



## Minutes of the 379<sup>th</sup> Meeting of the Auditing and Assurance Standards Committee

Date: Wednesday, 20 November 2019 at 8:30 a.m.

Location: Conference 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. Paul Lau (Chairman)  
Ms. Loretta Fong  
Mr. Derek Broadley  
Mr. Edmond Chan  
Mr. Ivan Chan  
Mr. Paul Hebditch  
Ms. Susanna Lau  
Mr. Steve Ong  
Mr. Gary Stevenson  
Miss. Basilia Wong  
Mr. Thomas Wong

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

Observer: Ms. Cynthia Leung, Financial Reporting Council

Apologies: Mr. Frank Lam

### Action

**2897. Minutes of the 378<sup>th</sup> Meeting**

The Committee approved and the Chairman signed the minutes of the 378<sup>th</sup> meeting.

**2898. Work Plan Status Report and Update from Working Groups**

The Committee considered the report and noted progress of various projects.

**2899. Discuss proposed revisions to ISA 600, Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)**

The Chair welcomed Mr. Len Jui, IAASB Board member and his Technical advisor, Ms. Jessie Wong to the meeting to present the latest development on the IAASB project to revise ISA 600. They discussed the proposed revisions such as using risk-based approach to planning and performing group audits; better alignment with other ISAs; consideration of additional guidance where there is restricted access to component financial information and component auditor's working papers; materiality; documentation requirements in a group audit engagement as well as topics which would be scoped out of ISA 600. Mr. Len Jui highlighted that when developing the revision, the IAASB working group had considered certain Institute's Alerts relevant to the project.

The Committee provided their comments to the proposed revisions of ISA 600. It is anticipated that the IAASB would approve the exposure draft of revised ISA 600 in March 2020 and welcomed comments from the Committee on the exposure draft.

**2900. Proposed Revision to Circular on Reporting to Grantees of Language Fund (“Circular”)**

The Committee noted the proposed revisions to the Circular which had considered comments discussed at the last meeting.

The Circular provides guidance to practicing members when undertaking engagement to report on the grantee’s “project accounts” which would be accompanied by the unaudited supplementary information as required by the Language Fund. The Committee discussed whether the appended unaudited supplementary information would be considered as other information in accordance with HKSA 720 (Revised), *The Auditor’s Responsibilities Relating to Other Information*.

SSD would review the Language Fund’s reporting requirements in light of HKSA 720 (Revised) and propose further amendments to the Circular if needed.

SSD

*[Post meeting note: SSD circulated a revised Circular to AASC for consideration on 26 November. It was agreed that revisions pertaining to HKSA 720 (Revised) was not necessary due to the nature of the engagement. The Circular was issued on 12 December and is available at: [https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03\\_Our-views/TB - Cir/Auditing/cir\\_1f191212.pdf](https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03_Our-views/TB - Cir/Auditing/cir_1f191212.pdf)]*

**2901. Consider and endorse exposure draft on revised PN 860.1 (Revised), The Audit of Retirement Schemes**

The Committee noted the proposed revision to PN 860.1 (Revised) to conform to the Occupational Retirement Schemes (Amendment) Bill 2019 (Bill), which was anticipated to take effect in late November.

The Committee considered the proposed revisions and endorsed the issuance of the exposure draft for one-month comment period after the approval of the Bill by the Legislative Council.

SSD

*[Post meeting note: As of the date of this update, the Bill has yet to be approved by the Legislative Council. The MPFA will keep SSD informed of developments.]*

There being no further business, the meeting closed at 10:15 a.m.

PAUL LAU  
CHAIRMAN