



Minutes of the 383rd Meeting of the Auditing and Assurance Standards Committee

Date: Tuesday, 23 June 2020 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 and via videoconference.

Present: Mr. Paul Lau (Chairman)
Mr. Derek Broadley
Mr. Ivan Chan (dial-in)
Prof. Koon-Hung Chan (dial-in)
Mr. Edmond Chan (dial-in)
Ms. Hildy Chan (dial-in)
Mr. Paul Hebditch
Ms. Fanny Hsiang (dial-in)
Ms. Susanna Lau
Mr. Gary Stevenson (dial-in)
Miss. Basilia Wong (dial-in)
Mr. Thomas Wong (dial-in)
Mr. Steve Ong (dial-in)

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 (dial-in)

Apologies: Ms. Loretta Fong

Action

2927. Minutes of the 382nd Meeting

The Committee approved the minutes of the 382nd meeting.

2928. Work Plan Status Report and Update from Working Groups

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

The Committee noted that SSD had arranged an evening live webinar on 29 June for Institute's members on the Exposure Draft (ED) ISA 600 (Revised) *Special Considerations – Audits of Group Financial Statements (Including Work of Component Auditors)*. In the webinar, Mr. Len Jui, IAASB Board Member and Mr. Jasper van den Hout, IAASB Principal, would explain the key proposed changes in ED ISA 600 (Revised).

The Committee also noted that Mr. Len Jui would provide a briefing on ED ISA 600 (Revised) to the Committee at the July meeting.

[Post meeting note: The live webinar on proposed ISA 600 (Revised) was held on 29 June with over 370 participants]

2929. Submission to the IAASB Proposed Non-Authoritative Guidance, Extended External Reporting (EER) Assurance (“proposed guidance”)

SSD reported that the Extended External Reporting (“EER”) Working Group had considered the IAASB’s proposed guidance and raised comments such as quality control considerations and clarifying the extent of work required in an EER engagement.

The Committee discussed the draft submission prepared by SSD which was based on comments raised by the EER Working Group. A member suggested the submission to emphasize the stringent quality control requirements professional accountants are subject to when performing EER assurance engagements, whereas EER assurance reports prepared by non-accountants might not be subject to the equivalent quality control requirements and monitoring regime of local regulators.

Committee members were requested to consider the draft submission and provide further comments if any.

2930. The IAASB’s information gathering survey on auditor signing arrangement

At the May meeting, the Committee noted the IAASB’s survey on circumstances where an individual, other than the engagement partner, would be required to sign an audit report. SSD had developed a draft response to the survey in the capacity of a standard setter. The draft response was based on the Institute’s Alert issued in 2015 which provided guidance on auditor’s report signing arrangement.

The Committee had a preliminary discussion on the survey questions and situation in Hong Kong. The Committee suggested SSD to clarify with the IAASB on the objective of the survey before finalizing the survey response.

2931. Exposure Draft on revised PN 810.2 (Revised) *The Duties of the Auditor of an Insurer authorized under the Insurance Ordinance*

According to the Insurance Ordinance, an authorized insurer carrying on long-term business should submit a certificate to the Insurance Authority that it has identified its assets and liabilities attributable to its long-term business, together with an auditor’s report on the insurer’s compliance with relevant requirements.

The Insurance Regulatory Advisory Panel (“IRAP”) considered that a report under HKSAE 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* would be appropriate for such reporting and proposed relevant guidance and an example report be included in PN 810.2 (Revised).

The Committee considered the IRAP’s proposed revisions to PN 810.2 (Revised) and endorsed the issuance of exposure draft for one month comment period.

[Post meeting note: Exposure draft was issued on 3 July for one month comment period and the link is: <https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Auditing-and->

[Assurance](#)

2932. Update on the proposed local guidance on ESG reporting (“proposed ESG guidance”)

A member of the Environmental, Social and Governance (“ESG”) Reporting Assurance Working Group (“ESG Working Group”) was invited to the meeting. The ESG Working Group member provided an update on the development of the proposed ESG guidance.

The Committee clarified the objective of the proposed ESG guidance which was to assist practitioners to perform assurance engagements on ESG information compiled by listed issuers based on the requirements of The Stock Exchange of Hong Kong Limited (“HKEX”).

The Committee also noted that the ESG Working Group had drafted the outline of the proposed ESG guidance and the drafting of the content was in progress. A draft of the proposed ESG guidance would be shared with the HKEX ESG Department to ensure its alignment with the HKEX ESG requirements in due course.

The Committee welcomed the progress made by the ESG Working Group and suggested that a draft of the proposed ESG Guidance be shared with the Institute’s Sustainability Committee and other relevant stakeholders for soft consultation.

2933. Any Other Business

- Since the outbreak of Covid-19, the Institute had launched various virtual webinars and conferences online in place of face-to-face events. SSD would monitor the situation and determine the format and date of the Annual Auditing Conference 2020 in due course.
- The Committee would be updated for the Monitoring Group’s findings and recommendations on international standard setting activities when information becomes available in due course.

There being no further business, the meeting closed at 9:40 a.m.

PAUL LAU
CHAIRMAN

3 July 2020