Meeting:	IESBA CAG	
Meeting Location:	New York	
Meeting Date:	September 11, 2023	

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Agenda Item
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Use of Experts

Objectives

1. To report back on the:

    (a) March 2023 CAG discussions; and

    (b) March-April 2023 Global Sustainability Roundtables.

2. To obtain Representatives' views on key matters relating to the Use of Experts Task Force's[1] development of the first-read draft of the proposed provisions addressing the use of the work of experts.

Project Status and Timeline

3. During March and April 2023, four global roundtables were held to gather feedback from stakeholders on the key matters under consideration in the Use of Experts project, in addition to matters specific to the Sustainability project.

4. At the IESBA's June 2023 meeting, the Task Force presented its proposed approach which took into account the roundtable feedback and March CAG feedback. In addition, further feedback was obtained during June and July 2023 from the IESBA-National Standard Setters Liaison Group, Forum of Firms, and the International Auditing and Assurance Standards Board (IAASB).

5. The Task Force has also undertaken an evaluation of its proposals against the key characteristics of the Public Interest Framework, acknowledging that the proposals will be further developed based on the CAG's and IESBA's feedback.

6. Following consideration of the first-read draft of the provisions at its September 2023 meeting, the IESBA will consider a second-read draft at its December 2023 meeting with a view to approving the Exposure Draft.

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[1] Task Force Members:

- Laurie Endsley, Chair, IESBA Vice-Chair
- Saadiya Adam, IESBA Member
- Sanjiv Chaudhary, IESBA Member
- Andrew Mintzer, IESBA Member
- Luigi Nisoli, IESBA Member

Report Back on the March-April 2023 Global Roundtables

7. During the March and April 2023 global roundtables,[2] the Task Force gathered feedback from stakeholders on its preliminary approach in relation to the use of experts. The key proposals set out in the briefing note for the roundtable participants were:

    *   To introduce new definitions of "expert," "internal expert," and "expertise" in the glossary to distinguish experts from other individuals used in a multidisciplinary team.

    *   To introduce a principles-based approach ("enhanced ethical framework" in Parts 2 and 3 of the Code) to guide professional accountants (PAs) in their determination as to who is an appropriate expert to use.

    *   To make the case that for external experts used in an audit or other assurance engagement, it is in the public interest for select independence requirements to apply to such experts to safeguard their objectivity. Specifically, if the external expert's work significantly influences the outcome of the assurance engagement, then the Code should require such expert to be independent ("significant influence test.")

    Participants generally agreed with a principles-based approach to assessing whether the use of an expert is appropriate, depending on the facts and circumstances. Concerning external experts used in an audit or other assurance engagement, there were mixed views as to whether or not such experts should be independent. There were concerns over the implementability, enforceability and subjectivity of the significant influence test.

8. A summary paper of the key roundtable feedback in relation to the project and the Task Force's responses is set out in Agenda Item 5-A of the IESBA's June 2023 agenda material.

Matters for CAG Consideration

9. Representatives are asked to:

    (a) Consider the key issues and Task Force proposals highlighted in the presentation; and

    (b) Provide input and advice to the Task Force.

Material Presented

Agenda Item E-1   Presentation: Summary of Issues and Task Force Proposals

Agenda Item E-2   Report Back on the March 2023 CAG Discussions

CAG Reference Material – September 2023 IESBA Agenda Material.

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[2] In response to questions 10 to 15 related to the Use of Experts project contained in the *Briefing Note For Global Sustainability Roundtables*. Additional background information on the topic was provided to participants in Supplement 3.