



Minutes of the 418th Meeting of the Auditing and Assurance Standards Committee

- Date: Thursday, 25 July 2024 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 (and via videoconference)
- Present: Mr. Paul Hebditch (Chairman)
Mr. Thomas Wong (Deputy Chairman) (dial-in)
Mr. Ivan Au (dial-in)
Ms. Elaine Chang (dial-in)
Mr. Tony Ching (dial-in)
Ms. Caroline Chiu (dial-in)
Mr. Deric Chiu (dial-in)
Mr. Louis Lau (dial-in)
Mr. Charbon Lo (dial-in)
Ms. Joan Ng (dial-in)
Mr. William Wong (dial-in)
- In attendance: Ms. Cecilia Kwei, Director, Standard Setting
Ms. Selene Ho, Deputy Director, Standard Setting
Ms. Grace Lau, Associate Director, Standard Setting
Ms. Cherry Yau, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting
- Apologies: Prof. Koon-Hung Chan
Ms. Winnie Yau
- Observer: Mr. Jimmy Chung, Accounting and Financial Reporting Council

Action

3205. Minutes of the 417th meeting

The Committee approved the minutes of the 417th meeting.

3206. Work plan status report and update from working groups

The Committee considered the report and noted the progress of various projects. SSD reported to the Committee the latest development in discussions with relevant regulators on addressing the problem of "bogus accountants" which might have implications on the auditing standards. SSD would keep the Committee informed of any update.

3207. Proposed HKSA for LCE

The Committee reviewed the exposure draft ("ED"), explanatory memorandum ("EM") and the outreach plan for the proposed HKSA for Less Complex Entities ("LCE") and provided the following comments:

- To consider including an open-ended question for general feedback in addition to those specific questions covered in the ED.
- To consider removing the information derived from the publicly available sources containing out-dated data as it might not accurately reflect the current market situation.
- To consider soliciting feedback by:
 - Hosting a roundtable discussion with the Small and Medium Practices Committee whose members are one of the key users of the proposed HKSA for LCE.
 - Developing an online survey to facilitate a wide audience to submit their feedback.
- To emphasize in the communications to stakeholders that the proposed HKSA for LCE consists of the standard converged from the IAASB's final pronouncement of the ISA for LCE (which had previously been issued for comment by the Institute) and local refinements. The Institute's consultation would focus on the local refinements.
- Editorial amendments.

The Committee was further requested to nominate suitable speakers to introduce the ED in a recorded video and during the upcoming Annual Auditing Conference as part of the outreach activities.

The Committee also deliberated and concurred that a two-months consultation period should be sufficient given that the consultation would focus on the local refinements only.

3208. Virtual Assets Reporting Advisory Panel

SSD thanked the Committee members for providing nominations for the Virtual Assets Reporting Advisory Panel (the "AP"). The Committee considered that the competency and expertise of the proposed nominees were appropriate and approved the composition of the AP. The Committee also considered and approved the terms of reference of the AP.

3209. Proposed agenda for Annual Auditing Conference 2024

The Committee noted the Annual Auditing Update Conference ("AAU") would be held virtually in the morning of 26 October. The virtual conference would take place at the Institute's premises. The conference would also be recorded as e-learning for members' subscription.

The Committee discussed the proposed topics and agreed to include HKSA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* as an additional topic in the AAU.

3210. Any other business

The next meeting would be held on 10 September and the Committee was requested to suggest any agenda items by 20 August.

There being no further business, the meeting closed at 10:16 a.m.

PAUL HEBDITCH
CHAIRMAN

2 September 2024