

MEMBERS' HANDBOOK

Update No. 296

(Issued 10 July 2023)

VOLUME III

<u>Document Reference and Title</u>	<u>Instructions</u>	<u>Explanations</u>
Contents of Volume III	Replace pages i to viii with revised pages i to vii.	Revised content pages

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

HONG KONG STANDARDS ON QUALITY MANAGEMENT

HKSQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements	Replace cover page, pages 2, 13 and 22 with revised cover page, pages 2, 13 and 22.	Note 1
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HONG KONG STANDARDS ON AUDITING

HKSA 200, <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing</i>	Discard HKSA 200 revised in December 2021.	Note 2
HKSA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing (“HKSA 200 (Revised 2023)”)	Relocate HKSA 200 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 200, <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing</i> revised in March 2023.	- ditto -
HKSA 210, <i>Agreeing the Terms of Audit Engagements</i>	Discard HKSA 210 revised in September 2022.	- ditto -
HKSA 210, Agreeing the Terms of Audit Engagements (“HKSA 210 (Revised 2023)”)	Relocate HKSA 210 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 210, <i>Agreeing the Terms of Audit Engagements</i> revised in March 2023.	- ditto -

<u>HKSA 220 (Revised), Quality Management for an Audit of Financial Statements</u>	Relocate HKSA 220 (Revised) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 220, <i>Quality Control for an Audit of Financial Statements</i> revised in March 2023.	- ditto -
HKSA 230, <i>Audit Documentation</i>	Discard HKSA 230 revised in December 2021.	- ditto -
<u>HKSA 230 (Revised), Audit Documentation</u> ("HKSA 230 (Revised 2022)")	Relocate HKSA 230 (Revised 2022) revised in May 2022 from Section 2 to Section 1, and insert it after HKSA 230, <i>Audit Documentation</i> revised in May 2022.	- ditto -
HKSA 240, <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	Discard HKSA 240 revised in December 2021.	- ditto -
<u>HKSA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</u>	Replace cover page, pages 2, 13 and 43 with revised cover page, pages 2, 13 and 43.	Note 1
HKSA 250 (Revised), <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>	Discard HKSA 250 (Revised) revised in December 2021.	Note 2
<u>HKSA 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements</u> ("HKSA 250 (Revised 2023)")	Relocate HKSA 250 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 250 (Revised), <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i> revised in March 2023.	- ditto -
HKSA 260 (Revised), <i>Communication with Those Charged with Governance</i>	Discard HKSA 260 (Revised) revised in December 2021.	- ditto -
<u>HKSA 260 (Revised), Communication with Those Charged with Governance</u> ("HKSA 260 (Revised 2022)")	Relocate HKSA 260 (Revised 2022) revised in May 2022 from Section 2 to Section 1, and insert it after HKSA 260 (Revised), <i>Communication with Those Charged with Governance</i> revised in May 2022.	- ditto -
HKSA 265, <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>	Discard HKSA 265 revised in December 2021.	- ditto -
HKSA 300, <i>Planning an Audit of Financial Statements</i>	Discard HKSA 300 revised in December 2021.	- ditto -

<u>HKSA 300, <i>Planning an Audit of Financial Statements</i></u> ("HKSA 300 (Revised 2023)")	Relocate HKSA 300 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 300, <i>Planning an Audit of Financial Statements</i> revised in March 2023.	- ditto -
HKSA 315 (Revised), <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i>	Discard HKSA 315 (Revised) revised in December 2021.	- ditto -
<u>HKSA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement</i></u> ("HKSA 315 (Revised 2019) (2023)")	Relocate HKSA 315 (Revised 2019) (2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement</i> revised in March 2023.	- ditto -
HKSA 330, <i>The Auditor's Responses to Assessed Risks</i>	Discard HKSA 330 revised in December 2021.	- ditto -
HKSA 402, <i>Audit Considerations Relating to an Entity Using a Service Organization</i>	Discard HKSA 402 revised in December 2021.	- ditto -
HKSA 500, <i>Audit Evidence</i>	Discard HKSA 500 revised in December 2021.	- ditto -
<u>HKSA 500, <i>Audit Evidence</i></u> ("HKSA 500 (Revised 2023)")	Relocate HKSA 500 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 500, <i>Audit Evidence</i> revised in March 2023.	- ditto -
HKSA 501, <i>Audit Evidence - Specific Considerations for Selected Items</i>	Discard HKSA 501 revised in December 2021.	- ditto -
HKSA 530, <i>Audit Sampling</i>	Discard HKSA 530 revised in December 2021.	- ditto -
HKSA 540 (Revised), <i>Auditing Accounting Estimates and Related Disclosures</i>	Discard HKSA 540 (Revised) revised in December 2021.	- ditto -
<u>HKSA 540 (Revised), <i>Auditing Accounting Estimates and Related Disclosures</i></u> ("HKSA 540 (Revised 2023)")	Relocate HKSA 540 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 540 (Revised), <i>Auditing Accounting Estimates and Related Disclosures</i> revised in March 2023.	- ditto -
HKSA 550, <i>Related Parties</i>	Discard HKSA 550 revised in December 2021.	- ditto -

HKSA 600, <i>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</i>	Discard HKSA 600 revised in December 2021.	- ditto -
<u>HKSA 600, Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</u> ("HKSA 600 (Revised 2023)")	Relocate HKSA 600 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 600, <i>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</i> revised in March 2023.	- ditto -
HKSA 610 (Revised 2013), <i>Using the Work of Internal Auditors</i>	Discard HKSA 610 (Revised 2013) revised in December 2021.	- ditto -
<u>HKSA 610 (Revised 2013), Using the Work of Internal Auditors</u> ("HKSA 610 (Revised 2013) (2023)")	Relocate HKSA 610 (Revised 2013) (2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 610 (Revised 2013), <i>Using the Work of Internal Auditors</i> revised in March 2023.	- ditto -
HKSA 620, <i>Using the Work of an Auditor's Expert</i>	Discard HKSA 620 revised in December 2021.	- ditto -
<u>HKSA 620, Using the Work of an Auditor's Expert</u> ("HKSA 620 (Revised 2022)")	Relocate HKSA 620 (Revised 2022) revised in May 2022 from Section 2 to Section 1, and insert it after HKSA 620, <i>Using the Work of an Auditor's Expert</i> revised in May 2022.	- ditto -
HKSA 700 (Revised), <i>Forming an Opinion and Reporting on Financial Statements</i>	Discard HKSA 700 (Revised) revised in December 2021.	- ditto -
<u>HKSA 700 (Revised), Forming an Opinion and Reporting on Financial Statements</u>	Replace cover page, pages 2, 15 and 26 with revised cover page, pages 2, 15 and 26.	- ditto -
<u>HKSA 700 (Revised), Forming an Opinion and Reporting on Financial Statements</u> ("HKSA 700 (Revised 2023)")	Relocate HKSA 700 (Revised 2023) revised in May 2022 from Section 2 to Section 1, and insert it after HKSA 700 (Revised) revised in July 2023. Replace cover page, pages 2, 15 and 26 with revised cover page, pages 2, 15 and 26.	- ditto -
HKSA 701, <i>Communicating Key Audit Matters in the Independent Auditor's Report</i>	Discard HKSA 701 revised in December 2021.	- ditto -

<u>HKSA 701, Communicating Key Audit Matters in the Independent Auditor's Report</u> ("HKSA 701 (Revised 2023)")	Relocate HKSA 701 (Revised 2023) revised in March 2023 from Section 2 to Section 1, and insert it after HKSA 701, <i>Communicating Key Audit Matters in the Independent Auditor's Report</i> revised in March 2023.	- ditto -
HKSA 720 (Revised), <i>The Auditor's Responsibilities Relating to Other Information</i>	Discard HKSA 720 (Revised) revised in December 2021.	- ditto -
<u>HKSA 720 (Revised), The Auditor's Responsibilities Relating to Other Information</u> ("HKSA 720 (Revised 2023)")	Relocate HKSA 720 (Revised 2023) revised in May 2022 from Section 2 to Section 1, and insert it after HKSA 720 (Revised), <i>The Auditor's Responsibilities Relating to Other Information</i> revised in March 2023. Replace cover page, pages 2, 10, 15 and 16 with revised cover page, pages 2, 10, 15 and 16.	- ditto -
<u>HKSA 805 (Revised), Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</u> ("HKSA 805 (Revised 2022)")	Relocate HKSA 805 (Revised 2022) revised in May 2022 from Section 2 to Section 1, and insert it after HKSA 805 (Revised), <i>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> revised in December 2021.	- ditto -

HONG KONG STANDARDS ON REVIEW ENGAGEMENTS

<u>HKSRE 2400 (Revised), Engagements to Review Historical Financial Statements</u> ("HKSRE 2400 (Revised 2022)")	Relocate HKSRE 2400 (Revised 2022) revised in May 2022 from Section 2 to Section 1, and insert it after HKSRE 2400 (Revised), <i>Engagements to Review Historical Financial Statements</i> revised in December 2021.	- ditto -
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HONG KONG STANDARDS ON ASSURANCE ENGAGEMENTS

HKSAE 3000 (Revised), <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>	Discard HKSAE 3000 (Revised) revised in December 2021.	- ditto -
HKSAE 3402, <i>Assurance Reports on Controls at a Service Organization</i>	Discard HKSAE 3402 revised in December 2021.	- ditto -
HKSAE 3410, <i>Assurance Engagements on Greenhouse Gas Statements</i>	Discard HKSAE 3410 revised in December 2021.	- ditto -

HKSAE 3420, <i>Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus</i>	Discard HKSAE 3420 revised in December 2021.	- ditto -
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HONG KONG STANDARDS ON INVESTMENT CIRCULAR REPORTING ENGAGEMENTS

HKSIR 200, <i>Accountants' Reports on Historical Financial Information in Investment Circulars</i>	Discard HKSIR 200 revised in December 2021.	- ditto -
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HKSIR 400 (Revised), <i>Comfort Letters and Due Diligence Meetings</i>	Discard HKSIR 400 (Revised) revised in December 2021.	- ditto -
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HKSIR 500, <i>Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness</i>	Discard HKSIR 500 revised in December 2021.	- ditto -
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HONG KONG STANDARDS ON RELATED SERVICES

HKSRS 4400 (Revised), <i>Agreed-Upon Procedures Engagements</i>	Discard HKSRS 4400 (Revised) revised in December 2021.	- ditto -
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HKSRS 4410 (Revised), <i>Compilation Engagements</i>	Discard HKSRS 4410 (Revised) revised in December 2021.	- ditto -
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PRACTICE NOTES

PN 620.2 (Revised), <i>Communication between the Auditor and the Insurance Authority</i>	Discard PN 620.2 (Revised) revised in December 2021.	- ditto -
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PN 720, <i>Acting as Scrutineer at a General Meeting of a Listed Issuer</i>	Discard PN 720 revised in February 2023.	- ditto -
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PN 730 (Revised), <i>Guidance for Auditors Regarding Preliminary Announcements of Annual Results</i>	Discard PN 730 (Revised) revised in December 2021.	- ditto -
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PN 740 (Revised), <i>Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules</i>	Discard PN 740 (Revised) revised in September 2021.	- ditto -
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<u>PN 750, Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal</u> ("PN 750 (Revised 2022)")	Relocate PN 750 (Revised 2022) revised in May 2022 from Section 2 to Section 1, and insert it after PN 750, <i>Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal</i> revised in May 2022.	- ditto -
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PN 810.1 (Revised), <i>Licensed Insurance Broker Companies – Compliance with the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules</i>	Discard PN 810.1 (Revised) revised in September 2019.	- ditto -
PN 810.2 (Revised), <i>The Duties of the Auditor of an Insurer authorized under the Insurance Ordinance</i>	Discard PN 810.2 (Revised) revised in February 2023.	- ditto -
PN 820 (Revised), <i>The Audit of Licensed Corporations and Associated Entities of Intermediaries</i>	Discard PN 820 (Revised) revised in December 2021.	- ditto -
PN 830 (Revised), <i>Reports by the Auditor under the Banking Ordinance</i>	Discard PN 830 (Revised) revised in December 2021.	- ditto -
PN 850 (Revised), <i>Reporting on Flag Days and General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department</i>	Discard PN 850 (Revised) revised in November 2021.	- ditto -
PN 850 (Revised), <i>Reporting on Flag Days, General Charitable Fund-raising Activities and Solicitation of Signed Authorisation Forms Covered by Public Subscription Permits issued by the Social Welfare Department</i> ("PN 850 (Revised 2021)")	Discard PN 850 (Revised 2021) revised in November 2021.	- ditto -
PN 851, <i>Review of the Annual Financial Reports of Non-governmental Organisations</i>	Discard PN 851 revised in September 2004.	Note 3
PN 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations	Relocate PN 851 (Revised) issued in September 2022 from Section 2 to Section 1, and insert it after PN 850 (Revised), <i>Reporting on Flag Days, General Charitable Fund-raising Activities and Solicitation of Signed Authorisation Forms Covered by Public Subscription Permits issued by the Social Welfare Department</i> revised in May 2022.	- ditto -
PN 860.1 (Revised), <i>The Audit of Retirement Schemes</i>	Discard PN 860.1 (Revised) revised in February 2023.	Note 2
PN 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard	Replace cover page, pages 2 and 5 with revised cover page, pages 2 and 5.	- ditto -

<u>PN 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard</u> ("PN 900 (Revised 2023)")	Relocate PN 900 (Revised 2023) revised in May 2022 from Section 2 to Section 1, and insert it after PN 900 (Revised) revised in July 2023. Replace cover page, pages 2, 3 and 6 with revised cover page, pages 2, 3 and 6.	- ditto -
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HONG KONG AUDITING PRACTICE GUIDANCE

<u>HKAPG 1000 (Revised), Special Considerations in Auditing Financial Instruments</u>	Relocate HKAPG 1000 (Revised) revised in March 2023 from Section 2 to Section 1, and insert it after HKAPG 1000 revised in March 2023.	- ditto -
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Notes:

1. The pronouncements are revised as a result of amendments to the "Guidelines on Anti-Money Laundering and Counter-Terrorist Financing for Professional Accountants" in Chapter F of the *Code of Ethics for Professional Accountants* effective on 1 June 2023. Details can be referred to Members' Handbook [Update No. 292](#).
2. The pronouncements are discarded or relocated from Section 2 to Section 1 of Volume III due to:
 - (a) Conforming and consequential amendments as a result of the new and quality management standards becoming effective for audits and reviews of financial statements for periods beginning on or after 15 December 2022.
 - (b) Other housekeeping changes.
3. PN 851, *Review of the Annual Financial Reports of Non-governmental Organisations* is discarded and replaced by PN 851 (Revised), *Reporting on the Annual Financial Reports of Non-governmental Organisations* issued in September 2022 which is effective for reporting periods ended on or after 31 March 2023.

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/296mk.pdf>