



MEMBERS' HANDBOOK

Update No. 334

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VOLUME III

Document Reference and Title

Explanations

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Revised content pages

Section 2: Pronouncements issued but not yet effective

HONG KONG STANDARDS ON AUDITING

HKSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements Including Conforming and Consequential Amendments to Other Hong Kong Standards*

Note

Note:

HKSA 240 (Revised) is issued in response to the release of the International Auditing and Assurance Standards Board's ISA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements Including Conforming and Consequential Amendments to Other IAASB International Standards*.

HKSA 240 (Revised) delivers clearer responsibilities, stronger risk response, and improved transparency. The revised standard clarifies the auditor's responsibilities, emphasizes a fraud lens in the auditor's risk assessment and the appropriate responses to identified risks, and provides greater transparency in the auditor's reports. The revised standard's structure incorporates scalability and proportionality to support consistent and effective application across a range of audit engagements. HKSA 240 (Revised) is effective for audits of financial statements for periods beginning on or after 15 December 2026.

To support implementation, the Institute's Auditing and Assurance Standards Committee has developed a [Key Impacts](#) document summarizing the major changes to the standard and their implications for auditors.