

RESPONSE TEMPLATE FOR EXPOSURE DRAFT ON USING THE WORK OF AN EXTERNAL EXPERT

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	Baker Tilly International
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Nick Jeffrey
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Geographical profile that best represents your situation.	Global
	If "Other", please clarify
The stakeholder group to which you belong.	Assurance practitioner or firm - accounting profession
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Baker Tilly International is a network of independent accountancy and business advisory firms. Member firms of Baker Tilly International provide assurance, tax, consulting, and advisory services. Our 43,000 people in 658 offices across 141 territories serve clients of all sizes across all sectors, including listed entities and public interest entities (PIEs).

PART B: Responses to Questions

The rules seek to be accessible to and understandable by non-accountants. By non-accountants we mean both non-accountants providing assurance on sustainability information and non-accountants who are using the sustainability information that has been assured. It's imperative that any rules are clear, concise, and readily understandable across the range of potential users.

The proposed rules are too complex to meet that benchmark. As professional accountants we find the material challenging to understand and think about how we might implement effectively, which raises questions about how non-accountants will cope with the volume and complexity of the rules.

The proposed rules are stricter than those currently in force for use of experts in audits of historical financial information (HFI). The case for making stricter rules has not been made and we are not aware that regulators or users of audited HFI have identified that independence of experts in accordance with the current rules is anything other than a theoretical risk. The current rules for audits of HFI in section 220 are sufficient, fit for purpose and should apply by analogy to ESG assurance engagements.

We are also concerned that overly complex rules could inadvertently hinder efforts to promote ESG initiatives. The growing need for independently assured ESG information necessitates a regulatory framework that encourages transparency and accountability without imposing unnecessary burdens. Unnecessarily complex rules may hinder organisations in reporting high quality ESG information. In the context of external experts there is concern among our members that either or both the reporting entity and the assuring firm could find it difficult to appoint experts in certain areas. That appointment will be made more difficult if the associated independence rules are unnecessarily strict. Prior to adoption of the rules we recommend a period of research into the availability of experts in various ESG topics, the impact of proposed rules on that availability compared with the actual (rather than theoretical) threat to independence from actual relationships.