners who are not professional accountants may either comply with the Canadian CPA Codes or follow other professional requirements or requirements in law or regulation that are at least as demanding.

There are differences between the Canadian CPA Codes and the IESBA Code. One such difference is that the Canadian CPA Codes do not contain the IESBA Code's recently issued provisions related to using the work of a practitioner's external expert. This means that a Canadian practitioner who complies only with the Canadian CPA Codes may not be affected by the proposed narrow-scope revisions. However, this may not be the case for other practitioners who are not professional accountants. These practitioners may follow other requirements that may include provisions on using the work of a practitioner's external expert.

The AASB's proposals and consideration of Canadian amendments

The IAASB's approach to determining the narrow-scope revisions is explained in Section 1-B of the IAASB's Explanatory Memorandum.

The proposed narrow-scope revisions are set out as follows:

- for CAS 620, *Using the Work of an Auditor's Expert*, see the IAASB's Exposure Draft and the proposed changes to ISA 620; and
- for CSRE 2400, CSAE 3000, CSAE 3001 and CSRS 4400, see Appendix B.

Proposed narrow-scope revisions to CAS 620, CSAE 3000 and CSRS 4400

The IAASB's Explanatory Memorandum describes the narrow-scope revisions to ISA 620 (see Section 1-C), ISAE 3000 (Revised) (see Section 1-E) and ISRS 4400 (Revised) (see Section 1-F).

The AASB is committed to adopting ISA 620 and chose to adopt ISAE 3000 (Revised) as CSAE 3000 and ISRS 4400 (Revised) as CSRS 4400. Therefore, the AASB proposes to adopt the IAASB's narrow-scope revisions to ISA 620, ISAE 3000 (Revised) and ISRS 4400 (Revised). These proposed revisions would align the equivalent Canadian standards with the international standards on using the work of a practitioner's external expert.

Consideration of Canadian amendments

The AASB is not proposing any Canadian amendments in adopting the narrow-scope revisions. In the Board's view, the proposed narrow-scope revisions would not conflict with the existing Canadian CPA Codes. The Board notes the following considerations:

- The proposed additional requirement in paragraph 8(f) of ISA 620 requires the auditor to consider provisions of relevant ethical requirements related to using the work of an expert. However, no further action is required if the relevant ethical requirements do not contain such provisions.
- The proposed application material paragraphs in ISA 620, ISAE 3000 (Revised) and ISRS 4400 (Revised) are either neutral regarding the IESBA Code or refer to the Code as examples.

The AASB's criteria for making amendments are outlined in Appendix A.

Proposed revisions to other Canadian standards not adopted from IAASB standards

The AASB developed CSAE 3001 based on CSAE 3000, with revisions to reflect the difference between direct and attestation engagements. The Board's goal has been to maintain consistency between CSAE 3000 and CSAE 3001. As the proposed narrow-scope revisions to CSAE 3000 are also relevant to direct engagements, the Board proposes to make the same revisions to CSAE 3001.

The AASB developed CSRE 2400 based on ISRE 2400 (Revised). In doing so, when first developed, the AASB retained all requirements and application material from ISRE 2400 (Revised) and added content specific to Canadian circumstances. The AASB proposes to make the same narrow-scope revisions to CSRE 2400 as those proposed in ISRE 2400 (Revised) for the following reasons:

- The IAASB's proposed application material for ISRE 2400 (Revised) is relevant and helpful for practitioners in Canada to meet the requirement in paragraph 54 of CSRE 2400 (equivalent to paragraph 55 in ISRE 2400 (Revised)) when using the work of a practitioner's expert.
- In today's increasingly complex environment, practitioners are using the work of a practitioner's expert in engagements more frequently. It is in the public interest to provide guidance, particularly on considering the expert's competence, capabilities and objectivity.

Proposed effective date

The AASB normally uses the same effective date for revisions to Canadian standards adopted from IAASB standards.

The revised IESBA Code provisions related to using the work of an external expert are effective for audit engagements, review engagements and other assurance engagements for periods beginning on or after December 15, 2026, or at a specific date on or after December 15, 2026. The IAASB stated that it believes there is a public interest benefit in aligning the effective date of the proposed IAASB narrow-scope revisions with that of the IESBA Code provisions.

The AASB proposes that the narrow-scope revisions to the Canadian standards have the same effective date as the IAASB narrow-scope revisions.

The AASB recognizes that the proposed effective date will result in a short implementation period – less than 12 months. However, any change in work effort would be driven by the relevant ethical requirements. For practitioners following the Canadian CPA Codes, which do not currently include the IESBA Code provision, the change in work effort, if any, is likely to be minimal.

Comments requested

Comments are most helpful if they relate to a specific paragraph or group of paragraphs. Any comments that express disagreement with the proposals in the Exposure Draft should clearly explain the problem and include a suggested alternative, supported by specific reasoning. If you agree with the proposals in the Exposure Draft, please make that clear in your response.

Responding to the IAASB's Exposure Draft

Please provide comments on the IAASB's Exposure Draft directly to the IAASB and provide the AASB with a copy of your response. To have the AASB consider these comments when drafting its own response to the IAASB's Exposure Draft, please submit your comments to the AASB by July 4, 2025.

Please do not include comments on matters particular to the Canadian environment in your responses to the IAASB. Such comments should be included only in responses sent to the AASB. Please refer to the "Guide for Respondents" contained in the IAASB's Exposure Draft and respond to the specific questions therein.

Providing comments to the AASB

The AASB would appreciate receiving responses to the questions below.

1. Do you agree that no Canadian amendments are required to the IAASB's proposed narrow-scope revisions to:
   (a) ISA 620 for adoption in CAS 620;
   (b) ISAE 3000 (Revised) for adoption in CSAE 3000; and
   (c) ISRS 4400 (Revised) for adoption in CSRS 4400?
2. Do you agree that the AASB's proposed narrow-scope revisions to CSAE 3000 should also be made in CSAE 3001?
3. Do you agree that the IAASB's proposed narrow-scope revisions to ISRE 2400 (Revised) should also be made to CSRE 2400?

4. Do you have any concerns with the proposed effective date?

5. Do you believe the proposals would create any implementation challenges for practitioners in Canada?

The deadline for providing your comments to the AASB on the above is July 24, 2025.

APPENDIX A

Amendment Criteria Used by the AASB When Adopting ISQMs as CSQMs, ISAs as CASs, ISAEs as CSAEs and ISRSs as CSRSs

With respect to the adoption of International Standards on Auditing (ISAs)[2] as Canadian Auditing Standards (CASs), and the adoption of an International Standard on Assurance Engagement (ISAE) as a Canadian Standard on Assurance Engagement (CSAE) and International Standard on Related Services (ISRS) as a Canadian Standard on Related Services (CSRS), on a case-by-case basis, the Auditing and Assurance Standards Board's (AASB) overriding goal is to adopt ISAs into the Assurance Handbook without amendment. However, there may be circumstances where amendments are required. The following sets out the limited circumstances when the AASB will make amendments to ISAs:

1. The AASB limits additions to an ISA to those required to comply with Canadian legal and regulatory requirements.[3]
2. The AASB limits deletions from, or other amendments to, an ISA to the following:
   (a) The elimination of options (alternatives) provided for in the ISA.
   (b) Requirements or guidance, the application of which Canadian law or regulation[3] does not permit, or which require amendments to be consistent with law or regulation.
   (c) Requirements or guidance, where the ISA recognizes that different practices may apply in different jurisdictions and Canada is such a jurisdiction.
3. The AASB may make amendments to an ISA with respect to requirements or guidance that do not fall within 1 or 2 above when it believes that there are circumstances particular to the Canadian environment where such amendments are required to serve the Canadian public interest and maintain the quality of auditing and reporting in Canada.
4. To the extent possible, amendments that are:
   (d) additions to an ISA will not be inconsistent with the current requirements or guidance in the ISA; and
   (e) deletions from, or other amendments to, an ISA will be replaced by an appropriate alternative that achieves the objective of the deleted requirement.

Proposed amendments to an ISA are highlighted in exposure drafts of proposed Canadian standards. The AASB indicates the reasoning for the amendments and respondents are invited to comment on them, including when the amendment will not result in convergence with the ISA in accordance with the IAASB's guide for national standard setters. Amendments to ISAs will be separately identified in the final Assurance Handbook material.

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[2] Reference to ISAs in this appendix also includes reference to International Standards on Quality Management (ISQMs) adopted as Canadian Standards on Quality Management (CSQMs), relevant International Standards on Assurance Engagements (ISAEs) adopted as Canadian Standards on Assurance Engagements (CSAEs) and relevant International Standards on Related Services (ISRSs) adopted as Canadian Standards on Related Services (CSRSs), where applicable.

[3] Canadian incorporating and other governing legislation often require entities to prepare financial statements in accordance with Canadian generally accepted accounting principles (GAAP). Accordingly, if Canadian GAAP necessitates a different audit response in Canada, these differences fall within the definition of a legal or regulatory requirement.

APPENDIX B

Proposed Narrow-scope Revisions to Other Canadian Standards – CSRE 2400, CSAE 3000, CSAE 3001 and CSRS 4400

The AASB proposes the following narrow-scope revisions to:

- CSRE 2400;
- CSAE 3000;
- CSAE 3001; and
- CSRS 4400.

For proposed narrow-scope revisions to CAS 620, refer to the proposed narrow-scope revisions to ISA 620 in the IAASB's Exposure Draft.

CANADIAN STANDARD ON REVIEW ENGAGEMENTS

CSRE 2400

engagements to review historical financial statements

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Requirements

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Performing the Engagement

Use of work performed by others

54. 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. A90, A109A-A109C)

…

Application and Other Explanatory Material

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Designing and Performing Procedures (Ref: Para. 46, 54)

A90. When the practitioner is engaged to review the financial statements of a group of entities, the planned nature, timing and extent of the procedures for the review are directed at achieving the practitioner's objectives for the review engagement stated in this CSRE, but in the context of the group financial statements.

…

Use of work performed by others

Using work performed by an expert (Ref: Para. 54)

A109A. 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 the 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.

A109B. 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.[4]

A109C. 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:[5]

(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.

…

[4] See Section 390 of the IESBA Code.

[5] IESBA Code, paragraph R390.21

CANADIAN STANDARD ON ASSURANCE ENGAGEMENTS

CSAE 3000

attestation 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):

(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.[6]

…

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.[7]

CA128. The evaluation of the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the practitioner's expert and the significance of the expert's work in the context of the engagement. There may be some circumstances in which safeguards cannot 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. [In ISAE 3000, this paragraph states: 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 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:[8]

(a) Is unable to determine whether the expert has the necessary competence or capabilities, or is objective;

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[6] See Section 390 of the IESBA Code.

[7] See, for example, paragraphs R390.5 and R390.12-17 of the IESBA Code.

[8] IESBA Code, paragraph R390.21

(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.

…

CANADIAN STANDARD ON ASSURANCE ENGAGEMENTS

CSAE 3001

direct engagements

…

Requirements

…

Obtaining Evidence

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57. 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. A133A~~A134~~-A135)

…

Application and Other Explanatory Material

…

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

Nature, Timing and Extent of Procedures (Ref: Para. 57)

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 A69):

    (a) The importance 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 significant deviation 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]

…

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.

A128. The evaluation of the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the practitioner's expert and the importance of the expert's work in the context of the engagement. There may be some circumstances in which safeguards cannot reduce threats to an acceptable level, for example, if a proposed practitioner's expert is an individual who has played an important role in assisting the responsible party in making decisions regarding aspects of the underlying subject matter.

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:[10]

(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.

…

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

10 IESBA Code, paragraph R390.21

Evaluating the Adequacy of the Practitioner's Expert's Work (Ref: Para. 57(d))

A133A. Paragraph 57(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 57(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.

CANADIAN STANDARD ON RELATED SERVICES

CSRS 4400

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)

(a) Agree with the practitioner's expert on the nature, scope and objectives of that expert's work; (Ref: Para. A48-A49)

(b) 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

(c) Determine whether the findings adequately describe the results of the work performed, taking into account the work performed by the practitioner's expert.

…

Application and Other Explanatory Material

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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 CSRS.

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:[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.

…

[11] IESBA Code, paragraph R390.21