



# NFRA releases Auditor-Audit Committee Interaction Series 4 titled: Audit of Accounting Estimates and Judgments-Impairment of Non-financial Assets

## Initiative Strengthens Communication between Auditors and Audit Committees to Enhance Audit Quality; Protects Public Interest and Safeguards Investor Protection

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The National Financial Reporting Authority (NFRA) has released the Auditor-Audit Committee Interactions Series 4, titled: Audit of Accounting Estimates and Judgements-Impairment of Non-financial Assets- Ind AS 36, SA 540 etc.

In the course of NFRA's enforcement, review and monitoring activities, the auditor's communication with those charged with Governance (TCWG) (including the Audit Committees) has been highlighted. A need has been felt through these activities towards reinforcing the ways and means of communication between the Statutory Auditors and the Audit Committees in particular drawing upon the requirements in the Companies Act 2013 (CA 2013), the two relevant Standards on Auditing (SA 260 (R) and 265), other related SAs and the Standard on Quality Control (SQC).

NFRA has obligations to suggest measures for improvement in overall audit quality and to promote awareness and significance of accounting- auditing standards, auditor's responsibilities and audit quality. Therefore keeping in view NFRA's objectives of protecting public interest and investor protection, NFRA continues with its series of Auditor-Audit Committee Interactions, which are being issued on significant areas of accounting and auditing, from time to time.

This Auditor-Audit Committee Interactions Series 4 draws the attention of the auditors to the potential questions the Audit Committees/Board of Directors may ask them in respect of impairment of non-financial assets. Within that, this communication includes aspects pertaining to the audit of impairment of non-financial assets as required by Ind AS 36, *Impairment of Assets* and SA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures.

Link of the series: <https://nfra.gov.in/nfra-auditor-audit-committee-interaction-series-4-audit-of-accounting-estimates-and-judgements-impairment-of-non-financial-assets-ind-as-36-sa-540/>

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