



Minutes of the 378th Meeting of the Auditing and Assurance Standards Committee

- Date: Wednesday, 30 October 2019 at 8:30 a.m.
- Location: 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. Paul Lau (Chairman)
Ms. Loretta Fong
Mr. Derek Broadley
Mr. Edmond Chan
Mr. Ivan Chan (Dial-in)
Mr. Paul Hebditch
Mr. Frank Lam
Ms. Susanna Lau
Mr. Steve Ong
Miss. Basilia Wong
- In attendance: Ms. Margaret Chan, Chief Executive
Mr. Chris Joy, Executive Director
Ms. Elsa Ho, Director, Quality Assurance
Ms. Christina Ng, Director, Standard Setting
Ms. Selene Ho, Deputy Director, Standard Setting
Mr. Alex Chu, Associate Director, Quality Assurance
Ms. Grace Lau, Manager, Standard Setting
Ms. Phoebe To, Manager, Standard Setting
- Observer: Ms. Florence Wong, Financial Reporting Council
- Apologies: Mr. Gary Stevenson
Mr. Thomas Wong

Action

2892. Minutes of the 377th Meeting

The Chairman welcomed Ms. Florence Wong, representative from the Financial Reporting Council ("FRC") as an observer of the meeting. With effect from 1 October 2019, the FRC had assumed full responsibility for auditors performing engagements for public interest entities ("PIEs"). Under the Statement of Protocol between the HKICPA and the FRC, representative from the FRC would attend the Institute's Auditing and Assurance Standards Committee ("Committee" or "AASC") as an observer.

The Committee approved and the Chairman signed the minutes of the 377th meeting.

2893. Work Plan Status Report and Update from Working Groups

The Committee considered the report and noted progress of various projects.

2894. Proposed Revision to Circular on Reporting to Grantees of Language Fund (“Circular”)

The Committee noted the proposed revision to the Circular to conform to the increase in the funding cap of the Language Fund sponsorship which would take effect from the 2020/21 school year.

The Committee had some drafting comments on the proposed revision. SSD would amend the Circular and circulate to AASC for approval after the meeting.

SSD

2895. Proposed Alert on Documentation of Group Auditor’s Review

The Committee noted that the Quality Assurance Department (“QAD”) had drafted an alert setting out the Practice Review Committee’s expectation on the documentation of group auditor’s review in a group audit engagement (“issue”). The Executive Director explained that the issue was one of the major deficiencies noted in practice reviews. The proposed alert included guidance to auditors to address the issue. Other common deficiencies noted had been discussed in the Quality Assurance Report published annually and did not warrant separate publication.

The Committee provided comments and sought to clarify the intention of specific documentation. QAD would consider revising the alert and circulate the revised draft to the Committee before finalisation.

QAD

2896. A.O.B

- The Annual Auditing Update (“AAU”) was held on 26 October. The Committee was updated on the panel discussion and polling results at the AAU.
- It was reported that the IAASB is undertaking a project to revise ISA 600 *Group Audit* and aims to issue an exposure draft on the proposed revisions in first half of 2020. The IAASB Board member leading the task force would like to soft consult the Committee on the proposed revisions during its development stage. In this regard, SSD would arrange a conference call meeting for discussion at a convenient date and time.

SSD

There being no further business, the meeting closed at 9:40 a.m.

PAUL LAU
CHAIRMAN

30 October 2019