

# HONG KONG SOCIETY OF ACCOUNTANTS

(Incorporated by the Professional Accountants Ordinance, Cap. 50)



Our Ref: C/CMP, M/NC

24 August 2004

To: Practising Members and Member Practices

Dear Practising Member/Member Practice,

## **Audit Report following Change of Name from HKSA to HKICPA**

I refer to my letter dated 12 August 2004 on “New Logo Use by Members – Protection and Promotion” and write further to draw your attention to changes required to be made to the audit report.

The change of name from Hong Kong Society of Accountants (HKSA) to Hong Kong Institute of Certified Public Accountants (HKICPA) on 8 September 2004 will affect the wording of audit report in the “Basis of opinion” section where there is a reference to the professional standards issued by the HKSA.

The Auditing and Assurance Standards Committee has deliberated on this matter and agreed that as a matter of best practice the following should be adopted:

- For audit reports dated before 8 September 2004, reference to HKSA should continue to be made in audit reports.
- For audit reports dated on or after 8 September 2004, reference should be made to the new name, HKICPA.

--- Please find attached a specimen audit report containing a revised reference to the professional standards issued by the HKICPA in the “Basis of opinion” section, and also explanatory notes on the use of the description “Certified Public Accountants (Practising)”.

The contents of the electronic Members’ Handbook will be updated on 8 September 2004 to reflect the new name of HKICPA. The website address will be [www.hkicpa.org.hk](http://www.hkicpa.org.hk) from 8 September 2004. For those who have subscribed to the Hard Copy Update package, the relevant pages of the Members’ Handbook, which have been revised to reflect the new name, will be sent to them by post shortly thereafter.

If you have any queries on the above, please contact Stephen Chan, Technical Director (Ethics & Assurance) at [schan@hksa.org.hk](mailto:schan@hksa.org.hk) and from 8 September at [schan@hkicpa.org.hk](mailto:schan@hkicpa.org.hk) in the first instance.

Yours sincerely,

WINNIE C.W. CHEUNG  
CHIEF EXECUTIVE & REGISTRAR  
HONG KONG SOCIETY OF ACCOUNTANTS

WCC/SSLC/jc  
Encl.

**Specimen audit report with the new HKICPA name**

**(In relation to audit report dated on or after 8 September 2004)**

**Company incorporated in Hong Kong**

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF XYZ LIMITED**  
(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages ..... to..... which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**Respective responsibilities of directors and auditors**

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 20.. and of its profit [loss] and cash flows for the year then ended and have been properly prepared in accordance with the Companies Ordinance.

ABC & Co.  
Certified Public Accountants (Practising) [or Certified Public Accountants]\*  
Hong Kong  
Date

\* *Under the Professional Accountants Ordinance, the use of the description "Certified Public Accountant (Practising)" is restricted to a certified public accountant holding a practising certificate. Under Professional Accountants By-law 25 however, a certified public accountant holding a practising certificate has the option of describing himself as "Certified Public Accountant" or "Certified Public Accountant (Practising)", and a firm has the option of describing itself as "Certified Public Accountants" or "Certified Public Accountants (Practising)".*