Hong Kong Institute of Certified Public Accountants 香港會計師公會

# MEMBERS' HANDBOOK

## Update No. 326

*(Issued 18 March 2025)*

**VOLUME III**

| ***Document Reference and Title*** | ***Instructions*** | ***Explanations*** |
|---|---|---|
| Contents of Volume III | Replace pages i to vi with revised pages i to v. | Revised content pages |

**Section 1: Pronouncements currently effective (Note: To apply appropriate pronouncements in accordance with the respective effective dates as indicated)**

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| *Preface to the Hong Kong Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements* ("Preface") | Discard Preface revised in February 2023 and replace with Preface revised in March 2025. | Note 1 |
| *Glossary of Terms Relating to Hong Kong Standards on Quality Control, Auditing, Review, Other Assurance and Related Services* ("Glossary") | Discard Glossary revised in January 2024 and replace with Glossary revised in March 2025. | - ditto - |

**HONG KONG STANDARDS ON QUALITY MANAGEMENT**

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| HKSQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* | Discard HKSQM 1 revised in July 2023. | |
| HKSQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* | Discard HKSQM 1 (Revised) revised in June 2024 and replace with HKSQM 1 revised in March 2025. | - ditto - |
| HKSQM 2, *Engagement Quality Reviews* | Discard HKSQM 2 revised in December 2021. | |
| HKSQM 2, *Engagement Quality Reviews* | Discard HKSQM 2 (Revised) revised in June 2024 and replace with HKSQM 2 revised in March 2025. | - ditto - |

## HONG KONG STANDARDS ON AUDITING

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| HKSA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing* | Discard HKSA 200 revised in January 2024 and replace with HKSA 200 revised in March 2025. | Note 1 |
| HKSA 210, *Agreeing the Terms of Audit Engagements* | Discard HKSA 210 revised in January 2024 and replace with HKSA 210 revised in March 2025. | - ditto - |
| HKSA 220 (Revised), *Quality Management for an Audit of Financial Statements* | Discard HKSA 220 (Revised) revised in January 2024. | |
| HKSA 220 (Revised), *Quality Management for an Audit of Financial Statements* | Discard HKSA 220 (Revised 2024) revised in June 2024 and replace with HKSA 220 (revised) revised in March 2025. | - ditto - |
| HKSA 230, *Audit Documentation* | Discard HKSA 230 revised in January 2024. | |
| HKSA 230, *Audit Documentation* | Discard HKSA 230 (Revised) revised in June 2024 and replace with HKSA 230 revised in March 2025. | - ditto - |
| HKSA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* | Discard HKSA 240 revised in July 2023. | |
| HKSA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* | Discard HKSA 240 (Revised) revised in June 2024 and replace with HKSA 240 revised in March 2025. | - ditto - |
| HKSA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements* | Discard HKSA 250 (Revised) revised in March 2023. | |
| HKSA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements* | Discard HKSA 250 (Revised 2024) revised in June 2024 and replace with HKSA 250 (Revised) revised in March 2025. | - ditto - |
| HKSA 260 (Revised), *Communication with Those Charged with Governance* | Discard HKSA 260 (Revised) revised in January 2024. | |
| HKSA 260 (Revised), *Communication with Those Charged with Governance* | Discard HKSA 260 (Revised 2024) revised in June 2024 and replace with HKSA 260 (Revised) revised in March 2025. | - ditto - |
| HKSA 300, *Planning an Audit of Financial Statements* | Discard HKSA 300 revised in January 2024. | |
| HKSA 300, *Planning an Audit of Financial Statements* | Discard HKSA 300 (Revised) revised in June 2024 and replace with HKSA 300 revised in March 2025. | - ditto - |

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| HKSA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement* | Discard HKSA 315 (Revised 2019) revised in January 2024. | |
| HKSA 320, *Materiality in Planning and Performing an Audit* | Discard HKSA 320 revised in March 2023. | |
| HKSA 320, *Materiality in Planning and Performing an Audit* | Discard HKSA 320 (Revised) revised in June 2024 and replace with HKSA 320 revised in March 2025. | Note 1 |
| HKSA 402, *Audit Considerations Relating to an Entity Using a Service Organization* | Discard HKSA 402 revised in January 2024. | |
| HKSA 402, *Audit Considerations Relating to an Entity Using a Service Organization* | Discard HKSA 402 (Revised) revised in June 2024 and replace with HKSA 402 revised in March 2025. | - ditto - |
| HKSA 450, *Evaluation of Misstatements Identified during the Audit* | Discard HKSA 450 revised in January 2024 and replace with HKSA 450 revised in March 2025. | - ditto - |
| HKSA 501, *Audit Evidence - Specific Considerations for Selected Items* | Discard HKSA 501 revised in March 2023. | |
| HKSA 501, *Audit Evidence - Specific Considerations for Selected Items* | Discard HKSA 501 (Revised) revised in June 2024 and replace with HKSA 501 revised in March 2025. | - ditto - |
| HKSA 510, *Initial Audit Engagements – Opening Balances* | Discard HKSA 510 revised in January 2024. | |
| HKSA 510, *Initial Audit Engagements – Opening Balances* | Discard HKSA 510 (Revised) revised in June 2024 and replace with HKSA 510 revised in March 2025. | Notes 1 and 2 |
| HKSA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures* | Discard HKSA 540 (Revised) revised in January 2024 and replace with HKSA 540 (Revised) revised in March 2025. | Note 1 |
| HKSA 550, *Related Parties* | Discard HKSA 550 revised in January 2024. | |
| HKSA 550, *Related Parties* | Discard HKSA 550 (Revised) revised in June 2024 and replace with HKSA 550 revised in March 2025. | - ditto - |
| HKSA 560, *Subsequent Events* | Discard HKSA 560 revised in January 2024 and replace with HKSA 560 revised in March 2025. | - ditto - |

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| HKSA 570 (Revised), *Going Concern* | Discard HKSA 570 (Revised) revised in January 2024. | |
| HKSA 570 (Revised), *Going Concern* | Discard HKSA 570 (Revised 2024) revised in June 2024 and replace with HKSA 570 (Revised 2025) revised in March 2025. | Notes 1 and 2 |
| HKSA 580, *Written Representations* | Discard HKSA 580 revised in December 2021 and replace with HKSA 580 revised in March 2025. | Note 1 |
| HKSA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* | Discard HKSA 600 revised in January 2024. | |
| HKSA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* | Discard HKSA 600 (Revised) revised in June 2024 and replace with HKSA 600 (Revised) revised in March 2025. | Notes 1 and 2 |
| HKSA 610 (Revised 2013), *Using the Work of Internal Auditors* | Discard HKSA 610 (Revised 2013) revised in March 2023. | |
| HKSA 610 (Revised 2013), *Using the Work of Internal Auditors* | Discard HKSA 610 (Revised 2013) (2024) revised in June 2024 and replace with HKSA 610 (Revised 2013) revised in March 2025. | Note 1 |
| HKSA 620, *Using the Work of an Auditor's Expert* | Discard HKSA 620 revised in January 2024 and replace with HKSA 620 revised in March 2025. | - ditto - |
| HKSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* | Discard HKSA 700 (Revised) revised in January 2024. | |
| HKSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* | Discard HKSA 700 (Revised 2024) revised in June 2024 and replace with HKSA 700 (Revised) revised in March 2025. | Notes 1 and 2 |
| HKSA 701, *Communicating Key Audit Matters in the Independent Auditor's Report* | Discard HKSA 701 revised in March 2023. | |
| HKSA 701, *Communicating Key Audit Matters in the Independent Auditor's Report* | Discard HKSA 701 (Revised) revised in June 2024 and replace with HKSA 701 revised in March 2025. | Note 1 |
| HKSA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report* | Discard HKSA 705 (Revised) revised in January 2024. | |

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| HKSA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report* | Discard HKSA 705 (Revised 2024) revised in June 2024 and replace with HKSA 705 (Revised) revised in March 2025. | Notes 1 and 2 |
| HKSA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report* | Discard HKSA 706 (Revised) revised in January 2024. | |
| HKSA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report* | Discard HKSA 706 (Revised 2024) revised in June 2024 and replace with HKSA 706 (Revised) revised in March 2025. | - ditto - |
| HKSA 710, *Comparative Information–Corresponding Figures and Comparative Financial Statements* | Discard HKSA 710 revised in January 2024. | |
| HKSA 710, *Comparative Information–Corresponding Figures and Comparative Financial Statements* | Discard HKSA 710 (Revised) revised in June 2024 and replace with HKSA 710 revised in March 2025. | - ditto - |
| HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information* | Discard HKSA 720 (Revised) revised in January 2024. | |
| HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information* | Discard HKSA 720 (Revised 2024) revised in June 2024 and replace with HKSA 720 (Revised) revised in March 2025. | - ditto - |
| HKSA 800 (Revised), *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* | Discard HKSA 800 (Revised) revised in January 2024 and replace with HKSA 800 (Revised) revised in March 2025. | - ditto - |
| HKSA 805 (Revised), *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* | Discard HKSA 805 (Revised) revised in January 2024. | |
| HKSA 805 (Revised), *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* | Discard HKSA 805 (Revised 2024) revised in June 2024 and replace with HKSA 805 (Revised) revised in March 2025. | - ditto - |
| HKSA 810 (Revised), *Engagements to Report on Summary Financial Statements* | Discard HKSA 810 (Revised) revised in March 2023 and replace with HKSA 810 (Revised) revised in March 2025. | Note 1 |

**HONG KONG STANDARDS ON REVIEW ENGAGEMENTS**

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| HKSRE 2400 (Revised), *Engagements to Review Historical Financial Statements* | Discard HKSRE 2400 (Revised) revised in January 2024. | |
| HKSRE 2400 (Revised), *Engagements to Review Historical Financial Statements* | Discard HKSRE 2400 (Revised 2024) revised in June 2024 and replace with HKSRE 2400 (Revised) revised in March 2025. | Note 1 |
| HKSRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* | Discard HKSRE 2410 revised in January 2024 and replace with HKSRE 2410 revised in March 2025. | - ditto - |

**HONG KONG STANDARDS ON ASSURANCE ENGAGEMENTS**

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| HKSAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* | Discard HKSAE 3000 (Revised) revised in January 2024 and replace with HKSAE 3000 (Revised) revised in March 2025. | - ditto - |
| HKSAE 3402, *Assurance Reports on Controls at a Service Organization* | Discard HKSAE 3402 revised in January 2024 and replace with HKSAE 3402 revised in March 2025. | - ditto - |
| HKSAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* | Discard HKSAE 3420 revised in May 2022 and replace with HKSAE 3420 revised in March 2025. | - ditto - |

**HONG KONG STANDARDS ON INVESTMENT CIRCULAR REPORTING ENGAGEMENTS**

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| HKSIR 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* | Discard HKSIR 200 revised in March 2024 and replace with HKSIR 200 revised in March 2025. | - ditto - |
| HKSIR 400 (Revised), *Comfort Letters and Due Diligence Meetings* | Discard HKSIR 400 (Revised) revised in May 2022 and replace with HKSIR 400 (Revised) revised in March 2025. | - ditto - |

**HONG KONG STANDARDS ON RELATED SERVICES**

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| HKSRS 4400 (Revised), *Agreed-Upon Procedures Engagements* | Discard HKSRS 4400 (Revised) revised in January 2024 and replace with HKSRS 4400 (Revised) revised in March 2025. | - ditto - |
| HKSRS 4410 (Revised), *Compilation Engagements* | Discard HKSRS 4410 (Revised) revised in January 2024 and replace with HKSRS 4410 (Revised) revised in March 2025. | - ditto - |

**PRACTICE NOTES**

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| PN 600.1 (Revised), *Reports by the Auditor under the Companies Ordinance (Cap. 622)* | Discard PN 600.1 (Revised) revised in January 2024. | |
| PN 600.1 (Revised), *Reports by the Auditor under the Companies Ordinance (Cap. 622)* | Discard PN 600.1 (Revised 2024) revised in June 2024 and replace with PN 600.1 (Revised) revised in March 2025. | Notes 1 and 2 |
| PN 740 (Revised), *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* | Discard PN 740 (Revised) revised in March 2024 and replace with PN 740 (Revised) revised in March 2025. | Note 1 |
| PN 820 (Revised 2025), *The Audit of Licensed Corporations and Associated Entities of Intermediaries* | Discard PN 820 (Revised 2025) revised in January 2025 and replace with PN 820 (Revised 2025) revised in March 2025. | Notes 1 and 2 |
| PN 830 (Revised), *Reports by the Auditor Under the Banking Ordinance* | Discard PN 830 (Revised) revised in May 2022 and replace with PN 830 (Revised) revised in March 2025. | Note 1 |
| PN 860.1 (Revised), *The Audit of Retirement Schemes* | Discard PN 860.1 (Revised) revised in January 2024 and replace with PN 860.1 (Revised) revised in March 2025. | Notes 1 and 2 |
| PN 860.1 (Revised 2025), *The Audit of Retirement Schemes* | Discard PN 860.1 (Revised 2025) revised in February 2025 and replace with PN 860.1 (Revised 2025) revised in March 2025. | - ditto - |
| PN 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* | Discard PN 900 (Revised) revised in July 2023. | |
| PN 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* | Discard PN 900 (Revised 2024) revised in June 2024 and replace with PN 900 (Revised) revised in March 2025. | Notes 1 and 2 |

**Section 2: Pronouncements issued but not yet effective**

**HONG KONG STANDARDS ON AUDTING**

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| Narrow Scope Amendments to HKSA 700 (Revised) and HKSA 260 (Revised) ("Amendments") | Discard the Amendments issued in July 2024. |

Notes:

1. Revisions to the Hong Kong Standards on Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements to:

   (a) Update the title of 'Hong Kong Financial Reporting Standards' and 'Hong Kong Financial Reporting Standard for Private Entities' to 'HKFRS Accounting Standards' and 'HKFRS for Private Entities Accounting Standard' respectively in illustrative documents following the Handbook Update No. 325. Unless otherwise indicated, any reference in Volume III to Hong Kong Financial Reporting Standards or Hong Kong Accounting Standards is intended to refer to HKFRS Accounting Standards and any reference in Volume III to International Financial Reporting Standards or International Accounting Standards is intended to refer to IFRS Accounting Standards.

   (b) Align with the 2023–2024 IAASB Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements and other housekeeping changes.

2. Amendments to HKSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* for mandatory disclosure of the auditor's name and practising certificate number which will be effective for audits of financial statements for periods ending on or after 31 March 2025. These amendments were the outcome of a rigorous process involving thoughtful deliberation. The Basis for Conclusions summarizes the consideration of the Auditing and Assurance Standards Committee in reaching the conclusions.

In order for readers to easily identify all the changes, a marked-up version is posted at: https://www.hkicpa.org.hk/-/media/Document/SSD/handbookupdate/326mk.pdf