



Auditing and Assurance Standards Committee
Meeting Summary – December 2008

The Auditing and Assurance Standards Committee (Committee) met on 16 December 2008.

Members present at the meeting were: Keith Pogson (Chairman), William Crowe (Deputy Chairman), Derek Broadley, Stephen Chan, Colin Chau, Mabel Cheung, John Chong, Fanny Hsiang, Lucia Li, Thomas Wong, Raymond Wong and Cecilia Yam.

Staff present at the meeting were: Steve Ong, Selene Ho, Katherine Leung, Ben Lo and Phoebe To.

The following agenda items were discussed:

1. Endorsement of New Revised and Redrafted HKSA's
2. Draft submission to the IAASB Consultation Paper "*Matters to Consider in a Revision of International Standard on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements*"
3. Progress report on Immigration Department Capital Investment Entrant Scheme Project
4. Referral from SMPC on proposed Example of Qualified Auditor's Report under Practice Note 900
5. Proposed Chinese translation of Example Unqualified Auditor's Report on Financial Statements prepared in accordance with SME-FRS

1. Endorsement of New Revised and Redrafted HKSA's

The Committee endorsed the proposed HKSA 320 (Revised and Redrafted) *Materiality in Planning and Performing an Audit*; HKSA 450 (Revised and Redrafted) *Evaluation of Misstatements Identified during the Audit*; HKSA 530 (Redrafted) *Audit Sampling*; HKSA 570 (Redrafted) *Going Concern*; and HKSA 610 (Redrafted) *Using the Work of Internal Auditors*.

2. Draft submission to the IAASB Consultation Paper "*Matters to Consider in a Revision of International Standard on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements*"

The Committee considered the draft submission and requested the Standard Setting Department to revise the submission taking into account the comments made at the meeting. The revised submission was endorsed by the Committee by circulation on 19 December 2008.

[Post meeting note: The HKICPA submission was submitted to the IAASB after Council's approval and can be viewed at:

http://www.hkicpa.org.hk/professionalttechnical/assurance/submission/docs/2009/IC-IAS_SB_ReviewEngagement2400.pdf

3. Progress report on Immigration Department Capital Investment Entrant Scheme Project (the Project)

The Committee noted that the Standard Setting Department (SSD) had prepared an example report for the Project upon the request from the Immigration Department (ID) and circulated to the Committee for comments in October 2008. The SSD had revised the example report and sent to the ID for their consideration in November 2008. The revised example report is currently under internal review by the ID.

The Committee also considered an notice for which the ID planned to enclose with the application form under the Project and the revised proposed Circular on Reporting related to Rule 2.1(b) of the Rules for the Capital Investment Entrant Scheme. The Committee requested the SSD to revise the notice and the proposed circular taking into account the comments made at the meeting.

4. Referral from SMPC on proposed Example of Qualified Auditor's Report under Practice Note 900

The Committee noted that a referral had been received from the SMPC on proposed Example of Qualified Auditor's Report under Practice Note 900 (the Qualified Report) and the Committee agreed to provide the Qualified Report for illustration and reference purposes. The Standard Setting Department is to draft the example report and to submit to the AASC for consideration.

5. Proposed Chinese translation of Example Unqualified Auditor's Report on Financial Statements prepared in accordance with SME-FRS

The Committee considered the proposed Chinese version of the Example Unqualified Auditor's Report on Financial Statements prepared in accordance with SME-FRS (the Unqualified Report) and requested the Standard Setting Department to revise the Unqualified Report taking into account comments received at the meeting. The revised Unqualified Report would be endorsed by the Committee by circulation.

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Meeting Summaries are provided for the information and convenience of those who wish to follow the Committee's deliberations. Decisions reported are tentative and may be changed or modified by the Committee at a later date. Decisions become final only after completion of the formal due process required to finalize and release documents. No responsibility is taken for the results of actions or omissions to act on the basis of any information contained in this Meeting Summary, or for any errors or omissions in it.