

April 30, 2024

International Ethics Standards Board for Accountants (IESBA)
529 Fifth Avenue, 6th Floor
New York, NY 10017
USA

Dear Sirs,

We, IBRACON - Instituto de Auditoria Independente do Brasil, appreciate the opportunity to comment on the Exposure Draft: Using the Work of an External Expert.

Request for Specific Comments

Glossary

1. Do respondents support the proposals set out in the glossary concerning the proposed new and revised definitions? See Section III?

We support with the IESBA's proposals set out in the glossary considering that the new and revised definitions will be reflected in all international standards. It is important to emphasize that these definitions are aligned with all standards which refer to using these terms.

Evaluation of CCO for all Professional Services and Activities

2. Do respondents support the approach regarding evaluating an external expert's competence, capabilities and objectivity? Are there other considerations that should be incorporated in the evaluation of CCO specific to PAIBs, PAPPs and fc? See Section V.

We support the IESBA's approach regarding evaluating an external expert's competence, capabilities and objectivity. In relation to the section "documentation" 290.16 A1, beyond steps taken by the accountant to evaluate the CCO, it should be clear that the conclusion also is necessary to be formalized in the documentation and the respective appropriate reasons.

Finally, when the work of the expert is considered significant part of the evidences used by the PA, this considerations should be assessed and approved by the TCWG of the client.

3. Do respondents agree that if an external expert is not competent, capable or objective, the Code should prohibit the PA or SAP from using their work? See paragraphs 67 to 74.

We agree that if an external expert is not competent, capable or objective, the PA or SAP should not use the external expert's work.

Evaluation of CCO for Audit or Other Assurance Engagements

4. In the context of an audit or other assurance (including sustainability assurance) engagement, do respondents agree that the additional provisions relating to evaluating an external expert's objectivity introduce an appropriate level of rigor to address the heightened public interest expectations concerning external experts? If not, what other considerations would help to address the heightened public interest expectations? See Section (V)(A).

We agree with the IESBA's additional provisions relating to evaluating an external expert's objectivity. Even though the new and revised definition exclude the expert from the engagement team, all requirements (in special to comply with fundamental principles) in the Code for professional staff of the PA's Firm should also be considered for the expert and the conclusion reached out to be formalized into documentation as mentioned in the question above .

Potential Threats Arising from Using the Work of an External Expert

5. Do respondents support the provisions that guide PAs or SAPs in applying the conceptual framework when using the work of an external expert? Are there other considerations that should be included? See Section (VI)(A).

We support the provisions of the IESBA. However, it is not fully clear the concept of "undue reliance" and "undue influence" on an external expert who has the necessary CCO. The lack of examples of these situations may raise some differences on the application of the approach.

Request for General Comments

In addition to the request for specific comments above, the IESBA is also seeking comments on the matters set out below:

- (a) ***Small- and Medium-Sized Entities (SMEs) and Small and Medium Practices (SMPs)*** - The IESBA invites comments regarding any aspect of the proposals from SMEs and SMPs.

No comments.

- (b) ***Regulators and Audit Oversight Bodies*** - The IESBA invites comments on the proposals from an enforcement perspective from members of the regulatory and audit oversight communities.

No comments.

- (c) ***Sustainability Assurance Practitioners Other than Professional Accountants*** - The IESBA invites comments on the clarity, understandability and usability of the proposals from SAPs outside of the accountancy profession who perform sustainability assurance engagements addressed in the proposed Part 5 of the Code.

No comments.

- (d) ***Developing Nations*** - Recognizing that many developing nations have adopted or are in the process of adopting the Code, the IESBA invites respondents from these nations to comment on the proposals, and in particular on any foreseeable difficulties in applying them in their environment.

No comments.

- (e) ***Translations*** - Recognizing that many respondents may intend to translate the final changes for adoption in their own environments, the IESBA welcomes comment on potential translation issues respondents may note in reviewing the proposals.

No comments.

Best Regards,

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President

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