



Minutes of the 319th meeting of the Auditing and Assurance Standards Committee held on Tuesday, 19 July 2011 at 8:30 a.m. in the Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

Present: Mr. Jack Chow (Chairman)
Mr. Derek Broadley
Mr. Stephen Chan (Dial-in)
Mr. Colin Chau
Mr. Raymond Cheng
Ms. Mabel Cheung
Mr. John Chong
Ms. Grace Ma
Mr. Paul Phenix
Mr. Keith Pogson
Ms. Joyce Woo

In attendance: Mr. Steve Ong, Director, Standard Setting
Ms. Selene Ho, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting

Apologies for absence were received from Mr. Alun Grassick and Mr. Charlix Wong.

2454. Minutes of the 318th Meeting

The minutes of the 318th meeting were approved by the Committee and signed by the Chairman.

2455. AASC Work Plan 2011 – Status Report

The Committee considered the status report of the Work Plan for 2011 and noted the progress made on the various projects.

The Standard Setting Department (SSD) reported that the proposed development of guidance for NGOs have been included in the Work Plan.

2456. Revised Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 400 Comfort Letters and Due Diligence Meetings

A member of the Accountants' Report Sub-Committee explained the background and the key changes of the revised HKSIR 400 to the Committee.

The Committee had an extensive deliberation on the changes in the revised HKSIR 400. The Committee suggested providing details of the changes in the Handbook Update upon the issuance of the revised HKSIR 400 in order for members to have a better understanding of the changes.

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SSD

	<u>Action</u>
<p>The Committee agreed that the effective date of the revised HKSIR 400 would be three months from the issue date, with early adoption permitted. The Committee endorsed the issuance of the revised HKSIR 400 in principle, subject to considering any "fatal flaw" comments from external parties who have provided earlier comments.</p>	SSD
<p>2457. <u>Result of the Bank Confirmation Survey (Survey)</u></p> <p>The deadline for the response of the Survey expired on 30 June 2011. The SSD reported that 24 banks responded to the Survey.</p> <p>It was noted from the result of the Survey that most of the banks expected the system implementation process for the revised bank confirmation that they are able to complete before end of 2011. The SSD would continue to monitor the progress of the system implementation.</p> <p>The result of the Survey also indicated that most of the banks that had responded indicated that they would accept bank confirmation request in Chinese. However, only a few replied indicated that they could provide the bank confirmation response in Chinese. In view of this, the Committee suggested to post a Chinese version of bank confirmation on the HKICPA's website with a footnote reminding members to check with the banks whether they would response to the Chinese bank confirmation prior to sending out the Chinese bank confirmation.</p>	SSD SSD
<p>2458. <u>Annual Auditing Update Conference 2011 scheduled for 24 September 2011 (Conference)</u></p> <p>The Committee considered the draft programme for the Conference and provided comments for SSD's consideration.</p> <p>The SSD was requested to revise the programme for approval by circulation.</p>	SSD
<p>2459. <u>Revised Circular on Reporting on the Audit of Schools (Circular)</u></p> <p>The Committee considered the revised Circular and comments from a Committee member. The SSD was requested to forward the revised Circular to EDB for final comments. The Committee endorsed the revised Circular for issuance, subject to the EDB's further comments.</p>	SSD
<p>2460. <u>Consultation on Arrangements for issuing Certificate of Particulars of Motor Vehicle (Consultation)</u></p> <p>The Committee considered an enquiry received from a member of the Institute regarding the Consultation. This member suggested that "auditing of financial statements" should be included as one of the specified scenarios to allow persons, who are not registered owners of the motor vehicles, to obtain personal particulars of registered owners without the consent of the registered owners.</p>	

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The Committee noted the comments from the member and considered that if there is a need to obtain personal particulars of registered owners directly from the Transport Department for the purposes of an audit engagement, the member should obtain the consent of the registered owners first.

There being no further business, the meeting closed at 10:15 a.m.

JACK CHOW
CHAIRMAN

21 July 2011



Hong Kong Institute of
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