



IESBA

International Ethics Standards Board for Accountants
AN IFEA BOARD

Technical Overview: Using the Work of An External Expert



JANUARY 2025



Using the Work of An External Expert

This summary provides a technical overview of the International Ethics Standards Board for Accountants' (IESBA) pronouncement [Using the Work of An External Expert](#).

The pronouncement introduces new sections in Parts 2 and 3 of the [International Code of Ethics for Professional Accountants™ \(including International Independence Standards™\)](#) (the Code), and a section in the [International Ethics Standards for Sustainability Assurance™ \(including International Independence Standards™\)](#) (IESSA™) (Part 5 of the Code).



This Technical Overview has been prepared by the IESBA staff for information purposes only. It does not form part of the final pronouncement or the Code. The Technical Overview does not amend or override the Code, the text of which alone is authoritative. Reading the Technical Overview is not a substitute for reading the final pronouncement or the Code.

<p>What was the objective of this project?</p>	<p>To establish a principles-based framework to guide:</p> <ul style="list-style-type: none"> (a) The ethical considerations relating to the competence, capabilities and objectivity of external experts whose work is used by professional accountants (PAs) in business (PAIBs), PAs in public practice (PAPPs) and sustainability assurance practitioners (SAPs) in carrying out their professional activities or services; and (b) The ethical behavior of PAIBs, PAPPs and SAPs when using the work of such external experts.
<p>What new sections have been added to the Code?</p>	<p>Section 290 <i>Using the Work of an External Expert</i> for PAIBs Section 390 <i>Using the Work of an External Expert</i> for PAPPs Section 5390 <i>Using the Work of an External Expert</i> for SAPs</p>
<p>Who is outside the scope of the pronouncement?</p>	<p>Providers of information for general use; internal experts; subcontractors; and management's experts in the context of audit, sustainability assurance and other assurance engagements.</p>
<p>When is the pronouncement effective?</p>	<p>The provisions in Part 2 will be effective as of December 15, 2026.</p> <p>The provisions in Part 3 will be effective:</p> <ul style="list-style-type: none"> • For audit, review and other assurance engagements outside the scope of Part 5 for periods beginning on or after December 15, 2026, or as at a specific date on or after December 15, 2026. • For other professional services, as of December 15, 2026. <p>The provisions in Part 5 will be effective for sustainability assurance engagements on sustainability information for periods beginning on or after December 15, 2026, or as at a specific date on or after December 15, 2026.</p> <p>Early adoption is permitted and encouraged.</p>
<p>Where can I find more information?</p>	<p>For more information, including implementation support materials, visit www.ethicsboard.org</p>

Why Was the Standard-Setting Project on Using the Work of an External Expert Started and How Was It Informed?

The use of external experts by PAIBs and PAPPs is not a new phenomenon. However, a number of questions were raised by the Public Interest Oversight Board (PIOB), during the IESBA's deliberations and from stakeholder feedback on recent IESBA projects¹, about the ethical and independence expectations of external experts when their work is used in audit engagements and other professional services or activities performed by PAs.

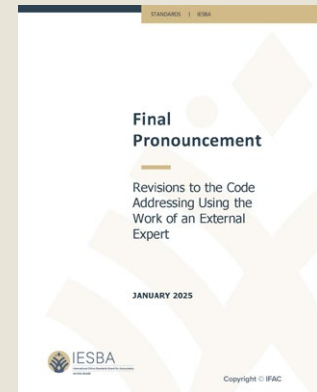
As a result, the project was started to clarify and strengthen the Code regarding:

- Considerations relating to the necessary ethical attributes of external experts in order for PAIBs, PAPPs and SAPs to use their work, i.e., the external experts' competence, capabilities and objectivity.
- The ethical behavior expected of PAIBs, PAPPs, and SAPs when using the work of an external expert.

The development of the standards was informed by extensive outreach, including four global roundtables held in Paris, Sydney, Singapore and New York, direct engagement with investors, discussions with the former IESBA Consultative Advisory Group, as well as discussions with stakeholders representing the international and national regulatory community. These include audit oversight bodies, national standards setters, professional accountancy organizations, representatives of large and small accounting firms, and other stakeholders.

Key Elements of the Pronouncement

The pronouncement introduces a framework that becomes operative when a PA or SAP does not have sufficient expertise to perform a professional activity or service, and therefore determines to use an external expert to deliver the work needed for the PA's or SAP's purposes. This action would be a safeguard to address a self-interest threat to the PA's or SAP's compliance with the fundamental principles of integrity and professional competence and due care in such circumstances.



Key Provisions of the Framework	Intended Outcome
<p>New definitions for “expert” and “expertise” and revised definition of “external expert.”</p>	<p>To clearly distinguish the work of an external expert from the work of other individuals or organizations providing information for general use</p>
<p>A requirement for the PA or SAP to agree the terms of engagement with the external expert.</p> <p>Additionally for an audit, sustainability assurance, or other assurance engagement, requirements for the PA or SAP to agree with the external expert that the external expert will:</p> <ul style="list-style-type: none"> • Provide information in writing for the purposes of the PA's or SAP's evaluation of the external expert's objectivity • Communicate any changes to the information provided during the period covered by the audit, sustainability assurance or other assurance report through to the issuance of that report 	<p>To set out clearly and agree the nature, scope and objectives of the work to be performed by the external expert</p> <p style="text-align: right;"><i>continued on next page</i></p>

¹ In particular, the IESBA's Sustainability, Technology, Tax Planning, and Engagement Team – Group Audits projects

Key Provisions of the Framework

Intended Outcome

Requirements for the PA or SAP to evaluate whether the external expert has the necessary competence, capabilities and objectivity (CCO) for the PA's or SAP's purpose:

Note: See below for additional considerations relating to an external expert's objectivity in an audit, sustainability assurance, or other assurance engagement

Includes guidance to:

- Assist the PA or SAP in identifying, evaluating and addressing threats to the external expert's objectivity, including examples of safeguards
- Emphasize the importance of exercising professional judgment and using the reasonable and informed third party test
- Highlight that the PA or SAP might face pressure to breach the fundamental principles if the PA or SAP finds it challenging, or is unable, to conclude on the external expert's CCO when the external expert has already performed a significant portion of their work



A requirement for the PA or SAP to **re-evaluate** the external expert's CCO when facts and circumstances change



A requirement for the PA or SAP to **conclude** on such evaluation



A **prohibition** on the PA or SAP to use the work of the external expert if the PA or SAP determines that such expert does not have the necessary CCO, or if the PA or SAP is unable to make such determination

To establish a consistent global baseline for considerations and actions relating to the CCO of an external expert

Additional objectivity considerations for an audit, sustainability assurance or other assurance engagement:

A requirement for the PA or SAP to request the external expert to provide specific information **in writing** pertaining to interests, relationships and circumstances based on certain independence attributes

- The types of information to be requested in relation to the entity at which the external expert is performing work from the beginning of the period covered by the audit or assurance report until the completion of the external expert's work, include, for example:
 - Financial interests, loans and guarantees
 - Close business relationships
 - Current or previous engagements or associations
 - Any position as a director, officer or employee
 - Conflicts of interests
 - Dependency of fees and contingent fees

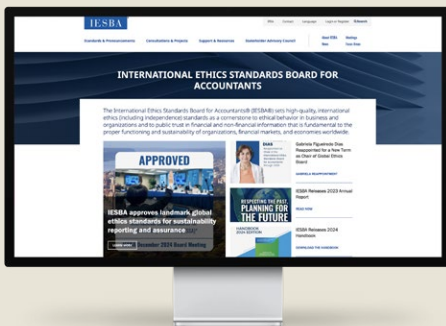
Some of the information to be requested also concerns the external expert's immediate family or the external expert employing organization.

To meet heightened public expectations concerning external experts' objectivity when their work is used in an audit, sustainability assurance, or other assurance engagement

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Key Provisions of the Framework	Intended Outcome
<ul style="list-style-type: none"> • The framework takes a proportionate approach regarding the nature and extent of information to be requested from the external expert, making distinctions between clients that are public interest entities (PIEs) and clients that are non-PIEs, and assurance engagements within or outside the scope of Part 5 • Where the external expert uses a team, the framework also requires the PA or SAP to request the same information from all members of the external expert's team • Where the entity at which the external expert is performing the work is not the PA's or SAP's client, the framework also requires the PA or SAP to request specific information in relation to the client relative to the external expert, their immediate family or the external expert's employing organization • Includes guidance to assist the PA or SAP in evaluating and addressing threats to the external expert's objectivity, including examples of safeguards 	<p>To meet heightened public expectations concerning external experts' objectivity when their work is used in an audit, sustainability assurance, or other assurance engagement</p>
<p>Comprehensive guidance to assist the PA or SAP in identifying, evaluating and addressing threats to compliance with the fundamental principles when using the work of an external expert. This guidance includes:</p> <ul style="list-style-type: none"> • Examples of facts and circumstances that might create threats to the PA's or SAP's compliance with the fundamental principles when using an external expert's work • Factors to evaluate the level of such threats • Examples of actions to address the threats, including safeguards 	<p>To guide the ethical behavior of the PA or SAP when using the work of an external expert</p>
<p>Guidance for the PA or SAP to:</p> <ul style="list-style-type: none"> • Communicate with management and those charged with governance where appropriate • Document steps taken to evaluate the external expert's CCO and the resulting conclusions, significant threats identified and actions taken, as well as the results of any significant discussions with the external expert 	<p>To encourage transparency and maintenance of a record of important matters considered or discussed in relation to using the external expert's work</p>
<p>For an audit, sustainability assurance, or other assurance engagement, a requirement for the PA or SAP to obtain from the external expert in writing the information about the additional objectivity considerations</p>	<p>To:</p> <ul style="list-style-type: none"> • Elevate the care and thoughtfulness applied by the external expert in providing the requested information to the PA or SAP • Reduce the possibility of misunderstandings between the external expert and the PA or SAP • Emphasize the importance of the PA or SAP maintaining a record of the information obtained from the external expert

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ABOUT IESBA

The IESBA sets high-quality, international ethics (including independence) standards as a cornerstone to ethical behavior in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets, and economies worldwide.

Find out more about the IESBA at www.ethicsboard.org

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