



Minutes of the 409th Meeting of the Auditing and Assurance Standards Committee

Date: Tuesday, 20 June 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)
Mr. Louis Lau (dial-in)
Mr. Charbon Lo (dial-in)
Ms. Joan Ng (dial-in)
Ms. Sharon Tse (dial-in)
Mr. William Wong (dial-in)

In attendance: Ms. Cecilia Kwei, Director of Standard Setting
Ms. Selene Ho, Deputy Director of Standard Setting
Ms. Grace Lau, Associate Director of Standard Setting
Ms. Cherry Yau, Senior Manager of Standard Setting
Ms. Phoebe To, Manager of Standard Setting

Observer: Mr. Ambrose Wong, Accounting and Financial Reporting Council
Ms. Kristian Ko, Accounting and Financial Reporting Council

Apologies: Ms. Angela Choi
Ms. Basilia Wong

3131. Minutes of the 408th meeting

The Committee approved the minutes of the 408th meeting.

3132. Work plan status report and update from working groups

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

3133. Key Notes from the IAASB's National Standard Setters (NSS) Meetings

The Committee noted the Chairman and SSD staff had attended the IAASB NSS meetings on 12-13 June and the key notes summarized from the meetings. SSD would keep the Committee posted on the IAASB's developments in the sustainability assurance standard and other key projects.

Action

3134. Outreach Activities of IAASB’s Exposure Draft, ISA 570 (Revised 202X), Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs (“ED-ISA 570”)

SSD reported to the Committee that the following items had been prepared to solicit comments from stakeholders:

- A presentation consisting of slides in English to be accompanied by Cantonese narration in a video format (“educational video”).
- An online survey containing a high-level explanation of the proposed changes of ED-ISA 570 followed by Yes/No questions based on the IAASB’s Request for Comments with options for write-in comments.

The Committee considered the educational video would assist stakeholders in better understanding the key changes proposed in the ED-ISA 570 and the online survey would facilitate to solicit comments from the interested parties. A member asked if there would be English subtitles available for the educational video. SSD responded that they would explore the feasibility of auto-generating subtitles internally but since the presentation slides were already in English, the video would be able to cater to a diverse audience and help them understand the key contents of the ED-ISA 570.

A member provided comments to Question 1 of the online survey regarding the alignment of the phrase “may cast significant doubt” in the ED-ISA 570 with the definition “Substantial Doubt about an Entity’s Ability to Continue as a Going Concern” currently used in IAS 1 Presentation of Financial Statements for consideration when drafting the comment letter.

The Committee approved to launch the educational video and survey after the meeting.

SSD encouraged the Committee members and their fellow colleagues to provide comments on the ED-ISA 570 via the online survey and would prepare the draft comment letter for the Committee’s consideration in due course.

*[Post meeting note: The educational video and the online survey were launched on 23 June and are available at:
Educational video: click [here](#); Online survey: click [here](#)]*

3135. Sustainability Assurance Advisory Panel (“SAAP”)

SSD thanked the Committee for the nominations to participate on the SAAP. The Committee considered the competency and expertise of the proposed eight nominees were appropriate. In addition to the proposed composition, the Committee acknowledged the keen interest shown by the practitioners who wished to contribute to the SAAP. The Committee further discussed the nomination attributes of the remaining candidates and agreed to increase the SAAP membership to 11 members, with an aim to incorporate diverse perspectives and expertise in the development and implementation of sustainability assurance standards.

The Committee also noted the overall time line relating to the development and implementation of the sustainability assurance standards.

Subject to including three more nominees to the membership, the Committee approved the composition of the SAAP and the revised terms of reference in terms of the membership number to be increased to 11 members.

[Post meeting note: The revised composition and terms of reference were circulated to the Committee on 27 June.]

3136. Auditor's reporting in relevant documents of the Environment and Conservation Fund ("ECF")

The Committee considered the ECF's request to develop an illustrative auditor's report for the ECF's project accounts in accordance with the ECF's reporting requirements, and agreed to add the project to its work plan.

The Committee asked whether there was a designated government department responsible for maintaining a centralized database of auditor's reports for government projects, which would ensure that an appropriate framework for auditor reporting would be followed.

SSD responded to the Committee that there was no such database based on SSD staff's past communication with the government departments. SSD noted that different government projects would have their reporting requirements set out in the respective explanatory documents. Therefore, the government department responsible for a particular project would contact SSD for feedback on their reporting documents if necessary.

3137. Any other business

The next meeting would be held on 25 July and the Committee was requested to suggest any agenda items by 4 July.

There being no further business, the meeting closed at 9:25 a.m.

PAUL HEBDITCH
CHAIRMAN

5 July 2023