



FRC EXPOSURE DRAFT: *PROPOSED ISA (UK) 540* (REVISED JULY 2018)

Issued 14 September 2018

ICAEW welcomes the opportunity to comment on the Exposure Draft: *Proposed ISA (UK) 540* (Revised July 2018) published by the FRC on 23 July 2018, a copy of which is available from this [link](#).

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KEY POINTS

1. We welcome the opportunity to comment on these proposals and commend the FRC on its early exposure of these proposals in to permit auditors sufficient time for implementation.

RESPONSES TO SPECIFIC QUESTIONS

Question 1. Do you agree that ISA (UK) 540 (Revised June 2016) and other ISAs (UK) should be revised to adopt the revision to the underlying international standard and the related conforming amendments to other ISAs? If not, please give your reasons and explain what action, if any, that you believe should be taken to update the ISAs (UK) in relation to auditing accounting estimates.

2. We agree that ISA (UK) 540 (Revised June 2016) and other ISAs (UK) should be revised to adopt the revision to the underlying ISA and the related conforming amendments to other ISAs.

Question 2. If you agree that the ISAs (UK) should be revised to adopt the revised ISA 540 and conforming amendments, do you agree that the UK supplementary material can be limited to that shown in the exposure draft? If not, please give your reasons and explain what supplementary material, if any, you believe should be added.

3. We agree that the UK supplementary material can be limited to that shown in the exposure draft.

Question 3. Is the proposed effective date, which is consistent with the effective date of the IAASB's revised ISAs, appropriate? If not, please give reasons and indicate the effective date that you would consider appropriate.

4. We agree that the proposed effective date is appropriate.