Committee: IAASB  
Meeting Location: Miami  
Meeting Date: December 8-13, 2002

**Audit of Estimates Involving Measurement Uncertainty (Revising ISA 540 “Audit of Accounting Estimates”)**

**Objectives of Agenda Item**

1. To consider the issues identified in Agenda Paper 6-A.

2. To address both:

   (a) the recommendations of the Task Force; and

   (b) the questions from the Task Force to the IAASB that are set out in text boxes within the issues paper.

**Background**

The IAASB meeting in June 2002 approved a review of ISA 540 “Audit of Accounting Estimates” by a Task Force chaired by Philip Ashton, a member of the IAASB. The Task Force comprises members of both the IAASB and the Auditing Practices Board of the United Kingdom and Ireland.

**Activities Since Last IAASB Discussions**

Since June 2002, the Task Force has met in London once and by way of conference call three times. It has reviewed ISA 540, standards and guidance issued by national standard setters, the USA Report of the Panel on Audit Effectiveness and recent relevant academic papers.

The Task Force has formed views on how ISA 540 should be revised. In relation to that it has identified a number of issues on which the views of IAASB are needed to enable the Task Force to proceed with the development of a draft exposure draft of a revised ISA.

**Material Presented**

Agenda Paper 6-A  
Issues Paper  
(Pages 735 – 748)
Action Requested
IAASB is asked to review the discussion paper and provide guidance to the Task Force on the matters raised in the paper.