



MEMBERS' HANDBOOK

Institute Issues

21 New Hong Kong Standards on Auditing and Review

The Institute today issues 20 new Hong Kong Standards on Auditing and a new Hong Kong Standard on Review Engagements, under the International Standards Convergence Project.

The 20 new Hong Kong Standards on Auditing apply to all audits of financial statements for periods beginning on or after 15 December 2004. They adopt their latest international equivalents issued by the International Auditing & Assurance Standards Board. They cover important areas such as:

- Communication of Audit Matters with Those Charged with Governance
- Audit Materiality
- Audit Sampling
- Auditing Fair Value Measurements and Disclosures
- Auditing Related Parties
- Auditors' Consideration of Going Concern

The Institute's previous Statements of Auditing Standards are applied for audits of financial statements for periods commencing before 15 December 2004.

The new Hong Kong Standard on Review Engagements is effective upon issue (i.e. June 2005). It adopts its international equivalent which establishes standards and provides guidance for an engagement to review financial statements.

The Institute issued exposure drafts of the new Standards in November 2004 for consultation, and is pleased that there was strong support for the new Standards.

The adoption of the new Standards will enable audits in Hong Kong to benefit efficiently from the improvements to International Standards on Auditing and Review Engagements.

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