



Minutes of the 355th Meeting of the Auditing and Assurance Standards Committee

- Date: Tuesday, 20 October 2015 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.
- Present: Mr. Eric Tong (Chairman)
Mr. Paul Phenix (Deputy Chairman)
Ms. Sylvia Cheng
Ms. Loretta Fong
Mr. Paul Hebditch
Mr. Jonathan Lai
Mr. Paul Lau
Dr. Phyllis Mo
Mr. Steve Ong
Mr. Chi Kit Shaw
Mr. Anthony Wong
Mr. Thomas Wong
Ms. Joyce Woo
- In attendance: Mr. Chris Joy, Executive Director
Ms. Selene Ho, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting
- Apologies: Mr. Ringo Chiu
Miss. Siu Mai Chow

Action

2730. Minutes of the 354th Meeting

The Committee approved and the Chairman signed the minutes of the 354th meeting.

2731. Work Plan Status Report and Update from Working Groups

The Committee considered the report and noted progress.

The Standard Setting Department ("SSD") had circulated the draft submission for the IAASB's exposure draft related to non-compliance or suspected non-compliance with laws and regulations. The Committee members were requested to submit their comments to the SSD.

The SSD also reported that a proposed seminar on the new auditor reporting would be held in mid-December and further information would be provided upon finalisation.

2732. Changes to the HKSAs as a result of the Disclosures project (Addressing Disclosures in the Audit of Financial Statements) developed by the International Auditing and Assurance Standards Board

The Committee noted that the IAASB has issued a document *Addressing Disclosures in the Audit of Financial Statements – Revised ISAs and Related Conforming Amendments* in July 2015. This document sets out

the changes to the ISAs arising from the Disclosures Project and the changes are effective for audits of financial statements for periods ending on or after 15 December 2016. The SSD had incorporated these changes to the respective HKSAs.

The Committee considered the changes made to the HKSAs and endorsed the issuance of the revised HKSAs

SSD

2733. Draft FAQ on early adoption of the new and revised HKSAs

At the September meeting, the Committee had agreed that the auditor reporting standards as well HKSA 720 (Revised) would be adopted and implemented as a package and requested the SSD to draft a FAQ to explain its intent. The SSD had drafted the FAQ in consultation with the Working Group on HKSAs and HKSAE 3000.

The Committee considered the draft FAQ and provided comments. The SSD was requested to post the final FAQ on the HKICPA' website before the Annual Auditing Update (AAU) scheduled on 24 October.

SSD

[Post meeting note: FAQ was posted on 20 October 2015 on the HKICPA's website and is available at:

http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/hksa-clarity-centre/2015/earlyadopt.pdf]

2734. Update on tripartite meeting with Mandatory Provident Fund Authority and Hong Kong Trustees Association

As discussed at the September meeting, the Trustees' Association had sought clarification from the HKICPA regarding the data of Employer MPF Account Balance for audit purposes of the employer's financial statements.

A tripartite meeting including representatives from the Committee, the MPFA and the Trustees' Association had met on 6 October to discuss and to clarify understanding of the issue. At the meeting, the MPFA explained that the service providers were required to ensure compliance with the Personal Data (Privacy) Ordinance and thus the trustees would no longer disclose the "Employer MPF Account Balance" of individual employee to the corresponding employer, unless there is an entitlement of long service payment/ severance payment. Trustees would be able to provide the aggregate balance to employers and auditors.

The Committee suggested to monitor the matter and will consider further if practitioners have concerns.

SSD

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

ERIC TONG
CHAIRMAN

22 October 2015