

Meeting: IAASB
Meeting Location: Hong Kong
Meeting Dates: September 19–23, 2016

Agenda Item 2

ISA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures

Objective of Agenda Item

1. The objectives of this agenda item are to:
 - a. Inform the Board on the ISA 540 Task Force's (the Task Force) activities since the July 2016 teleconference;
 - b. Obtain the Board's views on the issues paper **(Agenda Item 2-A)** regarding the revision of International Standard on Auditing (ISA) 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures* and the draft of ISA 540 (Revised) **(Agenda Item 2-B)**.

ISA 540 Task Force

1. The Task Force comprises the following members:
 - Rich Sharko (Task Force Chair, IAASB Member) (supported by Jamie Shannon, IAASB Technical Advisor)
 - Marc Pickeur (Task Force Co-Chair, IAASB Member)
 - Abhijit Bandyopadhyay (IAASB Member)
 - Jean Blascos (IAASB Member)
 - Marek Grabowski (IAASB Member) (supported by Keith Billing)
 - Ron Salole (IAASB Member)
 - Dora Burzenski, (IAASB Technical Advisor)
 - Jean-Jacques Dussutour (Insurance Regulator)
 - Emilio Pera (Practitioner)

Barbara Vanich, who is representing the United States Public Company Accounting Oversight Board, and Claire Stone, who is representing the Basel Committee on Banking Supervision's Accounting Experts Group, are official observers to the Task Force.

Activities since June 2016 IAASB Meeting

2. Since the July 2016 Board teleconference, the Task Force met once physically and four times by teleconference. The Task Force Task Force and IAASB leadership participated in, or presented, at the following events:
- Meeting with the Basel Committee on Banking Supervision's Accounting Experts Group – Basel, Switzerland (Sharko (by teleconference), Pickeur, van den Hout)
 - Participation in the International Association of Insurance Supervisors Accounting and Auditing Working Group Meeting (by teleconference) (Sharko, Campbell)
 - Presentation at a workshop for the World Bank's Centre for Financial Reporting Reform – Vienna, Austria (Pickeur)

Action Requested

3. The IAASB is asked to provide views on the proposals presented in **Agenda Item 2–A**.

Material Presented

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| Agenda Item 2–A | ISA 540 – Issues and Recommendations |
| Agenda Item 2–B | Draft of ISA 540 (Revised) (Marked) |
| Agenda Item 2–C | Draft of ISA 540 (Revised) (Clean) |