

HONG KONG SOCIETY OF ACCOUNTANTS
Auditing and Assurance Standards Committee
Meeting summary – May 2004

The HKSA Auditing and Assurance Standards Committee (Committee) met on 18 May 2004.

Members present at the meeting were: Carlson Tong (Chairman), Charles Chow (Deputy Chairman), Richard George (Deputy Chairman), Andrew Bennett, Arthur Chan, Patrick Cheng, William Crowe, Charles Grieve, Lucia Li, Phyllis Mo, Thomas Wong, Lesley Yeung and Desmond Yuen.

Secretariat staff present at the meeting were: Stephen Chan, Elaine Chan and Steve Ong.

The following agenda items were discussed:

1. Financial Assistance Scheme – Proposed Notes for Candidates and Auditors of Candidates of Legislative Council Elections
2. Mapping of HKSASs with ISAs
3. IFAC Statement of Membership Obligations 3 – International Standards, related Practice Statements and Other Papers issued by the IAASB (IFAC SMO 3)

1. Financial Assistance Scheme – Proposed Notes for Candidates and Auditors of Candidates of Legislative Council Elections

The Committee considered a revised draft of the proposed Notes prepared by the Registration and Electoral Office (REO) with further amendments made by the secretariat as a result of the meeting with the REO on 3 May. After deliberation, it was agreed that the proposed Notes should be further amended to include additional guidance on certain areas. The secretariat was requested to finalize the proposed Notes with the REO.

[Post meeting notes: The secretariat prepared a further draft of the proposed Notes and after their endorsement by the Committee by circulation, had further meetings with the REO to finalize the proposed Notes. The final proposed Notes were endorsed by the AASC by circulation and approved by the REO. Both the English and Chinese versions of the Notes have been posted on the HKSA website (http://www.hksa.org.hk/professionaltechnical/assurance/example_auditors/notes_for_candidate.pdf).]

2. Mapping of HKSASs with ISAs

The Committee considered the second and final batch of the results of the Mapping of HKSASs with ISAs and reiterated that the following broad principles agreed by the Committee at its last meeting should be adhered to in the future preparation of Hong Kong Standards on Auditing (HKSAs):

- the over-riding principle is that the IAASB Pronouncements should be adopted verbatim, unless in very exceptional cases such as local legal requirements which require modifications; and
- the ISA paragraphs on “Public Sector Perspective” previously not adopted in the extant SASs should be adopted in the proposed revised HKSAs, to the extent that they are generic guidance and are not inappropriate.

It was agreed that a register should be maintained by the secretariat to record all modifications made to the IAASB Pronouncements when they are adopted in Hong Kong and the reasons for such modifications.

3. IFAC Statement of Membership Obligations 3 – International Standards, Related Practice Statements and Other Papers issued by the IAASB (IFAC SMO 3)

The Committee considered the approved IFAC SMO 3 (<http://www.ifac.org/Compliance/index.php>) and had no further comments on the basis that the Committee’s earlier comments on the Exposure Draft had been addressed by the IFAC.

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