

AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **3**
Meeting Date: 26 April 2017
Subject: ISA 540 ED Draft Project Plan
Date Prepared: 19 April 2017

Action Required

For Information Purposes Only

Agenda Item Objectives

- Consider and approve the ISA 540 ED Draft Project Plan.

1. Background

At its meeting on 7 March 2017 the AUASB reviewed and provided feedback on the final draft of the IAASB ED for ISA 540 *Auditing Accounting Estimates*. ISA 540 was the main topic of discussion at the most recent IAASB Meeting in Lima, Peru in March 2017.

At this IAASB meeting the exposure draft and conforming amendments were unanimously approved on the last day of the meeting, notwithstanding remaining concerns from some members about the complexity of the proposed standard, the length of the application material and mixed views about the usefulness of the Appendices. The overall view of the IAASB was that the amendments proposed over the duration of the meeting improved the draft standard. Also, given the pressure from the PIOB it was timely to approve it for exposure.

The proposed standard will be exposed in April 2017 with comments due on 1 August 2017. As at the date of this Board Meeting Summary Paper being prepared the ED is yet to be issued publically, but has been sent to IAASB Members for a final 'Fatal Flaw' review, so we anticipate its release very soon.

The complexity of the proposed standard and its increased requirements mean there is a risk that may be a large number of comments from constituents globally, and its finalisation may not run smoothly.

2. AUASB Technical Group Recommendation

That the AUASB Technical Group's ISA 540 ED Draft Project Plan is considered and approved with particular feedback requested on:

- Identification of the correct Stakeholders for this project
- Whether the correct Risks/Issues have been identified
- Whether the proposed Action Plan achieves the project objectives, particular in respect of the number and timing of Roundtable events planned.

3. AUASB Actions

- Review and, if agreed, approve the ISA / ASA 540 Auditing Accounting Estimates Draft Project Plan.

This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

Material Presented

Agenda Item 3

AUASB Board Meeting Summary Paper

Agenda Item 3.1

ISA / ASA 540 Auditing Accounting Estimates – Draft Project Plan

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider and approve ISA/ASA 540 AUASB Draft Project Plan	Approval	AUASB	26 April 2017	o/s