



Minutes of the 332nd meeting of the Auditing and Assurance Standards Committee held on Tuesday, 26 March 2013 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. Jonathan Lai
Mr. Patrick Law
Mr. Alec Leung
Dr. Phyllis Mo
Mr. Steve Ong
Mr. Ian Parker
Mr. Paul Phenix
Mr. Chi Kit Shaw
Mr. Thomas Wong
Ms. Joyce Woo

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

Apologies were received from Mr. Ringo Chiu, Mr. John Chong and Ms. Grace Ma.

Action

2560. Minutes of the 331st Meeting

The minutes of the 331st meeting were approved by the Committee and signed by the Chairman.

2561. Work Plan Status Report and Update from Working Groups

The Committee considered the work plan status report and noted the progress made on the various projects.

The Chairman of the Accountants' Report Sub-Committee (Sub-Committee) updated the Committee about the latest discussion on the proposed revision of AATB 1 and the revisions to HKSAE 3420 and AATB 3. The latter two documents were discussed in items 2562 and 2563 below.

2562. HKSAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

The Committee noted the comment period for the exposure draft on HKSAE 3420 ended on 19 February 2013 and some comments were received. The comments were discussed by the Sub-Committee on 20 February 2013 and HKSAE 3420 was revised accordingly.

The Committee considered the latest draft of HKSAE 3420 and editorial comments received from a member. The Committee endorsed the HKSAE 3420 for final issuance, subject to the amendments by the Standard Setting Department (SSD) in respect of the editorial comments.

SSD

[Post meeting note: HKSAE 3420 was issued on 3 April 2013 in Members' Handbook Update 126 and is available at: http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/updates/update126.pdf]

2563. AATB 3 Implementation Guidance on Revised Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 400 Comfort Letters and Due Diligence Meetings

The Committee considered the draft AATB 3 with no major comments. The Chairman of the Sub-Committee reported that late comments were received from a stakeholder. The SSD would revise the draft AATB 3 and circulated to the Committee for approval after the meeting. SSD

[Post meeting note: AATB 3 was approved on 28 March 2013 by circulation and is available at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/techbull-circular/AATB3.pdf]

2564. Auditing Guideline 3.341 Accountants' Report on Profit Forecasts

A committee member raised an issue in relation to the reporting accountants' responsibility to alert the management for any circumstances that they aware of which might affect the profit forecast. The Committee in general was not aware of such obligation under the laws and suggested the reporting accountants might refer to the terms of the engagement letters.

2565. IAASB's Consultation Paper "A Framework for Audit Quality" (CP)

The Chairman requested the Committee members to provide input for the online survey conducted by the SSD for the submission of the CP.

There being no further business, the meeting closed at 9:00 a.m.

DENNIS HO
CHAIRMAN

3 April 2013