



Minutes of the 310<sup>th</sup> meeting of the Auditing and Assurance Standards Committee held on Tuesday, 20 July 2010 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. Jack Chow (Chairman)  
Mr. Keith Pogson (Deputy Chairman)  
Mr. Derek Broadley  
Mr. Stephen Chan  
Ms. Mabel Cheung  
Ms. Grace Ma  
Mr. Paul Phenix  
Mr. Charlix Wong

In attendance: Mr. Chris Joy, Executive Director  
Mr. Steve Ong, Director, Standard Setting  
Ms. Selene Ho, Assistance Director, Standard Setting  
Mr. Ambrose Wong, Manager, Standard Setting

Apologies for absence were received from Mr. Colin Chau and Mr. Alun Grassick.

	<u>Action</u>
<p><b>2386. <u>Minutes of the 309<sup>th</sup> Meeting</u></b></p> <p>The minutes of the 309<sup>th</sup> meeting were approved by the Committee and signed by the Chairman.</p>	
<p><b>2387. <u>AASC Work Plan 2010 – Status Report</u></b></p> <p>The Committee considered the status report of the Work Plan for 2010 and noted the progress made on the various projects.</p>	
<p><b>2388. <u>HKSA 210 Agreeing the Terms of Audit Engagement</u></b></p> <p>The Committee considered and endorsed the revised example letter in the clarified HKSA 210 for issuance.</p>	
<p><b>2389. <u>Circular on Audit of Financial Statements of Owners' Corporations of Buildings – Audit Issues</u></b></p> <p>The Committee considered and endorsed the revised Circular on <i>Audit of Financial Statements of Owners' Corporations of Buildings – Audit Issues</i>.</p> <p>[Post meeting note: The revised Circular was posted on the Institute's website <a href="http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/techbull-circular/bmo-tb13.pdf">http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/techbull-circular/bmo-tb13.pdf</a> on 30 July 2010.]</p>	

2390.	<b><u>Revised Practice Note 600.1 Reports by Auditor under the Hong Kong Companies Ordinance</u></b>	SSD.
	The Committee considered the proposed revised Practice Note 600.1 updated for the clarified Hong Kong Standards on Auditing and noted that the SSD had made substantial changes with reference to development in the UK, where appropriate. The Committee agreed that more time is needed to consider the proposed amendments to PN 600.1 and suggested the SSD to table it for discussion at the next meeting. A member raised a comment that some of the proposed new example reports, developed with reference to UK guidance, do not make reference to an applicable standard under the Hong Kong Standards on Quality Control, Auditing, Review, Other Assurance and Related Services. The Committee requested the SSD to carry out further research and make the necessary reference to an applicable standard, where appropriate, for the Committee's consideration at its next meeting.	
2391.	<b><u>Report on Declared Election Expenses – Legislative/District Council Election Financial Assistance Scheme</u></b>	SSD.
	The Committee considered the comments prepared by the SSD and requested the SSD to re-consider the applicable standard for such engagement in view of the development of assurance standards since the guidance was developed with the relevant government body.	
2392.	<b><u>Notes for Auditors of Recipient Organisations for the Innovation and Technology Fund</u></b>	SSD.
	The Committee considered the comments prepared by the SSD and requested the SSD to prepare a decision tree chart to support the appropriate standard to be applied for the various NGOs engagements.	
2393.	<b><u>HKEx Consultation Conclusions on Proposed Changes to Requirements for Circulars and Listing Documents of Listed Issuers</u></b>	SSD.
	The Committee considered the concern raised by a Committee member that the HKEx Consultation Conclusions and the FAQ were unclear as to the applicable standard to be adopted for the preparation of the financial information to be included in a circular prepared by the directors of the listed issuer for very substantial disposals. The Committee requested the SSD to discuss with the HKEx to clarify the reporting requirements to ensure a consistent approach is undertaken by practitioners.	
2394.	<b><u>Consultation Paper on Companies Ordinance Rewrite relating to Accounts and Audit</u></b>	
	The Committee noted the comments prepared by the SSD on the key areas of the Consultation Paper in relation to the "Accounts and Audit" and had no further comments.	

**2395. Request for contribution from HKMA on Financial Stability Board's Thematic review on Risk Disclosure by Market Participants**

The Committee noted the request for contribution from the HKMA. It was reported that the questionnaire is under the consideration of the Expert Panel on Banking and the SSD would keep the Committee posted of developments.

SS Dept.

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

JACK CHOW  
CHAIRMAN

30 July 2010