



Board Meeting Summary Paper

AUASB AGENDA ITEM NO. 6(e)
Meeting Date: 7-8 September
2009

Subject: ASA 540 (Revised and Redrafted)
Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures

Date: 29 July 2009

Action Required For Information Purposes Only

Agenda Item Objectives

To:

- Review Auditing Standard ASA 540 (Revised and Redrafted) for changes made subsequent to the standard being ‘cleared, pending final approval’.
- Clear the Standard for approval/voting at the October 2009 Board meeting.

Background

ASA 540 (Revised and Redrafted) is presented to the Board for the first time subsequent to it being ‘cleared pending final approval’ at the 1-2 December 2008 Board meeting.

Standardised changes result to ASA 540 (Revised and Redrafted) result from:

- (1) ISA Conforming and other Amendments
- (2) AUASB Drafting Policies and Rules; *and*
- (3) AUASB technical group quality assurance review procedures.

No other changes are proposed. All changes are shown as mark-ups, with the source of each change (other than minor formatting) identified by way of text box. Refer (Agenda Item 6(e).2).

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Matters to Consider

The Board is requested to consider the changes made on the marked up version of the Auditing Standard (Agenda Item 6(e).2).

The proposed Auditing Standard is the product of a significant revision and resultant combination of two (2) extant Auditing Standards, namely:

- *ASA 540 Audit of Accounting Estimates*
- *ASA 545 Auditing Fair Value Measurements and Disclosures*

There are no significant contentious matters in regard to the drafting of this Auditing Standard.

The clean version of ASA 540 (Revised and Redrafted), and the final version of ISA 540 are included for the Board's information, in electronic form only.

AUASB Technical Group Recommendations

AUASB Technical Group recommends Auditing Standard ASA 540 (Revised and Redrafted) be cleared for approval/voting at the October 2009 board meeting.

Material Presented

Agenda Item 6(e)	Board Meeting Summary Paper
Agenda Item 6(e).1	Auditing Standard ASA 540 (Clean Version) [electronic copy only]
Agenda Item 6(e).2	Auditing Standard ASA 540 (Marked Up Version)
Agenda Item 6(e).3	Explanatory Statement ASA 540 (Clean Version)
Agenda Item 6(e).4	Final ISA 540 [electronic copy only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Cleared for approval/voting at the October 2009	Board clearance	AUASB	7-8 September 2009	O/S

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