



**Minutes of the 406<sup>th</sup> Meeting of the Auditing and Assurance Standards Committee**

Date: Monday, 20 February 2023 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 Hebditch (Chairman)  
Mr. Thomas Wong (Deputy Chairman) (dial-in)  
Mr. Ivan Au (dial-in)  
Mr. Ivan Chan (dial-in)  
Prof. Koon-Hung Chan (dial-in)  
Mr. Tony Ching (dial-in)  
Ms. Angela Choi (dial-in)  
Mr. Louis Lau (dial-in)  
Mr. Charbon Lo  
Ms. Joan Ng (dial-in)  
Ms. Sharon Tse (dial-in)  
Ms. Basilia Wong (dial-in)  
Mr. William Wong (dial-in)

In attendance: Ms. Cecilia Kwei, Director, Standard Setting  
Ms. Selene Ho, Deputy Director, Standard Setting  
Ms. Grace Lau, Associate Director, Standard Setting  
Ms. Cherry Yau, Senior Manager, Standard Setting  
Ms. Phoebe To, Manager, Standard Setting (dial-in)

**3102. Welcome new member and committee composition for 2023**

The Chairman welcomed Mr. Charbon Lo, Ms. Joan Ng and Ms. Sharon Tse as new members of the Committee.

The Committee recorded a vote of thanks to retiring members, Mr. Derek Broadley and Mr. Edmond Chan for their contributions to the Committee during the tenure of their services.

**3103. Guidance note on general confidentiality rules**

The Committee noted the general confidentiality rules in relation to minutes and agenda papers.

**3104. Terms of reference**

The Committee considered the terms of reference and agreed that it was appropriate.

Action

**3105. Performance expectation of chairman and members**

The Committee noted the expectation on the performance of the chairman and Committee members.

**3106. Meeting schedule for 2023**

The Committee noted the meeting dates for 2023.

**3107. Committee's induction pack**

The Committee noted the information contained in the induction pack including the operational procedures for the Committee's meetings, overview of the audit and assurance standard-setting function in Hong Kong, SSD's activities and communication channels with stakeholders, etc.

**3108. Proposed amendments to the standard operating procedure for auditing and ethics standard setting ("SOP")**

The Committee noted the SOP was updated for the revised local post-implementation review framework, and subject to the editorial changes, the Committee considered and approved the proposed amendments to the SOP.

*[Post meeting note: The revised SOP was circulated to the Committee on 1 March 2023.]*

**3109. Terms of reference ("ToR") and member lists of groups**

The Committee considered the (a) terms of reference and member lists of groups for 2023; (b) disbanding of PN 851 Task Force, and provided the following comments:

- ToR of RBC Reporting Task Force: To update the number of members to reflect the composition for 2023.
- ToRs of four Regulatory Advisory Panels ("RAPs"): To update and align the presentation/ format of the ToRs with the other advisory panels.

*[Post meeting note: The Committee approved the member lists, the revised ToRs and the disbanding of PN 851 Task Force by circulation on 22 February 2023.]*

**3110. Strategic direction and proposed work plan for 2023 – 2025**

SSD briefed the Committee with an overview of the proposed work plan for 2023 – 2025. The Committee noted SSD's resources constraints and provided direction to members and SSD to prioritize projects based on the urgency and importance in order to maintain the high quality of work.

**3111. Proposed amendments to Preface to the Hong Kong Quality Control/ Management, Auditing, Review, Other Assurance and Related Services Pronouncements (“Preface”)**

The Committee noted the Preface was updated for the revised local post-implementation review framework and subject to the editorial changes, the Committee considered and approved to issue the revised Preface.

*[Post meeting note: The revised Preface was issued on 27 February 2023 in Members’ Handbook Update No. 287 and is available at: <https://www.hkicpa.org.hk/-/media/HKICPA-Website/Members-Handbook/updates/update-287.pdf>]*

**3112. IAASB’s consultations on (a) Proposed Strategy and Work Plan for 2024 – 2027; (b) Exposure Draft Proposed Part 10, Audits of Group Financial Statements of the Proposed ISA for Audits of Financial Statements of Less Complex Entities and proposed conforming amendments; (c) Exposure Draft Proposed ISA 500 (Revised), Audit Evidence and Proposed Conforming and Consequential Amendments to Other ISAs**

SSD reported to the Committee on the various Invitations to Comments issued to invite stakeholders to provide comments by the respective due dates. In respect of (b), the Committee agreed with SSD’s proposal to solicit comments through roundtable discussion with the Small and Medium Practices Committee and noted the outreach activities undertaken for (c). SSD would draft comment letters for the Committee’s consideration in due course.

The Committee was requested to encourage fellow colleagues or interested parties to provide comments.

**3113. Proposed Circular on Reporting under Section 20 of the Product Eco-responsibility (Regulated Articles) Regulation (Cap. 603C) (“Circular”)**

The Committee considered and agreed with SSD’s proposal to release the Circular without public exposure due to its straight-forward reporting requirements and the narrow-scope user’s application.

The Committee raised a question on the public awareness of the regulation and its reporting requirements. SSD reported that the Environmental Protection Department would conduct roadshows to arouse public awareness of the regulation and the expectation of preparers to comply with the reporting requirements in the next few months.

*[Post meeting note: The Circular was issued on 3 March 2023 and is available at: [https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03\\_Our-views/TB\\_-Cir/Auditing/603cc.pdf](https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03_Our-views/TB_-Cir/Auditing/603cc.pdf)]*

**3114. Proposed updates to the auditing and assurance pronouncements for local legislation changes due to the Accounting and Financial Reporting Council regulatory reform**

The Committee considered and approved the proposed amendments to the relevant practice notes, auditing and assurance technical bulletin and circulars.

*[Post meeting notes:*

- 1. Revised practice notes were issued on 27 February 2023 in Members' Handbook Update No. 287 and is available at: <https://www.hkicpa.org.hk/-/media/HKICPA-Website/Members-Handbook/updates/update-287.pdf>.*
- 2. Revised auditing and assurance technical bulletin and circulars were issued on 27 February and are available at: <https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/Technical-bulletins-and-circulars/Auditing-Bulletins-and-Circulars>].*

**3115. Any other business**

The next meeting would be held on 29 March and the Committee was requested to suggest any agenda items by 8 March.

There being no further business, the meeting closed at 9:50 a.m.

PAUL HEBDITCH  
CHAIRMAN

15 March 2023