



National Association of State Boards of Accountancy

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April 24, 2024

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

Via Website: www.ethicsboard.org

Re: *Proposed International Ethics Standards for Using the Work of an External Expert*

Dear IESBA Members and Staff:

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to comment on the IESBA Exposure Draft on *Using the Work of an External Expert* (Exposure Draft). NASBA's mission is to enhance the effectiveness and advance the common interests of Boards of Accountancy (State Boards) that regulate all Certified Public Accountants (CPAs) and their firms in the United States and its territories, which includes all audit, attest and other services provided by CPAs. State Boards are charged by law with protecting the public.

In furtherance of that objective, NASBA offers the following comments on the Exposure Draft.

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.

NASBA supports the proposals set out in the glossary concerning the proposed new and revised definitions.

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 SAPs? See Section V.

NASBA supports the approach regarding evaluating an external expert's competence, capabilities and objectivity (CCO); however, because in IESBA's view there is no safeguard against threats if an external expert does not satisfactorily pass the CCO evaluation, NASBA believes that the

competence, capabilities and objectivity of the external expert should be measured prior to the start of the engagement with the external expert (i.e., the external expert should not begin work until the CCO evaluation has been completed).

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.

NASBA agrees that if an external expert is not competent, capable or objective, the Code should prohibit the PA or SAP from using their 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).

NASBA agrees 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. NASBA has not identified other considerations that would help to address the heightened public interest expectations.

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).

NASBA supports the provisions that guide PAs or SAPs in applying the conceptual framework when using the work of an external expert. NASBA has not identified other considerations that should be included.

We appreciate the opportunity to comment on the Exposure Draft.

Very truly yours,

Handwritten signature of Stephanie M. Saunders in black ink.

Stephanie M. Saunders, CPA
NASBA Chair

Handwritten signature of Ken L. Bishop in black ink.

Ken L. Bishop
NASBA President and CEO