



Minutes of the 304th Meeting of the Auditing and Assurance Standards Committee held on Tuesday, 20 October 2009 at 8:30 a.m. in the 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. Keith Pogson (Chairman)
Mr. William Crowe (Deputy Chairman)
Mr. Derek Broadley
Mr. Stephen Chan
Ms. Mabel Cheung
Mr. John Chong
Mr. Raphael Ding
Mr. Charles Grieve
Mr. Paul Phenix
Mrs. Lesley Wong
Mr. Steve Ong, Director (Standard Setting)
Ms. Selene Ho, Assistant Director (Standard Setting)
Ms. Phoebe To, Manager (Standard Setting)

Apology for absence was received from Mr. Colin Chau.

Council
Action

2334. Minutes of the 303rd Meeting

The minutes of the 303rd meeting were approved by the Committee and signed by the Chairman.

2335. AASC Work Plan for 2009 – Status Report

The Committee considered the status report of the Work Plan for 2009 and noted the progress made on the various projects.

2336. Endorsement of New Revised and Redrafted HKSA's

The Committee considered the following draft HKSA's prepared by the Standard Setting Department (SSD) based on the international equivalents:

- (a) HKSA 800 *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*
- (b) HKSA 805 *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*
- (c) HKSA 810 *Engagements to Report on Summary Financial Statements*

The Committee endorsed the issuance of HKSA 800, 805 and 810 subject to some minor amendments by the SSD.

The Committee agreed that the existing circulars and practice notes relating to schools and social welfare activities would still remain effective after the issuance of HKSA 800 and 805. The Working Group on Types of Reporting will develop local guidance on how these two standards would be applied in Hong Kong and update the related circulars and practice notes in due course.

[Post meeting note: HKSA 800, HKSA 805 and HKSA 810 were released under Members Update 71 on 30 October 2009.]

2337. Annual Auditing Update Conference 2009

The Committee considered and endorsed the draft programme for the Conference as prepared by the SSD.

[Post meeting note: The Annual Auditing Update Conference 2009 chaired by the Chairman of the Committee was held on 7 November 2009 at Inter-Continental Hotel attended by more than 800 members.]

2338. To endorse the Exposure Draft on Practice Note on Continuing Connected Transactions

The Committee noted that the Hong Kong Stock Exchange (SEHK) had sent a reply letter on 30 September 2009 with no further comments on the draft Practice Note except for some editorial comments.

The Committee considered and endorsed the Invitation to Comment and revised Practice Note for issuance as an Exposure Draft. The SSD was requested to seek the assistance of SEHK's in helping to alert listed issuers about the Exposure Draft.

A member also suggested the Institute should organise forums for members relating to the Exposure Draft in November 2009.

[Post meeting note: The Exposure Draft on the Practice Note was released on 28 October 2009 for comment until 31 December 2009. A seminar on the Exposure Draft was held on 24 November 2009 presented by the Deputy Chairman of the Committee. Letters were sent to listed issuers alerting them to the ED.]

2339. To note HKEX Consultation Papers

The Committee noted that the SEHK had recently issued several Consultation Papers which may be of interest to the Committee:

- Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong;
- Proposed Changes to Requirements for Circulars and Listing Documents of Listed Issuers; and
- Proposed Changes to the Connected Transaction Rules.

The Committee members were requested to provide comments on the above, if any, directly to the Standard Setting Department who would pass it on to the responsible department at the HKICPA.

2340. Invitation to Comment on IAASB Consultation Paper on Auditing Complex Financial Instruments

The Committee considered the Invitation to Comment and endorsed its release on the Institute's website.

[Post meeting note: The HKICPA Invitation to Comment was posted on the Institute's website on 22 October 2009 for comment until 4 January 2010. http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/ed-pdf-2009/i2c-acfi.pdf.]

There being no further business, the meeting closed at 9.20 am.

KEITH POGSON
CHAIRMAN

25 November 2009