Response ID:334 Data

3. Section II: About the Respondent

1. Please provide the following information about your organization (if applicable) and other contact information:

Organization (or leave blank if you are completing the survey in your personal capacity) : EFFAS
Name(s) of contact(s) for this submission : Javier de Frutos
Job title or role : EFFAS Corporate Reporting Commission Chair
E-mail address(es) of contact(s) : j.defrutos@effas.com

2. Please select from the following options the stakeholder group to which you or your organization belongs:

Users of Financial Statements (e.g. investor, analyst, lender or other creditor)

3. Please select from the following options the geographical region that best matches you or your organization:

Europe

4. Did you undertake outreach activities with other stakeholders outside your organization to inform your responses to this survey?

No

5. You are welcome to provide any additional information you believe may be relevant to clarify the context in which you are completing the survey, or the circumstances or experiences that have informed your views or perspectives (or you can choose to leave this question blank).

Over the years as an equity research analyst and as an investors, I have been observing the evolution and the improvements of auditors reports and assurance statements.

4. Section III: Overall Questions

6. Please provide overall views about whether ISA 540 (Revised) has achieved its intended purpose and the objectives of the IAASB in developing the revised standard.

The ISA 540 by and large has achieved its purpose. On the audited accounts, entities disclose more explicitly inherent risks of the activities and have a broader oversight on the financial reporting process relevant to accounting estimates.

7. Are you aware of the non-authoritative guidance and support tools developed to support the implementation of ISA 540 (Revised)?

No

5. Section IV: Perceived Benefits from ISA 540 (Revised)

8. For each perceived benefit, indicate the extent to which you agree that ISA 540 (Revised) has led to benefits or improvements.

	4 – Strongly Agree	3 – Agree	2 – Disagree	1 – Strongly Disagree	0 – No Response
(a) Enhanced interactions and communications between the auditor and management and those charged with governance related to the audit of accounting estimates.	X				
(b) Enhanced quality of financial reporting related to accounting estimates.	X				

9. Are there any additional benefits or positive outcomes arising from the implementation of ISA 540 (Revised) that you would like to highlight?

Yes

Please specify:

More transparency and more relevant information.

12. Section V: Impacts of ISA 540 (Revised)

10. From your interactions with auditors or those charged with governance of entities, or from your analysis of entities' financial reporting, indicate the extent to which you agree with the following statements about specific impacts relating to the auditing of accounting estimates as part of the audit engagement.

	4 – Strongly Agree	3 – Agree	2 – Disagree	1 – Strongly Disagree	0 – No Response
(a) The quality of the entity's disclosures in the financial statements related to accounting estimates has improved.		X			
(b) The communications in the auditor's report (e.g., Key Audit Matters related to accounting estimates) have improved in terms of describing the matter(s) and how the auditor has addressed the matter(s) in the audit.	X				
(c) Auditors are devoting appropriate attention to the entity's accounting estimates as part of the financial statement audit.	X				
(d) There is greater consistency in how audit firms approach the audit of accounting estimates since ISA 540 (Revised) has been effective.		X			

11. Describe your views about these or any other impacts you have observed or become aware of, related to the application of ISA 540 (Revised) by auditors.

As previously noted, entities are more open to disclose the inheriting risk and work with the auditors to provide "forward looking" information, estimates, relevant for users.

12. What specific suggestions do you have for how the IAASB can best address any issues or challenges related to auditing accounting estimates (e.g., standard-setting, non-authoritative guidance, or other actions)?

Non-authoritative and homogeneous guidance, as specific as possible, should be sufficient. Standard might add an element of difficulty and additional complexity to provide information that by its nature is uncertain.