Response ID:353 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) : Geidea Company
Name(s) of contact(s) for this submission : Hatim Alharbi
Job title or role : Sr. Accountant GL and Reporting
E-mail address(es) of contact(s) : hatim.alharbi@geidea.net

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

Preparer or Issuer of Financial Statements (Including Public Sector Organizations), or Those Charged with Governance (TCWG)

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

Middle East

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).

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.

ISA 540 (Revised) has generally achieved its intended purpose by improving the quality and rigor of audits related to accounting estimates. The standard has enhanced auditors' focus on key assumptions, estimation uncertainty, and supporting evidence, resulting in greater transparency and reliability in financial reporting. While its implementation may require additional documentation and effort, the overall impact has been positive in strengthening audit quality and stakeholder confidence in financial statements

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

Yes

7A. Do you agree that the non-authoritative guidance and support tools developed to support the implementation of ISA 540 (Revised) are useful?

4 – Strongly Agree
Comments:

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) Greater attention to understanding management's process for making estimates, including the selection of methods, assumptions and data (and the consistency of selection between periods).		X			
(b) More focus on understanding and testing controls related to accounting estimates.		X			
(c) Increased auditor attention to disclosures related to accounting estimates, including disclosures about estimation uncertainty.		X			
(d) Enhanced interactions and communications between the auditor and management and those charged with governance related to the audit of accounting estimates.		X			
(e) 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:

In addition to improving audit quality, ISA 540 (Revised) has encouraged stronger governance around accounting estimates, enhanced communication between management and auditors, and increased confidence in financial reporting by promoting greater transparency and consistency in the evaluation of significant estimates and assumptions.

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

10. Since the effective date of ISA 540 (Revised), 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) There has been an increase in dialogue with the auditor and requests for additional documentation and evidence to support how we develop accounting estimates and related disclosures.		X			
(b) The interactions with the auditor about our process for making accounting estimates has led us to further challenge our approach to the selection of the method, assumptions and data used.		X			
(c) The interactions with the auditor about our process for making accounting estimates has led to further consideration about the disclosures related to accounting estimates, including disclosures about estimation uncertainty.		X			
(d) The interactions with the auditor related to accounting estimates has influenced our decisions about the need to involve a management's expert.		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.

The application of ISA 540 (Revised) has generally led to improved audit focus on accounting estimates, particularly in understanding management's processes, assumptions, and related controls. It has also enhanced attention to estimation uncertainty and related disclosures. While the standard has positively impacted audit quality, it has also resulted in increased audit effort and documentation requirements, especially for more complex estimates. Overall, the impacts are considered positive and have strengthened the robustness of audits in this area.

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)?

The IAASB could further support implementation through additional non-authoritative guidance, including practical examples and case studies on auditing complex accounting estimates. This could focus on applying proportionality in audit procedures, developing auditor point estimates or ranges, and improving consistency in evaluating estimation uncertainty and related disclosures.