



Minutes of the 363rd Meeting of the Auditing and Assurance Standards Committee

- Date: Tuesday, 28 February 2017 at 8:30 a.m.
- Location: 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. Eric Tong (Chairman)
Mr. Paul Phenix (Deputy Chairman)
Mr. Paul Lau (Deputy Chairman)
Mr. Edmond Chan
Mr. Ringo Chiu
Ms. Loretta Fong
Mr. Paul Hebditch
Mr. Jonathan Lai
Ms. Meg Li
Dr. Phyllis Mo
Mr. Steve Ong
Mr. Chi Kit Shaw
Mr. Anthony Wong
Mr. Thomas Wong
Ms. Joyce Woo
- In attendance: Mr. Chris Joy, Executive Director
Ms. Christina Ng, Director, Standard Setting
Ms. Selene Ho, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting

Action

2782. Welcome New Member and Committee Composition for 2017

The Chairman welcomed Mr. Edmond Chan and Ms. Meg Li as new members of the Committee. The Committee recorded a vote of thanks to retiring members, Ms. Sylvia Cheng and Mr. Li Hing Tong for their contributions to the Committee during the tenure of their services.

2783. Guidance Note on General Confidentiality Rules

The Chairman drew members' attention to the guidance note on the general confidentiality rules in relation to minutes and agenda papers of the Council and Committees appointed by the Council.

2784. Terms of Reference

The Committee considered and agreed that the existing terms of reference are still appropriate.

2785. Meeting Schedule for 2017

The Committee noted the meeting dates for 2017.

2786. Minutes of the 362nd Meeting

The Committee approved and the Chairman signed the minutes of the 362nd meeting.

2787. Proposed Work Plan for 2017

The Committee considered the proposed work plan and provided some comments.

In view of the first year implementation of the new auditor reporting standards, the Committee considered that there should be a project to monitor and review the implementation issues in the coming year. In addition, the Committee would continue to observe and respond to the IAASB projects on audit quality and group audits.

The Chairman of the Accountants' Report Sub-Committee reported that the main focus for the coming year would be the proposed HKSIR 100 *Investment Reporting Standards Applicable to Engagements in connection with Investment Circular* and provided a brief update of its status.

A committee member enquired about the status for updating certain practice notes (PNs). SSD reported that these PNs were developed for regulatory reporting purposes and SSD has not informed of changes to the reporting requirements.

Committee members were reminded to send their comments to the Standard Setting Department (SSD) on the IAASB's Discussion Paper on *Exploring the Demand for Agreed-Upon Procedures Engagement and Other Services, and the Implications for the IAASB's International Standards*. The SSD would draft and circulate the draft submission to the Committee for comments in due course.

SSD

[Post meeting note: The submission to IAASB as approved by AASC is available at <http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditing-assurance-submissions/2017/>]

2788. Revised AATB 2 Guidance to the Auditor when Responding to Questions at an Annual General Meeting

The Committee considered the revised AATB 2 which was revised to align with the new and revised auditor reporting standards and provided some comments for the Working Group's and SSD's consideration..

SSD was requested to consider the comments and follow up with the WG accordingly.

SSD

[Post meeting note: The revised AATB 2 was issued on 16 March 2017 and is available at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/techbull-circular/AATB2_17.pdf]

2789. Updated PN 730 (Revised), Guidance for Auditors Regarding Preliminary Announcements of Annual Results

PN 730 (Revised) was updated for the FAQs issued by The Stock Exchange of Hong Kong Limited in relation to the HKICPA's new and revised auditor reporting standards. The Committee considered and endorsed the updated PN 730 (Revised) for issuance, subject to a minor amendment.

The Committee concluded that no exposure draft was considered necessary as the update was mainly in accordance with the FAQs.

[Post meeting note: Updated PN 730 (Revised) was issued on 6 March 2017 in Members' Handbook Update 197 and is available at: http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/updates/update197.pdf]

SSD

2790. FAQ on translation of Other Information in Annual Reports

At last meeting, the SSD was requested to develop an FAQ on translation of other information in annual reports for the Committee's consideration.

SSD and the WG discussed and developed a draft FAQ which was circulated to the Committee for comments. The Committee approved the latest draft FAQ for posting on the HKICPA's website.

[Post meeting note: The FAQ was issued on 28 February and is available at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/hksa-clarity-centre/FAQ_translate.pdf]

SSD

There being no further business, the meeting closed at 9:40 a.m.

ERIC TONG
CHAIRMAN

30 March 2017