



Minutes of the 308th Meeting of the Auditing and Assurance Standards Committee held on Tuesday, 18 May 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. Keith Pogson (Deputy Chairman)
Mr. Derek Broadley
Mr. Colin Chau
Ms. Mabel Cheung
Mr. Alun Grassick
Ms. Grace Ma
Mr. Paul Phenix
Mr. Charlix Wong
Mr. Chris Joy, Executive Director
Mr. Steve Ong, Director (Standard Setting)
Ms. Selene Ho, Assistant Director (Standard Setting)
Ms. Phoebe To, Manager (Standard Setting)

An apology for absence was received from Mr. Stephen Chan.

Council
Action

2370. Minutes of the 307th Meeting

The minutes of the 307th meeting were approved by the Committee and signed by the Chairman.

2371. AASC Work Plan 2010 – Status Report

The Committee considered the status report of the Work Plan for 2010 and noted the progress made on the various projects.

2372. HKICPA Invitation to Comment on ISAE 3420 Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus

The Committee noted the issuance of the HKICPA Invitation to Comment on the Exposure Draft (ED) of ISAE 3420 for comments until 31 August 2010.

The scope of work and level of assurance provided in ISAE 3420 is similar to that of HKSIR 300 *Accountants' Reports on Pro Forma Financial Information in Investment Circulars*. The SSD and the Accountants' Report Sub-Committee will consider whether to withdraw HKSIR 300 upon finalisation of the ED by the IASB.

2373. Revised Practice Note 900 Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard (the revised PN 900)

The Committee considered the revised PN 900 and agreed to the revised wordings in the auditors' reports to align those of HKSA 700 and HKSA 705. The Committee endorsed the revised PN 900 for issuance.

[Post Meeting Note: The revised PN 900 i.e. PN 900 (Clarified), was issued on

2 June 2010 under Members' Handbook Update 86:
http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/updates/update086.pdf]

2374. Revised Circular on Audit of Financial Statements of Owners' Corporations of Buildings – Audit issues (the revised Circular)

The Committee considered the revised Circular and requested the SSD to make some clarification amendments. The Committee endorsed the revised Circular, subject to the amendments.

2375. Auditing and Assurance Standards Forum on 20 May 2010 (the Forum)

The Committee noted that a meeting with Prof. Arnold Schilder had been arranged after the Forum, to discuss matters on auditing and assurance. The Committee considered and agreed the proposed agenda of the meeting.

2376. Annual Auditing Update Conference 2010

The Committee considered the revised draft programme and suggested some changes to the programme. The Committee approved the draft programme, subject to the amendments.

2377. Consultation Paper on Companies Ordinance Rewrite relating to Accounts and Audit (Parts 6 and 9)

The Committee noted that the Financial Services and Treasury Bureau (FSTB) had issued the second phase consultation of its Companies Ordinance Rewrite Project.

The SSD identified that Part 9 – "Accounts and Audit" was of relevance to audit and assurance service practices. As a preliminary finding, the SSD highlighted to the Committee on the proposal in the consultation to require all companies incorporated in Hong Kong to present "true and fair view" financial statements.

The SSD will review other proposals and bring a position paper to the committee for consideration at its next meeting.

There being no further business, the meeting closed at 9.10 am.

JACK CHOW
CHAIRMAN

10 June 2010