



Minutes of the 311th meeting of the Auditing and Assurance Standards Committee held on Tuesday, 21 September 2010 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. Jack Chow (Chairman)
Mr. Derek Broadley
Mr. Stephen Chan
Mr. Colin Chau
Ms. Mabel Cheung (dial – in)
Mr. Alun Grassick
Mr. Paul Phenix

In attendance: Mr. Chris Joy, Executive Director
Ms. Selene Ho, Assistant Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting

Apologies for absence were received from Mr. Keith Pogson, Ms. Grace Ma and Mr. Charlix Wong.

	<u>Action</u>
<p>2396. <u>Minutes of the 310th Meeting</u></p> <p>The minutes of the 310th meeting were approved by the Committee and signed by the Chairman.</p>	
<p>2397. <u>AASC Work Plan 2010 – Status Report</u></p> <p>The Committee considered the status report of the Work Plan for 2010 and noted the progress made on the various projects.</p>	
<p>2398. <u>HKSA 210 (Clarified) Agreeing the Terms of Audit Engagement</u></p> <p>The Committee considered the revised example audit engagement letter in the clarified HKSA 210 and requested the Standard Setting Department (SSD) to revise the example audit engagement letter accordingly.</p> <p><i>[Post meeting note: The example engagement letter was approved by the Committee by circulation on 14 October 2010 and will be updated in clarified HKSA 210 under Members' Handbook Update 95.]</i></p>	SSD
<p>2399. <u>Draft Chinese Translation of the Example Audit Engagement Letter attached to HKSA 210 (Clarified)</u></p> <p>The Committee considered and provided comments on the draft Chinese example letter. The SSD is requested to consider the comments and revise the draft Chinese example letter accordingly.</p> <p><i>[Post meeting note: The Chinese Audit Engagement Letter was approved by the Committee on 14 October 2010 by circulation and is available at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/example-auditors/2010/hksa-210-engagement-letter.pdf]</i></p>	SSD

2400. Draft Chinese Translation of the Unqualified Auditors' Reports based on HKSA 700 (Clarified) Forming an Opinion and Reporting on Financial Statements

The Committee considered and provided comments on the draft Chinese auditors' reports. The SSD is requested to consider and revise the draft Chinese auditors' reports accordingly.

SSD

[Post meeting note: The Chinese auditors' reports were approved by the Committee on 14 October 2010 by circulation and is available at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/example-auditors/2010/auditors-reports.pdf]

2401. Revised Practice Note 600.1 Reports by Auditor under the Hong Kong Companies Ordinance

The Committee considered the proposed amendments and provided various comments. The SSD is requested to consider the comments and amend PN 600.1 accordingly. The Committee also requested SSD to seek comments from the Banking Expert Panel on the exemption of certain disclosures in the financial statements of a banking company as stated in paragraphs 26 to 28 of the revised draft PN 600.1.

SSD

The Committee agreed to use HKSAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" as the basis for the example reports in PN600.1 and requested the SSD to amend the example reports accordingly.

2402. Exposure Draft on revised HKSIR 400 Comfort Letters and Due Diligence Meetings on Financial and Non-financial Information

The Committee considered and endorsed the revised HKSIR 400 for issuance as Exposure Draft, subject to a minor amendment in Appendix 2.

SSD

[Post meeting note: ED of the proposed revised HKSIR 400 was issued on 30 September 2010 for comments until 30 November 2010 and is available at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/ed-2010/i2c-sir400.pdf]

2403. Progress report on the Working Group on HKEx Listing Rules reporting requirements for VSD (WG)

The Committee noted the comments of the WG and agreed with the WG's proposal to develop a practice note to provide guidance on HKEx Listing Rules reporting requirements for VSD.

There being no further business, the meeting closed at 9:25 a.m.

JACK CHOW
CHAIRMAN

19 October 2010