



**To: HKSA members
All other interested parties**

**EXPOSURE DRAFT OF PROPOSED PRACTICE NOTE 1014 “REPORTING BY
AUDITORS ON COMPLIANCE WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS”**

The HKSA has issued an Exposure Draft (ED) of proposed Practice Note (PN) 1014 “Reporting by auditors on compliance with International Financial Reporting Standards” for consultation. The ED adopts the equivalent International Auditing Practice Statement issued by the International Auditing and Assurance Standards Board.

A copy of the ED is attached. The ED can also be found on-line at: <
<http://www.hksa.org.hk/professionaltchnical/assurance/exposuredraft/ed-pn1014.pdf>>.

The proposed PN provides guidance on the auditors’ responsibilities when management comments on the extent to which financial statements comply with International Financial Reporting Standards when there is not full compliance. It supplements guidance provided in SAS 600 “Auditors’ reports on financial statements”.

The HKSA invites comments on the ED from any interested party and would like to hear from both those who do agree and those who do not agree with the proposed guidance contained in the ED. Comments should be supported by specific reasoning and should preferably be submitted in written form.

To allow your comments on the ED to be considered, they are requested to be received by the HKSA on or before **14 February 2004**. Comments may be sent by mail, fax or e-mail to:

Deputy Director (Ethics & Assurance)
Hong Kong Society of Accountants
4th Floor, Tower Two, Lippo Centre
89 Queensway
Hong Kong

Fax number: (+852) 2865 6776
E-mail: commentletters@hksa.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.

(December 2003)