



Minutes of the 361st Meeting of the Auditing and Assurance Standards Committee

- Date: Tuesday, 15 November 2016 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
Mr. Ringo Chiu
Ms. Loretta Fong
Mr. Paul Hebditch
Mr. Jonathan Lai
Mr. Paul Lau
Mr. Hing Tong Li
Dr. Phyllis Mo
Mr. Steve Ong
Mr. Anthony Wong
Mr. Thomas Wong
Ms. Joyce Woo
- In attendance: Ms. Christina Ng, Director, Standard Setting
Ms. Selene Ho, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting
- Apologies: Mr. Chi Kit Shaw

Action

2771. Minutes of the 360th Meeting

The Committee approved and the Chairman signed the minutes of the 360th meeting.

2772. Work Plan Status Report and Update from Working Groups

The Committee considered the report and noted progress.

Standard Setting Department ("SSD") reported that there were comments received on ED HKSIR 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* and the Accountants' Report Sub-Committee would meet to discuss the comments next week.

2773. Update on proposed FAQ on application of HKSA 701 Communicating Key Audit Matters in the Independent Auditor's Report

In view of the comments received from the regulators on the application of HKSA 701, it was proposed that the application of HKSA 701 should follow the definition of listed entities set out in the *Glossary of Terms Relating to Hong Kong Standards on Quality Control, Auditing, Review, Other Assurance and Related Services* with no local interpretation.

The Committee agreed to follow the same approach as the IAASB and

make no changes to the application of HKSA 701. Some members of the Committee suggested issuing an FAQ to clarify the application of HKSA 701. SSD would revise the FAQ accordingly.

SSD

[Post meeting note: The FAQ was posted to the HKICPA website at http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/hksa-clarity-centre/FAQ_defltd.pdf]

2774. Illustrative Auditor's Report for Audits of Exchange Traded Funds ("ETFs") and Real Estate Investment Funds ("REITs")

The Committee noted the illustrative auditor's report for audits of ETFs and REITs.

SSD was requested to consider the appropriate channels to communicate the illustrative auditor's report to members.

SSD

[Post meeting note: The illustrative auditor's report for audits of ETFs and REITs was posted to the HKICPA website at http://www.hkicpa.org.hk/file/media/section6_standards/technical_resources/pdf-file/newmajor/etf_report.pdf]

2775. Upcoming Revision to Practice Notes

SSD alerted the Committee that there would be upcoming revision to PN 860.1 (Revised), *The Audit of Retirement Schemes* and PN 830 (Revised), *Reports by the Auditor under the Banking Ordinance*.

The revision to PN 860.1 (Revised) is to incorporate the reporting requirements for Default Investment Strategy (DIS) as set out in the MPF Schemes Amendment Bill which would become effective on 1 April 2017.

The Banking Regulatory Liaison Group had proposed to revamp PN 830 (Revised) in view of the developments in the banking industry, regulatory requirements and change in expectations that have taken place over a number of years since the PN was originally drafted.

The SSD would keep the Committee posted of development.

SSD

There being no further business, the meeting closed at 9:10 a.m.

ERIC TONG
CHAIRMAN

13 December 2016