Mr. Richard Moriarty
CEO
Financial Reporting Council (FRC)
1 Harbour Exchange Square
London, E14 9GE

06 July 2026

Dear Mr. Moriarty,

Subject: Consultation on narrow-scope amendments to ISA (UK) 620, Using the Work of an Auditor's Expert, and ISAE (UK) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the Financial Reporting Council's (FRC) proposed revisions to ISA (UK) 620 and ISAE (UK) 3000.

Led by investors responsible for assets under management of >US$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries.

ICGN supports the proposed adoption of both standards. We have consistently encouraged the FRC and other national regulators to adopt the international auditing, assurance and ethics standards developed by the IAASB and the IESBA, so that investors can rely on consistent quality in assurance engagements globally, regardless of who conducts the assurance.[1] The amendments in this consultation give effect to that position. They strengthen the ethical foundations around the use of external experts, whose competence, capabilities and objectivity bear directly on the reliability of audit evidence and assurance conclusions. They also form part of a single, coordinated IAASB and IESBA package, alongside ISSA 5000, the IESBA's sustainability ethics standard (IESSA), and the IESBA's external-expert provisions in Section 390 of the Code. Adopting them in the UK maintains the interoperability and equivalence that this package is designed to deliver.

Regarding the consultation questions:

Question 1: Do you agree that ISA (UK) 620 and ISAE (UK) 3000 should be revised to adopt the narrow-scope amendments to the underlying international standards?

Yes. ICGN agrees that both standards should be revised since:

- Adoption maintains equivalence and interoperability between UK and international standards. Global investors rely on comparable audit and assurance across the markets in which they are invested. Divergence between UK standards and the IAASB and IESBA frameworks would introduce fragmentation, reduce comparability, and create avoidable cost and complexity for firms operating across jurisdictions, without any offsetting benefit to investors.
- The amendments strengthen the evaluation and documentation of an external expert's competence, capabilities and objectivity. We particularly welcome the new prohibition (paragraph 9A of ISA (UK) 620 and paragraph 52A of ISAE (UK) 3000) on using the work of an expert where the necessary competence or capabilities are absent, or where threats to objectivity cannot be eliminated or reduced to an

[1] ICGN Investor Viewpoint, The assurance of sustainability reporting, 2024

acceptable level. As reliance on external experts grows, in valuations, actuarial work, tax, and increasingly in climate and other sustainability matters, a clear ethical floor on when expert work may be used is a meaningful safeguard for the reliability of the evidence on which audit and assurance opinions rest.

- The UK-specific requirement (paragraph 9-1 of ISA (UK) 620) that, for audits of public interest entities, the auditor obtain a confirmation of independence from the auditor's external expert directly serves investor protection: where an external expert's work bears on a PIE audit, investors benefit from explicit assurance that the expert is independent. To ensure the requirement operates substantively rather than as a procedural formality, we encourage the FRC to be clear, in its inspection and supervisory work, on its expectations for how the independence confirmation, and the underlying evaluation, are documented and tested.
- The new application material clarifying that relevant ethical requirements may address the use of external experts (paragraph 8(f) and the supporting guidance at A13A, A16A, A18A, A19A and A19B) helps practitioners apply the IESBA Code's provisions consistently. This is a sensible clarification that reinforces, rather than expands, existing responsibilities.

Question 2: Is the proposed effective date of 15 December 2026 appropriate?

Yes. ICGN agrees that the proposed effective date, for periods beginning on or after 15 December 2026, is appropriate. It aligns with the effective date of the IAASB's revised standards and, importantly, with the wider interoperable package: ISSA 5000 and the IESBA's IESSA carry the same effective date, and the FRC has already set the same date for ISSA (UK) 5000. A single, common effective date across audit, other assurance, and sustainability assurance supports coherent implementation, avoids a patchwork of commencement dates, and is preferable, from an investor standpoint, to any divergence that would delay UK alignment with the international framework.

Additional points for the FRC's consideration

- **Consistency of the ethical framework for external experts across engagement types:** External experts are central to sustainability assurance, where practitioners frequently rely on specialists in areas such as greenhouse gas measurement, climate science and other technical fields. We note that the new independence confirmation (paragraph 9-1) applies to audits under ISA (UK) 620 only. ISAE (UK) 3000 carries the parallel evaluation and prohibition provisions but no equivalent confirmation, notwithstanding that external experts are most heavily relied upon in the assurance context. Given that ISSA (UK) 5000 takes effect on the same date as these amendments, and that the FRC does not currently intend to bring sustainability assurance engagements within the scope of the UK Ethical Standard, we recommend that the FRC consider whether an analogous independence confirmation should apply to assurance engagements of clear public interest, including sustainability assurance. More broadly, we encourage the FRC to ensure that the ethical treatment of external experts is robust and consistent across financial-statement audit (ISA (UK) 620), other assurance engagements (ISAE (UK) 3000), and sustainability assurance (ISSA (UK) 5000), so that investors can rely on a consistent standard of expert evaluation and independence regardless of the type of engagement or who performs it. We would welcome the FRC keeping this coherence under review as the sustainability assurance market and the UK ethical framework continue to develop.

- **Implementation and monitoring**: We encourage the FRC to monitor the practical application of these requirements through its audit quality inspection activity, so that the strengthened expectations, including the PIE independence confirmation and the documentation of external-expert evaluation, are reflected in practice and not treated as a compliance formality. Periodic feedback on common findings would help support consistent, high-quality implementation.

ICGN supports the adoption of the narrow-scope amendments to ISA (UK) 620 and ISAE (UK) 3000 and the proposed effective date of 15 December 2026. The changes reinforce the ethical foundations underpinning the use of external experts, maintain UK alignment with the international standards on which investors increasingly rely, and contribute to the consistency of assurance quality that ICGN's members value across markets.

Thank you again for the opportunity to share our perspective. If you would like to follow up with questions or comments, please contact our Senior Policy Executive, Ayan Tewari (policy@icgn.org).

Yours faithfully,

Jen Sisson

Chief Executive Officer, ICGN

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