



Minutes of the 382nd Meeting of the Auditing and Assurance Standards Committee

- Date: Tuesday, 27 May 2020 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 and via videoconference.
- Present: Mr. Paul Lau (Chairman)(dial-in)
Ms. Loretta Fong (Deputy Chairman)(dial-in)
Mr. Derek Broadley
Prof. Koon-Hung Chan (dial-in)
Mr. Edmond Chan (dial-in)
Mr. Paul Hebditch
Ms. Susanna Lau (dial-in)
Mr. Gary Stevenson (dial-in)
Mr. Thomas Wong (dial-in)
Miss. Basilia Wong (dial-in)
Mr. Steve Ong (dial-in)
- In attendance: Mr. Chris Joy, Executive Director
Ms. Selene Ho, Deputy Director, Standard Setting
Ms. Grace Lau, Manager, Standard Setting
- Observer: Ms. Cynthia Leung, Financial Reporting Council (dial-in)
- Apologies: Mr. Ivan Chan
Ms. Hildy Chan
Ms. Fanny Hsiang

Action

2921. Minutes of the 381st Meeting

The minutes of the 381st meeting were approved by the Committee.

2922. Work Plan Status Report and Update from Working Groups

The Committee considered the report and noted progress of various projects. The Committee was also updated on the development of IAASB key projects from the National Standard Setters virtual meeting held on 12 May.

The Committee noted that an exposure draft of PN 860.1 (Revised) *The Audit of Retirement Schemes* would be issued to align with the legislative amendments under the Occupational Retirement Schemes (Amendment) Bill 2019 in due course. As the exposure draft was approved in November 2019, SSD was requested to circulate the approved exposure draft to the Committee for information.

2923. Terms of Reference and Member Lists of Sub-groups

SSD had updated the proposed terms of reference (“TORs”) of sub-groups under the auspices of the Committee. Members had the following comments:

- To combine some of the sub-groups for streamlining purposes;
- To revisit the composition of sub-group members to ensure representations from different practitioners;
- To reflect in the TORs that all sub-groups are tasked and directed by the Committee on a particular subject matter.

The Executive Director explained that the setting up of a sub-group would be driven by the nature of the subject matter and the need to involve relevant experts.

The Chairman suggested:

- To keep the existing sub-groups separately to ensure each group would comprised personnel with relevant skillsets to fulfill the sub-group’s objectives; and
- Members to revisit the existing composition of sub-groups to ensure participation from a wider range of practitioners.

[Post meeting note: On 28 May, the revised TORs were circulated to AASC for approval.]

2924. IAASB’s Exposure Draft on ISA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* and Proposed Conforming and Consequential Amendments to Other ISAs

On 27 April, the IAASB issued the Exposure Draft on ISA 600 (Revised) for public comments by 2 October. The Committee noted that:

- SSD had issued local invitation for comments to the Exposure Draft to all members of the Institute and various local stakeholders;
- SSD would meet representatives of the Institute’s Small and Medium Practitioners Committee to discuss the Exposure Draft; and
- Mr. Len Jui, the IAASB Board member, would give a briefing on the ED to the Committee at the June meeting.

Members were requested to provide their comments to SSD on the Exposure Draft particularly from Hong Kong practitioners’ perspective.

To solicit further comments, members suggested arranging webinar or survey with local context on the Exposure Draft. The Chairman welcomed the proposed initiatives and suggested to discuss them further offline.

2925. The IAASB’s information gathering survey

SSD had been requested by the IAASB to contact auditing firms, regulators and oversight bodies in Hong Kong to complete a survey to assist the IAASB to address situations where an individual, other than the engagement partner, would be required to sign the audit report.

The Committee would consider the responses to the survey questions in the forthcoming meetings and would response to the survey from a standard setter perspective.

[Post-meeting note: On 28 May, SSD had sent email invitations to auditing firms and practices to complete the IAASB's survey online.]

2926. **AATB 3 (Revised), Implementation Guidance on Revised Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 400 Comfort Letters and Due Diligence Meetings and HKSIR 500, Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness**

The Committee noted that the comment period on the Exposure Drafts of AATB 3 (Revised) and HKSIR 500 had ended on 20 April. SSD received some editorial comments on HKSIR 500 which had been incorporated into the pronouncement as appropriate.

The Committee considered the revised AATB 3 (Revised) and HKSIR 500 and approved them for issuance.

SSD

[Post meeting note: On 29 May, the revised AATB 3 (Revised) was issued and posted at the Institute's [Auditing and Assurance Bulletins and Circulars](#) centre and HKSIR 500 was issued in [Members' Handbook Update No. 238](#).]

There being no further business, the meeting closed at 9:30 a.m.

PAUL LAU
CHAIRMAN

29 May 2020