



Minutes of the 316th meeting of the Auditing and Assurance Standards Committee held on Tuesday, 22 March 2011 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. Derek Broadley
Mr. Stephen Chan
Mr. Colin Chau
Mr. Raymond Cheng
Ms. Mabel Cheung
Mr. Alun Grassick
Ms. Grace Ma
Mr. Paul Phenix
Mr. Charlix Wong
Ms. Joyce Woo

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

Apologies for absence were received from Mr. John Chong and Mr. Keith Pogson.

	<u>Action</u>
<p>2436. <u>Minutes of the 314th and 315th Meetings</u></p> <p>The minutes of the 314th and 315th meetings were approved by the Committee and signed by the Chairman.</p>	
<p>2437. <u>AASC Work Plan 2010 – Status Report</u></p> <p>The Committee considered the status report of the Work Plan for 2011 and noted the progress made on the various projects.</p> <p>The Committee requested the Standard Setting Department (SSD) to include in the work plan the proposed guidance on auditors to answer questions at AGM. A Committee member also suggested to expedite the updating of guidance in relation to report on declared election expenses for District Council Election Financial Assistance Scheme as the District Council Election would be held in November 2011.</p>	SSD
<p>2438. <u>IAASB Exposure Draft on Proposed ISRS 4410 (Revised) Compilation Engagements and IAASB Consultation Paper on Proposed Strategy and Work Program for 2012-2014</u></p> <p>The Committee was invited to provide their comments on the above exposure draft and consultation paper. The SSD would then circulate the draft submissions for the Committee's approval in due course.</p> <p><i>[Posting meeting note: The draft submissions for ISRS 4410 and</i></p>	SSD

	<p>Consultation Paper were approved by the Committee by circulation on 30 March 2011 and 31 March 2011 respectively. The submissions are available at: http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditing-assurance-submissions/2011/]</p>	
2439.	<p><u>Revised Practice Note (PN) 600.1 Reports by Auditor under the Hong Kong Companies Ordinance</u></p> <p>The Committee considered the latest draft PN 600.1 and provided comments on the guidance in relation to sections 79I(4) and 161B of the Companies Ordinance. The SSD would amend the PN 600.1 and further discuss with the Banking Regulatory Liaison Group on those comments related to section 161B.</p> <p>The SSD was requested to circulate the revised PN 600.1 to the Committee before issuing it as an exposure draft. Committee also suggested extending the exposure draft period from one month to two months.</p>	SSD SSD
2440.	<p><u>The Chinese translation of Appendix 2 "Standard Bank Confirmation Request Form" (Bank Confirmation) of HKSA 505 (Clarified) External Confirmations</u></p> <p>The Committee ratified the Chinese translation of the Bank Confirmation and concluded that this should be used for requesting confirmations from banks in Hong Kong. The SSD is requested to send this Chinese translation of the Bank Confirmation to the Hong Kong Association of Banks (HKAB) for their comments.</p> <p>The SSD was also requested to prepare a Bank Confirmation form to be used by banks in the PRC.</p> <p>[Posting meeting note: The SSD sent the Chinese translation of the Bank Confirmation to HKAB on 6 April 2011.]</p>	SSD SSD
2441.	<p><u>Proposed amendments to Illustration examples in Appendix 1 of HKSA 810</u></p> <p>The Committee considered and endorsed the proposed amendments for HKSA 810. The SSD would issue the revised HKSA 810 in due course.</p> <p>[Posting meeting note: The revised HKSA 810 was issued on 31 March 2011 under Members' Handbook Update 105 and is available at: http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/updates/update105.pdf]</p>	SSD
2442.	<p><u>HKEx proposals to require auditors to answer questions at AGM</u></p> <p>A Committee member asked about the progress of the Institute's submission on above the proposal. The SSD reported that the HKICPA would send its submission to the HKEx soon after Council's approval and that the guidance on the proposals to require auditors to answer questions at AGM would be developed at a later stage after the issuance of HKEx requirements.</p>	

[Post meeting note: The Institute's submission on the HKEx's Consultation Paper is available at:

http://www.hkicpa.org.hk/file/media/section5_membership/Professional%20Representation/pdf-file/cg-code-sub.pdf]

2443. Auditing and Assurance Technical Bulletin (AATB) 1 Assistance Options to New Applicants and Sponsors in connection with Internal Controls over Financial Reporting

A member enquired on the progress of the referral to the Ethics Committee on the implications of the revised Code of Ethics for Professional Accountants (the revised Code) on AATB 1, in particular, certain new prohibitions for providing certain services to audit clients which are public interest entities (PIE).

The SSD reported that the matter is under consideration by the Ethics Committee and the Accountants' Report Sub-Committee and would update the Committee on its development at the next meeting. SSD

There being no further business, the meeting closed at 9:15 a.m.

JACK CHOW
CHAIRMAN

6 April 2011