



Auditing and Assurance Standards Committee
Meeting Summary – June 2007

The Auditing and Assurance Standards Committee (Committee) met on 26 June 2007.

Members present at the meeting were: Keith Pogson (Deputy Chairman – Acting Chairman), Wilfred Wong (Deputy Chairman), Chan Tak Shing, Colin Chau, Charles Chow, William Crowe, Richard George, Charles Grieve, Amy Law, Lucia Li and Thomas Wong.

Secretariat staff present at the meeting were: Patricia McBride, Steve Ong, Elaine Chan, Selene Ho and Winnie Chan.

The following agenda items were discussed:

1. Draft Submission on IAASB ED of ISA 550 (Revised and Redrafted) *Related Parties*
2. Law Society Project
3. Social Welfare Project – Progress report
4. Exposure Draft of Discussion Paper “Requests for Special Purpose Reports”
5. Practice Note 820 *The Audit of Licensed Corporations and Associated Entities*
6. Proposed Discussion Paper – Assistance to New Applicants and Sponsors in connection with Internal Controls over Financial Reporting

1. Draft Submission on IAASB ED of ISA 550 (Revised and Redrafted) Related Parties

The Committee considered and endorsed the Institute’s draft submission to the IAASB prepared by the secretariat.

The Institute’s submissions were forwarded to the IAASB on 17 July and can be viewed at:

<http://www.hkicpa.org.hk/index.php?mainLocation=/professionaltechnical/assurance/submission/submission.php>.

2. Law Society Project

The Committee noted that the Working Group had in consultation with The Law Society of Hong Kong agreed a proposed revised report on Gross Fee Income to meet the requirements of Rule 8 of the Solicitor (Professional Indemnity) Rules within an agreed-upon procedure engagement under Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. The gross fee report will be applicable for the reporting deadline of 15 August 2007.

The Circular on Gross Fee Income Report can be viewed at:

http://www.hkicpa.org.hk/professionaltechnical/assurance/rm/Gross_Fee_Income0706.pdf

3. Social Welfare Project – Progress Report

The Committee noted that the Working Group had drafted a proposed report on general fund-raising activities (other than flag-day) and met with the Social Welfare Department (SWD) to discuss the report. The SWD agreed with the key principles of

the proposed report. The Working Group would draft a Circular for the Committee's consideration.

4. Exposure Draft of Discussion Paper "Requests for Special Purpose Reports"

The Committee noted that the Working Group would be analyzing the seven comments letters received on the Discussion Paper and would make its recommendations for the Committee's consideration.

5. Practice Note 820 *The Audit of Licensed Corporations and Associated Entities*

The Committee noted that the Securities and Futures Commission had submitted their comments on the updating of the extant Practice Note 820 and the comments would be considered by the Expert Panel on Securities.

6. Proposed Discussion Paper – Assistance to New Applicants and Sponsors on connection with Internal Controls over Financial Reporting

The Committee considered a revised draft of the Discussion Paper and suggested certain editorial changes.

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