



Auditing and Assurance Standards Committee
Meeting Summary – December 2007

The Auditing and Assurance Standards Committee (Committee) met on 18 December 2007.

Members present at the meeting were: Keith Pogson (Acting Chairman)(Deputy Chairman), Wilfred Wong (Deputy Chairman), Chan Tak Shing, Patrick Cheng, Charles Chow, William Crowe, Richard George, Charles Grieve, Barry Ip, Lucia Li and Thomas Wong.

Secretariat staff present at the meeting were: Steve Ong and Selene Ho.

The following agenda items were discussed:

1. Draft submission to the IAASB Exposure Drafts on proposed ISA 220 (Redrafted) *Quality Control for an Audit of Financial Statements* and ISQC 1 (Redrafted) *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*
 2. Types of Reporting Project – Progress Report
 3. HKICPA/SFC Joint Seminar on Update of Practice Note 820 *The Audit of Licensed Corporations and Associated Entities*
 4. Circular on Reporting on General Charitable Fund-raising Activities Covered by Public Subscriptions Permits issued by the Social Welfare Department (Other than Flag Days)
 5. Audit of Accounts of Owners' Corporations of Building – Audit Issues
1. **Draft submission to the IAASB Exposure Drafts on proposed ISA 220 (Redrafted) Quality Control for an Audit of Financial Statements and ISQC 1 (Redrafted) Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements**

The Committee considered and endorsed the Institute's draft submission on ISA 220 and ISQC 1 to the IAASB prepared by the secretariat.

The Institute's submission was forwarded to the IAASB on 31 December 2007 and can be viewed at:

http://www.hkicpa.org.hk/professionaltechnical/assurance/submission/docs/ISA%20220_1_SQC1.pdf

2. **Types of Reporting Report – Progress Report**

The Committee noted that the Working Group met on 7 November to discuss in details the comments received and that a paper on the Working Group's discussions on the comment letters is being prepared. The Working Group would discuss further on how to take the project forward and present to the Committee for its consideration at its next meeting.

As a result of this project, the Committee had issued the following Circulars for guidance to practising members:

- Circular on Gross Fee Income Report of Rule 8 of the Solicitors (Professional Indemnity) Rules, prepared in consultation with The Law Society of Hong Kong; and

- Circular on Reporting on General Charitable Fund-raising Activities Covered by Public Subscription Permits (Other than Flag Days), prepared in consultation with the Social Welfare Department.

The Working Group is requested to consider how the draft Discussion Paper “Requests for Special Purpose Reports” could be used as an educational tool for the public to enhance its understanding on the various types of engagements undertaken.

3. **HKICPA/SFC Joint Seminar on Update of Practice Note 820 *The Audit of Licensed Corporations and Associated Entities***

The Committee noted that a joint seminar would be held by the Institute and the SFC on the update of PN 820 on 12 January 2008 at the HKICPA Training Centre, 27th Floor, Wu Chung House. It was reported that the Exposure Draft on the revised PN 820 had been released on the Institute’s website on 13 December 2007 for consultation to 29 February.

The Exposure Draft can be viewed at:

http://www.hkicpa.org.hk/professionaltechnical/assurance/exposuredraft/2007/ED_Practice_Note_820.pdf

4. **Circular on Reporting on General Charitable Fund-raising Activities Covered by Public Subscriptions Permits issued by the Social Welfare Department (Other than Flag Days)**

The Committee noted that the final Circular had been released on the Institute’s website, after consultation with the SWD on 3 December 2007. A vote of thanks was given to the Convenor of the Working Group, Mr. William Crowe, Working Group members and Mrs. Lucia Li and her team for their contributions to the project.

The Circular can be viewed at:

http://www.hkicpa.org.hk/professionaltechnical/assurance/rm/GCEA_0711.pdf

5. **Audit of Accounts of Owners’ Corporations of Building – Audit Issues**

The Committee noted that the Building Management (Amendment) Ordinance 2007 (BMO) came into effect on 1 August 2007 and that certain changes may need to be made to the audit report.

The Committee considered the revised draft Questions & Answers on the Audit of Accounts of Owners’ Corporations of Buildings (Q&A) for changes arising from the BMO.

Members of the Committee who undertake such engagements were requested to consider the changes and revert to the secretariat with their comments, if any.

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Meeting Summaries are provided for the information and convenience of those who wish to follow the Committee's deliberations. Decisions reported are tentative and may be changed or modified by the Committee at a later date. Decisions become final only after completion of the formal due process required to finalize and release documents. No responsibility is taken for the results of actions or omissions to act on the basis of any information contained in this Meeting Summary, or for any errors or omissions in it.