



Minutes of the 330th meeting of the Auditing and Assurance Standards Committee held on Tuesday, 18 December 2012 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. Dennis Ho (Chairman)
Mr. Derek Broadley (Deputy Chairman)
Ms. Mabel Cheung
Mr. Ringo Chiu
Mr. Jonathan Lai
Ms. Grace Ma
Dr. Phyllis Mo
Mr. Steve Ong
Mr. Ian Parker
Mr. Thomas Wong

In attendance: Mr. Simon Riley, Director, Standard Setting
Ms. Selene Ho, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting

Apologies for absence were received from Mr. John Chong, Mr. Anthony Leung, Mr. Paul Phenix, Mr. Gary Poon, Mr. Charlix Wong and Ms. Joyce Woo.

2540. Minutes of the 329th Meeting

The minutes of the 329th meeting were approved by the Committee and signed by the Chairman.

2541. AASC Work Plan 2012 – Status Report

The Committee considered the status report of the Work Plan for 2012 and noted the progress made on the various projects.

2542. HKSRE 2400 (Revised) "Engagements to Review Historical Financial Statements"

The Committee considered and endorsed the HKSRE 2400 (Revised).

*[Post meeting note: HKSRE 2400 (Revised) was issued on 27 December 2012 in Members' Handbook Update 124 and is available at:
http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/updates/update124.pdf]*

2543. HKSAE 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus"

The Accountants' Report Sub-Committee (Sub-Committee) was tasked by the Committee to consider the convergence of the ISAE 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" as HKSAE 3420. The Sub-Committee proposed to adopt ISAE 3420 as HKSAE 3420 to maintain convergence and to elevate the local requirements and

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guidance specific to HKEx Listing Rules in extant HKSIR 300 "Accountants' Report on Pro Forma Financial Information in Investment Circulars" into the proposed HKSAE 3420. HKSIR 300 would be withdrawn after the issuance of HKSAE 3420.

The Committee considered the proposed HKSAE 3420 and suggested exposing the draft for a period of two months.

[Post meeting note: The Exposure Draft on HKSAE 3420 was issued on 19 December 2012 for comment by 19 February 2013 which is available at:

http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/ed-2012/i2c_3402.pdf

2544. Revised HKSIR 400 "Comfort Letters and Due Diligence Meetings"

The Committee noted the comment period for the revised HKSIR 400 ended on 17 December 2012 and there was no comment received by the SSD. The Committee endorsed the issuance of the revised HKSIR 400.

It was reported that the proposed Technical Bulletin in relation to the practical issues on HKSIR 400 was still under review by the stakeholders.

[Post meeting note: The revised HKSIR 400 was issued on 27 December 2012 in Members' Handbook Update 124 and is available at:

http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/updates/update124.pdf

2545. Revised Practice Note 620.2 "Communications between the Auditor and the Insurance Authority"

The Insurance Regulatory Liaison Group was tasked to revise PN 620.2. The revisions were mainly housekeeping matters to align with the current auditing and assurance pronouncements and drafting conventions. The proposed revised PN 620.2 had also been forwarded to the Insurance Authority for comments.

The Committee considered and endorsed the issuance of an exposure draft on the revised PN 620.2 for one month, subject to some minor amendments to be made by the SSD.

[Post meeting note: The exposure draft on revised PN 620.2 was issued on 20 December 2012 for comment by 20 January 2013 which is available at:

http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/ed-2012/i2c_pn620_2.pdf

2546. Development of guidance on long form report

The SSD reported that in relation to the use of long form report as stated in AATB 1 "Assistance Options to New Applicants and Sponsors in connection with Internal Controls over Financial Reporting", there was a request from the sponsors/ lawyers group for the HKICPA to consider developing guidance for issuing long form report.

The Committee requested the SSD to revisit AATB 1 and to consider updating AATB 1 to include guidance on long form report.

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2547. Vote of thanks

The Chairman gave a vote of thanks to all members of the Committee for their contributions and participation in 2012.

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

DENNIS HO
CHAIRMAN

2 January 2013