



Minutes of the 358th Meeting of the Auditing and Assurance Standards Committee

- Date: Tuesday, 12 April 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
Dr. Phyllis Mo
Mr. Raymond Ng
Mr. Steve Ong
Mr. Anthony Wong
Mr. Thomas Wong
Ms. Joyce Woo
- In attendance: Mr. Chris Joy, Executive Director
Ms. Selene Ho, Associate Director, Standard Setting
Ms. Phoebe To, Manager, Standard Setting
- Apologies: Mr. Chi Kit Shaw

Action

2750. Minutes of the 357th Meeting

The Committee approved and the Chairman signed the minutes of the 357th meeting.

2751. Work Plan Status Report and Update from Working Groups

The Committee considered the report and noted progress.

The Standard Setting Department ("SSD") reported that a forum was held on 23 March for the Invitation to Comment on *Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control, and Group Audits* ("ITC"). The Committee was requested to provide comments on the ITC, if any to the SSD by the deadline. The Chairman of the Committee would attend an IAASB roundtable for this ITC in Kuala Lumpur on 14 April 2016.

The Chairman of the Accountants' Report Sub-Committee ("Sub-Committee") provided an update on the progress for the HKSIR pronouncements. In view of the outstanding matters in HKSIR 100 and to avoid holding up of the issuance of HKSIR 200, some members of the Committee provided their views on whether HKSIR 200 should be issued before the finalization of HKSIR 100 for the Sub-Committee's consideration.

Regarding the outreach activities on the new auditor's reporting, it was suggested that reference might be made to the application reviews of the new auditor's reporting in the UK which would be useful to share with Hong Kong stakeholders for better understanding and preparation of the new auditor's report. The Committee was also interested in the regulators' perspectives on the new auditor's reporting, especially on the new key audit matters section. Members representing the regulators were requested to update the Committee when they have further information.

2752. HKSA 800 (Revised), Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks; HKSA 805 (Revised), Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement; and Conforming Amendments to HKSA 700 (Revised), Forming an Opinion and Reporting on Financial Statements

The Committee noted that the IAASB had finalized changes for auditor reporting on special purpose financial statements and issued the captioned revised HKSA. These changes are based on the IAASB's new and revised Auditor Reporting standards issued in January 2015.

The Committee considered and endorsed HKSA 800 (Revised), HKSA 805 (Revised) and conforming amendments to HKSA 700 (Revised), subject to a few editorial comments.

SSD

2753. Proposed changes to example audit engagement letter in HKSA 210 Agreeing the Terms of Audit Engagements and example representation letter in HKSA 580 Written Representations

The SSD reported that at the last meeting of the Working Group on HKSA and HKSAE 3000 ("WG"), a proposal was made to include wording in the example engagement letter and representation letter to reflect the new requirements under HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*. The proposed wording was to clarify the respective responsibilities of the directors/ management and the auditors for "other information".

The WG also proposed to develop FAQs on certain topics in relation to the implementation of the new and revised Auditor Reporting standards.

The Committee considered the proposed wordings to be included in the example engagement letter and representation letter, and requested the SSD to clarify the application of these proposed wordings for listed and non-listed companies. The Committee also discussed and provided some comments on a proposed FAQ topic relating to signing partners. SSD would follow up on the comments and discuss with the WG at its next meeting.

SSD

2754. Chinese translation of new auditor's reports and audit engagement letter

As a result of the new and revised HKSA on auditor reporting issued in August 2015, SSD had prepared the Chinese translation for certain illustrative auditor's reports in HKSA 700 (Revised) and HKSA 720 (Revised), and the example audit engagement letter in HKSA 210.

The Committee considered the Chinese translation and endorsed the posting of it on the HKICPA's website, subject to an editorial comment.

SSD

2755. IAASB Board Meeting on 19-23 September 2016

The Committee was informed that the IAASB September Board Meeting would be held in Hong Kong.

There being no further business, the meeting closed at 9:30 a.m.

ERIC TONG
CHAIRMAN

12 July 2016