



Minutes of the 417th Meeting of the Auditing and Assurance Standards Committee

Date: Tuesday, 28 May 2024 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 Hebditch (Chairman)
Mr. Thomas Wong (Deputy Chairman) (dial-in)
Mr. Ivan Au (dial-in)
Prof. Koon-Hung Chan (dial-in)
Mr. Tony Ching (dial-in)
Ms. Caroline Chiu
Mr. Deric Chiu (dial-in)
Mr. Louis Lau (dial-in)
Mr. Charbon Lo (dial-in)
Ms. Joan Ng (dial-in)
Mr. William Wong (dial-in)

In attendance: Ms. Cecilia Kwei, Director, Standard Setting
Ms. Selene Ho, Deputy Director, Standard Setting
Ms. Grace Lau, Associate Director, Standard Setting
Ms. Cherry Yau, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting

Apologies: Mr. Ivan Chan
Ms. Elaine Chang
Ms. Winnie Yau

Observer: Mr. Jason Bradley, Accounting and Financial Reporting Council

3198. Assurance framework for virtual assets

The Committee warmly welcomed the project initiator to deliver a presentation regarding the proposed project on assurance framework for virtual assets which covered the background, the industry practice and the suggested approach and timeframe for developing the local assurance framework.

(The project initiator left the meeting after the presentation and enquiry session.)

Chairman and SSD further encouraged Committee members to nominate their firm's experts in assurance reporting and/or virtual assets to join the advisory panel to work together with the project initiator to develop the proposed guidance.

Action

3199. Minutes of the 416th meeting

The Committee approved the minutes of the 416th meeting.

3200. Work plan status report and update from working groups

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

3201. Issuance of Narrow Scope Amendments to HKSA 700 and HKSA 260 (the “pronouncement”)

The Committee considered the convergence of the pronouncement from the IAASB’s pronouncement incorporating edits for local adoption was appropriate. Subject to editorial changes, the Committee approved the issuance of the pronouncement and the launch of the proposed implementation support activities.

[Post meeting note: The pronouncement was issued on 15 July in Members’ Handbook Update No. 313 and is available at: <https://www.hkicpa.org.hk/-/media/HKICPA-Website/Members-Handbook/updates/update313.pdf>.]

3202. Draft comments on the ED-240 for submission to the IAASB

The Committee considered the draft comment letter and provided the following recommendations to be incorporated in the final draft.

- Question 1: To consider comments regarding the auditor’s responsibilities which would be provided by Committee members subsequent to the meeting.
- Question 2: To keep the comment regarding the auditor’s past experience about the honesty and integrity of management and TCWG considering that it could be one of the factors to provide insights into the possibility of fraudulent transactions of the audit client.
- Question 5: To supplement the discussion by including comments regarding reporting of no key audit matters in the auditor’s report.
- Editorial changes.

SSD would revise the draft comment letter and circulate it to the Committee for review and approval by the submission deadline of 5 June.

[Post meeting note: Members provided additional comments after the meeting. The revised draft comment letter was approved by the Committee on 4 June and submitted to the IAASB on 5 June and is available at: https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA-Standards-and-regulation/SSD/03_Our-views/PCD/2024/ed24024/sub240.pdf]

3203. IAASB National Standards Setters (“NSS”) meeting

The Committee noted that SSD staff participated in the IAASB NSS meeting held on 1 and 2 May and the key points discussed during the NSS meeting. SSD would keep the Committee posted on any significant developments in the key projects of the IAASB.

3204. Any other business

The next meeting would be held on 26 June and the Committee was requested to suggest any agenda items by 4 June.

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

PAUL HEBDITCH
CHAIRMAN

15 July 2024