



EXPOSURE DRAFT - USING THE WORK OF AN EXTERNAL EXPERT

**Response from the Public Accountants
and Auditors Board (PAAB), Zimbabwe**

30 April 2024

The Public Accountants and Auditors Board (PAAB), Zimbabwe, was established by section 4 of the Public Accountants and Auditors Act, 1995 (as amended) (the Act). Public accountants (public auditors) are defined in the Act as any person registered by the PAAB to provide public accountancy services (public audit services) to any person, including a public company or statutory body. PAAB is the National Standards Setter in Zimbabwe responsible for endorsing and adopting international accounting standards, international standards on auditing and international public sector accounting standards when they meet certain criteria for prescription by statutory regulation by PAAB in accordance with section 44(2)(a) of the Act. PAAB is responsible for defining and enforcing ethical practice and discipline among registered public accountants and public auditors and setting Ethics standards (section 5(1)(d) of the Act); and representing the views of the accountancy profession on national, regional, and international issues (section 5(1)(g) of the Act). PAAB also plays a role in accountancy-specific education (section 5(1)(h) of the Act).

Further information about PAAB can be obtained at www.paab.org.zw

Any questions arising from this submission should be directed to:

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4/30/2024

PAAB ZIMBABWE COMMENT LETTER TO THE IESBA's EXPOSURE DRAFT: USING THE WORK OF AN EXTERNAL EXPERT

Dear Chairman,

We are writing on behalf of the Public Accountants and Auditors Board Zimbabwe to comment on the IESBA's exposure draft on Using the work of an external expert. PAAB is pleased to present its comments on this Exposure Draft.

General Comment on the Consultation paper


The PAAB is in agreement with quite a number of proposals in the ED including the need to consider the practicality of timing of evaluation of CCO. However, we believe there is need to consider the implications on the cost and timing of the engagement if the auditor after completing the CCO determines that they cannot use the work of the expert. We are of the view that some level of evaluation be conducted before commencement of using the expert's work and should be monitored throughout and periodically to ensure that they remain relevant and applied throughout the engagements much like independence requirements.

The PAAB followed a due process in coming up with this comment letter. Under the due process the PAAB technical staff conducted research, consulted key stakeholders, and drafted this comment letter.

Response to Specific Matters for Comment

Detailed comments on the Specific Matters for Comment are provided in the attached Annex.


Fungai Charumbira
Acting Deputy Secretary, PAAB


Donald Mangenje
Standards, PAAB

EXPSOURE DRAFT: USING THE WORK OF AN EXTERNAL EXPERT

Specific Matter for Comment 1: Glossary

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

A. DEFINITION OF EXPERTISE

The PAAB disagrees with the IESBA's proposal to exclude experience from the definition of expertise and redefining "expertise" as referring only to knowledge and skills. This is because we are of the view that for one to be an expert, one needs to have some level of experience in that field, as knowledge and skill only might not be sufficient. There is need to align with ISA 620 (ISA 620 defines expertise as knowledge, skills, and experience) for consistency application of the term.

B. DEFINITIONS OF EXPERT AND EXTERNAL EXPERT

The PAAB agrees with the IESBA definition of an expert to be an individual possessing expertise (knowledge, skills and experience) that is outside the professional accountant's or sustainability assurance practitioner's competence.

The PAAB agrees with the IESBA definition of external to be an expert engaged by a professional accountant's employing organization or firm, or by a sustainability assurance practitioner, as we agree that the definition presents a clearer contrast against experts that might be internal to the employing organization or firm.

C. DISTINGUISHING BETWEEN AUDIT TEAM (AT) MEMBERS AND EXTERNAL EXPERTS

The PAAB agrees with the proposal as the distinction is clearly explained in the exposure draft, but we however suggest that the distinction should also be part of the proposed new glossary definitions in the Code.

Specific Matter for Comment 2: Evaluation of CCO for all Professional Services and Activities

Do respondents support the approach regarding evaluating an external expert's Competence, Capabilities and Objectivity (COO)? Are there other considerations that should be incorporated in the evaluation of CCO specific to PAIBs, PAPPs and SAPs? See Section V.

The PAAB is in agreement with the need to consider the practicality of timing of evaluation of CCO. However, there is need to consider the implications on the cost and timing of the engagement if the auditor after completing the CCO determines that they can not use the work of the expert. We are of the view that some level of evaluation be conducted before commencement of using the expert's work and should be monitored throughout and periodically to ensure that they remain relevant and applied throughout the engagements much like independence requirements.

Specific Matter for Comment 3: Evaluation of CCO for all Professional Services and Activities

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.

The PAAB agrees with the IESBA's proposal to prohibit the use of an external expert's work if the expert is not competent, capable, or objective or if the PA is unable to obtain information needed for evaluation of the expert's COO.

Specific Matter for Comment 4: Evaluation of CCO for Audit or Other Assurance Engagements

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).

The PAAB 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.

Specific Matter for Comment 5: Potential Threats Arising from Using the Work of an External Expert

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).

The PAAB supports the provisions proposed by the IESBA to guide PAs or SAPs in applying the conceptual framework when using the work of an external expert.