



Minutes of the 408th Meeting of the Auditing and Assurance Standards Committee

- Date: Wednesday, 24 May 2023 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. Thomas Wong (Deputy Chairman)
Mr. Ivan Au (dial-in)
Mr. Ivan Chan (dial-in)
Prof. Koon-Hung Chan (dial-in)
Mr. Tony Ching (dial-in)
Ms. Angela Choi (dial-in)
Mr. Louis Lau (dial-in)
Mr. Charbon Lo (dial-in)
Ms. Joan Ng (dial-in)
Ms. Basilia Wong (dial-in)
Mr. William Wong (dial-in)
- In attendance: Ms. Cecilia Kwei, Director of Standard Setting
Ms. Selene Ho, Deputy Director of Standard Setting
Ms. Grace Lau, Associate Director of Standard Setting
Ms. Cherry Yau, Senior Manager of Standard Setting
Ms. Phoebe To, Manager of Standard Setting
- Observer: Mr. Ambrose Wong, Accounting and Financial Reporting Council
Ms. Kristian Ko, Accounting and Financial Reporting Council
- Apologies: Mr. Paul Hebditch (Chairman)
Ms. Sharon Tse

3124. Minutes of the 407th meeting

The Committee approved the minutes of the 407th meeting.

3125. Work plan status report and update from working groups

The Committee considered the report and noted the progress of various projects. In particular, a member asked for updates on the proposed revisions to bank confirmations. SSD reported that the Bank Confirmations Task Force ("TF") had requested additional information from the bank regarding its compliance with the HKMA's C-RAF framework covering the cyber resilience of banks in Hong Kong. The TF would review the information provided by HSBC for further consideration. SSD would report the progress to the Committee in due course.

Action

3126. IAASB’s Exposure Draft Proposed ISA 570 (Revised 202X), Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs (“ED-ISA 570”)

SSD reported to the Committee on the Invitation to Comment issued to invite local stakeholders to provide comments on the ED-ISA 570 by 24 July.

The Committee agreed with SSD’s proposed outreach activities to solicit comments from local stakeholders. The Committee further suggested and SSD agreed to (a) launch the online survey one week earlier than planned to allow SSD to analyze and summarize feedback in time for the July meeting; and (b) arrange the roundtable discussion with the Small and Medium Practices Committee in early or mid-July to avoid conflicts with the seasonal tax reporting deadline in mid-August.

A member raised a question regarding the alignment of a proposed professional term in the ED-ISA 570 with the definition currently used in IAS 1 *Presentation of Financial Statements*. SSD would further understand the use of the term in both standards and consider including a comment for clarification in the draft comment letter.

3127. Agenda for IAASB’s National Standard Setters (NSS) Meeting

The Committee noted the meeting agenda for the upcoming NSS virtual meetings in June, and that the Chairman and SSD staff would join the meeting. Key notes from the meeting would be reported to the Committee in due course.

3128. IAASB’s Request for Information

The Committee considered the proposed responses to the IAASB’s Request for Information (“RFI”) and approved for submission, subject to the following comments:

- To include in the RFI the Institute’s Best Corporate Governance and ESG Awards as part of the local development on sustainability reporting.
- To include in the RFI that a session to update practitioners on recent developments on technology relevant to audit would be arranged at the Institute’s upcoming Annual Auditing Update Conference.
- To consider including in the RFI the Institute’s comment letter in response to the HKEX’s consultation on enhanced climate disclosures for listed companies.

[Post meeting note: The revised RFI was circulated to the Committee for fatal flaw review on 25 May and was submitted to the IAASB on 29 May.]

3129. Sustainability Assurance Advisory Panel

SSD proposed and the Committee agreed to set up Sustainability Assurance Advisory Panel under the auspices of the Committee to provide support on

the development and implementation of assurance standards on sustainability reporting and the related guidance.

The Committee discussed the proposed composition criteria for the advisory panel and agreed that the composition should not be limited to professional accountants as the relevant standards would also apply to all sustainability assurance practitioners including non-professional accountants and other service providers outside of the profession. In addition, other professionals would bring diverse perspectives and expertise to the development and implementation of the standards.

The Committee acknowledged the request to nominate suitable candidates to participate or nominate experts to join the advisory panel.

3130. Any other business

The next meeting would be held on 20 June and the Committee was requested to suggest any agenda items by 30 May.

There being no further business, the meeting closed at 8:55 a.m.

THOMAS WONG
DEPUTY CHAIRMAN

13 June 2023