

November 2004  
Exposure Draft

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Response Due Date  
28 February 2005

**Exposure Draft**

**of 21 Proposed**

**Hong Kong Standards**

**on Auditing and**

**Review Engagements**



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

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This Exposure Draft may be filed in the “Exposure Drafts, Invitations to Comment” section of Volume III of the HKICPA Members’ Handbook.

A copy of the Exposure Draft can also be found on the HKICPA’s website at:

<<http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/21standards.pdf>>.

## INVITATION TO COMMENT

### **A. INTRODUCTION**

1. The purpose of the Exposure Draft is to seek comments on 21 proposed Hong Kong Standards on Auditing and Review Engagements under the HKICPA International Standards Convergence Project, including 20 replacement Hong Kong Standards and 1 new Hong Kong Standard. A list of the proposed Hong Kong Standards under consultation and the SASs to be replaced is set out in Attachment A.

### **B. 20 REPLACEMENT HONG KONG STANDARDS ON AUDITING (Annexes 1-20)**

2. The 20 proposed replacement Hong Kong Standards adopt verbatim their latest equivalent International Standards on Auditing (ISAs) that have been revised by the International Auditing & Assurance Standards Board (IAASB) to reflect the conforming changes introduced by the new Audit Risk Standards (HKSA 315 and 330), new Quality Control Standards (HKSQC1 and HKSA 220) and revised Fraud Consideration Standard (HKSA 240).

#### **Impact on auditors**

3. The HKICPA anticipates that practising members may be concerned with the volume of the 20 replacement Hong Kong Standards, in particular the educational and logistical challenge that this might give rise to. Accordingly, the Auditing & Assurance Standards Committee (AASC) has performed a mapping of the 20 replacement Hong Kong Standards with their current SAS counterparts. Attachment B is a summary of the key changes and new requirements and guidance introduced by the 20 replacement Hong Kong Standards as compared with their SAS counterparts, which can be classified into three categories:
  - (a) New requirements and guidance due to conforming changes introduced by the new Audit Risk Standards, new Quality Control Standards and revised Fraud Consideration Standard;
  - (b) Extant ISA bold text requirements and guidance currently not adopted in SASs; and
  - (c) New Public Sector Perspective guidance.
4. Attachment C sets out a summary of “differences” identified between the proposed Hong Kong Standards and their ISA and ISRE equivalents, which are reflected in the “Conformity and Compliance” paragraph of each proposed Hong Kong Standard.

### **C. NEW HKSRE 2400 “ENGAGEMENTS TO REVIEW FINANCIAL STATEMENTS” (Annex 21)**

5. HKSRE 2400 adopts ISRE 2400 verbatim which establishes standards and provides guidance on the auditor’s professional responsibilities when an engagement to review financial statements is undertaken and on the form and content of the report that the auditor issues in connection with such a review.
6. Notwithstanding the future issue of HKSRE 2400, SAS 700, “Engagements to review interim financial reports” will be retained as it provides specific guidance to the listed issuer’s auditors to review the interim financial statements if an audit committee has not been formed or the audit committee has requested auditors to assist in the review process.

**D. STATUS OF “PLAIN TYPE LETTER” GUIDANCE**

7. The HKICPA intends to adopt the IAASB description of the status of the “plain type letter” guidance, which is set out in paragraph 12 of the Exposure Draft on “Preface to Hong Kong Standards on Quality Control, Auditing, Assurance and Related Services” (<http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/preface.pdf>) issued in October 2004 for consultation. It states “The basic principles and essential procedures are to be understood and applied in the context of the explanatory and other material that provides guidance for their application. It is therefore necessary to consider the whole text of a Standard to understand and apply the basic principles and essential procedures”. The HKICPA has not previously indicated that it is necessary to consider all of the plain type letter text, but has explained that SASs include explanatory and other material which, rather than being prescriptive, is designed to assist auditors in interpreting and applying Auditing Standards. The HKICPA believes that this change in the description of the plain type letter guidance would require the auditors to consider carefully the plain type letter guidance in relation to their audit practices to enhance audit performance and quality.

**E. EFFECTIVE DATE OF PROPOSED HONG KONG STANDARDS**

8. It is proposed that if adopted, the 20 proposed replacement Hong Kong Standards will take effect for audits of financial statements for periods beginning on or after 15 December 2004, to tie in with the effective date of the new Audit Risk Standards and revised Fraud Consideration Standard.

**F. ISAs TO BE ADOPTED**

9. The following four ISAs remain to be adopted as they are currently under revision by the IAASB:
- a. ISA 230 “Documentation”
  - b. ISA 600 “Using the Work of Another Auditor”
  - c. ISA 700 “The Auditor’s Report on Financial Statements”
  - d. ISA 800 “The Auditor’s Report on Special Purpose Audit Engagements”
10. These four ISAs will be adopted by the AASC once they are revised by the IAASB.
- a. A HKICPA Invitation to Comment on the IAASB ED of revised ISA 230 “Documentation” ([http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/invitation\\_to\\_comment\\_isa230.pdf](http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/invitation_to_comment_isa230.pdf)) is currently under consultation with comments due by 7 January 2005.
  - b. The HKICPA has already issued an Invitation to Comment on the IAASB ED of revised ISA 600 ([http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/ISA700\\_600.pdf](http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/ISA700_600.pdf)) and made a submission ([http://www.hkicpa.org.hk/professionaltechnical/assurance/submission/docs/IAASB\\_EDISA600.pdf](http://www.hkicpa.org.hk/professionaltechnical/assurance/submission/docs/IAASB_EDISA600.pdf)) to the IAASB.

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- c. The HKICPA has already issued an Invitation to Comment on the IAASB ED of revised ISA 700 ([http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/ISA700\\_600.pdf](http://www.hkicpa.org.hk/professionaltechnical/assurance/exposedraft/ISA700_600.pdf)) and made a submission ([http://www.hkicpa.org.hk/professionaltechnical/assurance/submission/docs/IAASB\\_EDISA700.pdf](http://www.hkicpa.org.hk/professionaltechnical/assurance/submission/docs/IAASB_EDISA700.pdf)) to the IAASB.
  - d. The HKICPA will release an Invitation to Comment on an ED of revised ISA 800 once it is issued by the IAASB, which is expected to be in mid 2005.
11. In the proposed HKSAs 510, 570 and 710, the example audit reports are based on those of the extant ISA 700, which adopt a different format from the example audit reports in SAS 600. These example reports will be revised when the revision of ISA 700 is completed and is adopted in Hong Kong to replace SAS 600.

**G. COMMENTS SOUGHT**

12. The HKICPA welcomes comments on the Exposure Draft. In responding to the Exposure Draft commentators are requested to refer to the relevant paragraphs within each of the 21 proposed Hong Kong Standards on Auditing and Review Engagements. The responses should include the reasons for the comments, including specific suggestions for any proposed changes to wording.

Comments should be submitted so as to be received by **28 February 2005** and may be sent by mail, fax or email. Comments should be addressed to:

**Stephen Chan**  
**Technical Director (Ethics & Assurance)**  
**Hong Kong Institute of Certified Public Accountants**  
**4<sup>th</sup> Floor, Tower Two, Lippo Centre**  
**89 Queensway**  
**Hong Kong**

**Fax number: 2865 6776**  
**E-mail: [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk)**

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

**November 2004**

**Attachment A**

	<b>Hong Kong Standards on Auditing and Review Engagements</b>	<b>SASs to be replaced</b>
1.	HKSA 210 “Terms of Audit Engagements”	SAS 140 “Engagement letters”
2.	HKSA 250 “Consideration of Laws and Regulations in an Audit of Financial Statements”	SAS 120 “Consideration of laws and regulations in an audit of financial statements”
3.	HKSA 260 “Communication of Audit Matters with Those Charged with Governance”	SAS 610 “Communications of audit matters with those charged with governance”
4.	HKSA 320 “Audit Materiality”	SAS 220 “Audit materiality”
5.	HKSA 402 “Audit Considerations Relating to Entities Using Service Organizations”	SAS 480 “Audit considerations relating to entities using service organizations”
6.	HKSA 501 “Audit Evidence – Additional Considerations for Specific Items”	SAS 401 “Audit evidence – considerations for specific items”
7.	HKSA 505 “External Confirmations”	SAS 402 “External confirmations”
8.	HKSA 510 “Initial Engagements – Opening Balances”	SAS 450 “Opening balances and comparatives”
9.	HKSA 520 “Analytical Procedures”	SAS 410 “Analytical procedures” and SAS 470 “Overall review of financial statements”
10.	HKSA 530 “Audit Sampling and Other Means of Testing”	SAS 430 “Audit sampling”
11.	HKSA 540 “Audit of Accounting Estimates”	SAS 420 “Audit of accounting estimates”
12.	HKSA 545 “Auditing Fair Value Measurements and Disclosures”	SAS 421 “Auditing fair value measurements and disclosures”
13.	HKSA 550 “Related Parties”	SAS 460 “Related parties”
14.	HKSA 560 “Subsequent Events”	SAS150 “Subsequent events”
15.	HKSA 570 “Going Concern”	SAS 130 “Going concern”
16.	HKSA 580 “Management Representations”	SAS 440 “Representations by management”
17.	HKSA 610 “Considering the Work of Internal Audit”	SAS 500A “Considering the work of internal auditing”

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	<b>Hong Kong Standards on Auditing and Review Engagements</b>	<b>SASs to be replaced</b>
18.	HKSA 620 “Using the Work of an Expert”	SAS 520 “Using the work of an expert”
19.	HKSA 710 “Comparatives”	SAS 450 “Opening balances and comparatives”
20.	HKSA 720 “Other Information in Documents Containing Audited Financial Statements”	SAS 160 “Other information in documents containing audited financial statements”
21.	HKSRE 2400 “Engagements to Review Financial Statements”	–



**Attachment B**

		<b><u>Summary of the key changes and new requirements and guidance introduced by the proposed replacement Hong Kong Standards</u></b>
1.	HKSA 210	<p>The proposed replacement Standard retains additional guidance for limited company clients which are incorporated in Hong Kong under the Companies Ordinance. Specifically, it retains as Appendix 1 an example of an audit engagement letter for a Hong Kong incorporated client and as Appendix 2 an example of a tax engagement letter.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New guidance paragraphs 14, 15, 16 and 18 previously not adopted.</li> <li>• New Public Sector Perspective guidance has been added.</li> </ul>
2.	HKSA 250	<p>There are no significant differences between the proposed replacement Standard and SAS 120.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraph 40 to replace plain type letter guidance.</li> <li>• New Public Sector Perspective guidance has been added.</li> </ul>
3.	HKSA 260	<p>The proposed replacement Standard has a new requirement due to conforming changes introduced by the revised Fraud Consideration Standard such that the auditor should inform those charged with governance of those uncorrected misstatements aggregated by the auditor during the audit that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole and provides guidance on confidentiality.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraph 11a due to conforming changes introduced by the revised Fraud Consideration Standard.</li> <li>• New guidance paragraph 20 previously not adopted.</li> <li>• New Public Sector Perspective guidance has been added.</li> </ul>
4.	HKSA 320	<p>The proposed replacement Standard brings the definition of “Materiality” into line with that set out in the “Framework for the Preparation and Presentation of Financial Statements”. It also emphasizes the importance to the auditor of understanding the entity and its environment in establishing materiality and the need for the auditor to evaluate whether the judgment about materiality remains appropriate as the audit progresses.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraph 16a due to conforming changes introduced by the revised Fraud Consideration Standard.</li> <li>• New guidance paragraph 9 due to conforming changes introduced by the new Audit Risk Standards and new guidance paragraph 10 previously not adopted.</li> <li>• New Public Sector Perspective guidance has been added.</li> </ul>

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		<b><u>Summary of the key changes and new requirements and guidance introduced by the proposed replacement Hong Kong Standards</u></b>
5.	HKSA 402	<p>The changes made in the proposed replacement Standard are principally conforming in nature to reflect changes introduced by the new Audit Risk Standards.</p> <p>The key changes are new guidance paragraphs 6a and 10.</p>
6.	HKSA 501	<p>The changes made to the proposed replacement Standard are principally conforming in nature to reflect changes made to other Standards referred to in the HKSA and to update the text to bring it more in line with the equivalent International Auditing Standard. The proposed replacement Standard introduces no major new provisions.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraph 6 to replace plain type letter guidance.</li> <li>• New guidance paragraphs 8 and 33 due to conforming changes introduced by the new Audit Risk Standards.</li> </ul>
7.	HKSA 505	<p>The changes made to the proposed replacement Standard are principally conforming in nature to reflect changes made to other Standards referred to in the HKSA and to update the text to bring it more in line with the equivalent International Auditing Standard. The proposed replacement Standard introduces no major new provisions.</p> <p>The key changes are new guidance paragraphs 3, 7 to 12 due to conforming changes introduced by the new Audit Risk Standards.</p>
8.	HKSA 510	<ul style="list-style-type: none"> <li>• No significant changes to requirements and guidance in respect of requirements relating to opening balances.</li> <li>• It should also be noted that existing SAS 450 is to be replaced with two separate standards: HKSA 510 “Initial Engagements – opening balances” and HKSA 710 “Comparatives”, which is discussed separately below.</li> </ul>
9.	HKSA 520	<p>The main changes made to the proposed replacement Standard relate to additional guidance in the assessment of the appropriateness of using analytical procedures; including the suitability of using substantive analytical procedures given the assertions, considerations concerning the reliability of the data, and assessing whether an expectation is sufficiently precise. Changes are also made to conform the Standard to reflect changes made to other Standards referred to in the HKSA and to update the text to bring it more in line with the equivalent International Auditing Standard.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New guidance paragraphs 9, 10, 12a to 12g due to conforming changes introduced by the new Audit Risk Standards.</li> <li>• New Public Sector Perspective guidance has been added.</li> </ul>

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		<b><u>Summary of the key changes and new requirements and guidance introduced by the proposed replacement Hong Kong Standards</u></b>
10.	HKSA 530	<p>The proposed replacement Standard contains significantly more guidance on sampling compared to the existing SAS 430. In addition, it incorporates additional aspects to take account of the new Audit Risk Standards. For example, more comprehensive guidance is provided on the following areas:</p> <ul style="list-style-type: none"> <li>- audit evidence</li> <li>- risk considerations in obtaining audit evidence</li> <li>- audit procedures for obtaining audit evidence</li> <li>- selecting items for testing to gather audit evidence</li> <li>- statistical versus non-statistical sampling approaches</li> <li>- value weighted selection</li> <li>- analyzing and projecting errors</li> <li>- evaluation of sample results</li> </ul> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraphs 2, 18, 22, 44, 47, 51 and 54 previously not adopted.</li> <li>• New guidance paragraphs 13a, 35a and 48 due to conforming changes introduced by the new Audit Risk Standards and new guidance paragraphs 14 to 30, 39, 49, 50, 52, 53, 55 and 56 previously not adopted.</li> </ul>
11.	HKSA 540	<p>The main features of the proposed replacement Standard originate from the new Audit Risk Standards. The proposed replacement Standard requires the auditors to carry out more thorough audit procedures to determine as to whether the client's accounting estimates are reasonable in the circumstances. The steps taken include evaluation of data and consideration of assumptions based on which the accounting estimates are made. The auditors also need to understand the client's relevant control activities in making the accounting estimates so as to enable the auditors to identify and assess risk of material misstatement for designing further appropriate audit procedures.</p> <p>The key changes are new guidance paragraphs 4, 8, 9 and 12 due to conforming changes introduced by the new Audit Risk Standards and new guidance paragraph 25 previously not adopted.</p>
12.	HKSA 545	<p>The new features of the proposed replacement Standard originate from the new Audit Risk Standards. The proposed replacement Standard requires the auditors to understand the client's control activities in particular those relevant to the determination of the fair value measurements and disclosures in order to identify and assess the risks of material misstatement and to design further relevant audit procedures.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New guidance paragraphs 2a, 13, 15a and 33 due to conforming changes introduced by the new Audit Risk Standards</li> <li>• New Public Sector Perspective guidance has been added</li> </ul>

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		<b><u>Summary of the key changes and new requirements and guidance introduced by the proposed replacement Hong Kong Standards</u></b>
13.	HKSA 550	<ul style="list-style-type: none"> <li>• New Public Sector Perspective guidance has been added.</li> <li>• In addition, as part of convergence, the additional locally developed guidance that was included in SAS 460 that is over and above that contained in ISA 550 has been removed.</li> </ul>
14.	HKSA 560	<p>The proposed replacement Standard retains as an Appendix the specific local guidance previously included in SAS 150 describing the auditor's responsibilities when facts are discovered after the financial statements have been laid before the shareholders or equivalent (ISA 560 provides only general guidance on facts discovered after the financial statements have been issued). The proposed replacement Standard includes a new section on offering of securities to the public which requires auditors to consider applicable laws and regulations in all jurisdictions in which the securities are being offered when performing subsequent event review.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraphs 11 and 16 to replace grey text guidance, and new bold text paragraph 19 previously not adopted.</li> <li>• Additional local guidance previously in body of SAS now moved to Appendix.</li> </ul>
15.	HKSA 570	<p>The proposed replacement Standard requires the management to make a specific assessment of the entity's ability to continue as a going concern. The auditors are explicitly required to consider the appropriateness of the management's use of the going concern assumption and evaluate the management's assessment.</p> <p>The term "fundamental uncertainty" used in SAS 130 is replaced by the term "material uncertainty". The proposed replacement Standard stipulates that a material uncertainty exists when the magnitude of its potential impact is such that, in the auditors' judgment, clear disclosure of the nature and implications of the uncertainty is necessary for the presentation of the financial statements not to be misleading.</p> <p>A further key change is that New Public Sector Perspective guidance has been added.</p>
16.	HKSA 580	<p>Overall, the main changes arise due to conforming changes as a result of changes to other Auditing Standards. The key changes are:</p> <ul style="list-style-type: none"> <li>• New bold text paragraph 2 previously not adopted.</li> <li>• New bold text paragraph 5a due to conforming changes introduced by the revised Fraud Consideration Standard.</li> <li>• New guidance paragraph 8 due to conforming changes introduced by the new Audit Risk Standards.</li> </ul>

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		<b><u>Summary of the key changes and new requirements and guidance introduced by the proposed replacement Hong Kong Standards</u></b>
17.	HKSA 610	<p>The proposed replacement Standard requires the auditors to obtain a sufficient understanding of internal audit activities to identify and assess the risks of material misstatement of the financial statements and to design and perform further audit procedures. When the external auditor intends to use specific of internal auditing, the external auditor should evaluate and perform audit procedures on that work to confirm its adequacy for the external auditor’s purposes.</p> <p>The key changes are:</p> <ul style="list-style-type: none"> <li>• Bold text paragraph 16 extends to “perform audit procedures” due to conforming changes introduced by the new Audit Risk Standards.</li> <li>• New Public Sector Perspective guidance has been added.</li> </ul>
18.	HKSA 620	<p>The proposed replacement Standard requires the auditors to evaluate the professional competence and objectivity of the expert when determining the need to use the work of an expert. If the work does not provide “adequate” and “appropriate” audit evidence, auditors should consider to engage another expert or to modify the auditor’s report.</p> <p>The key changes are new guidance paragraph 5 due to conforming changes introduced by the new Quality Control Standards and paragraphs 7 and 11 due to conforming changes introduced by the new Audit Risk Standards.</p>
19.	HKSA 710	<p>The proposed replacement Standard introduces a number of changes from the existing SAS 450 in respect of comparatives in a number of ways. It clearly states that the audit opinion included in the audit report is on the current period financial statements as a whole, including the corresponding figures. In addition, the proposed replacement Standard refers to two frameworks and methods of presentation of comparative financial information which are “corresponding figures” and “comparative financial statements”.</p> <p>In simple terms, the references to “comparatives” set out in SAS 450 and which are generally used in the context of an annual statutory audit under the Hong Kong Companies Ordinance are replaced with references to “corresponding figures” in the new standard. Many of the requirements in respect of the corresponding figures are similar to those set out in SAS 450, together with the following additional requirements under the proposed replacement Standard:</p>

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		<p align="center"><b><u>Summary of the key changes and new requirements and guidance introduced by the proposed replacement Hong Kong Standards</u></b></p>
		<ul style="list-style-type: none"> <li>• HKSA 710 requires that the auditor should obtain sufficient appropriate audit evidence that the corresponding figures meet the requirements of the applicable financial reporting framework and provides guidance on the extent of audit procedures to be performed in this respect.</li> <li>• Paragraphs 6 and 8 of HKSA 710 require the incoming auditor to perform a certain level of work on the corresponding figures that were not previously audited, which is in addition to the requirement of SAS 450 that simply required the auditors' report to state that the corresponding figures are unaudited.</li> <li>• Paragraph 17 of HKSA 710 includes requirements dealing with situations where the incoming auditors make reference to another auditor. However, it should be noted that paragraph 17-1 of the HKSA 710 makes it clear that reference to another auditor does not generally apply in the context of an audit performed under the Hong Kong Companies Ordinance.</li> </ul> <p>Detailed requirements in respect of the audit of comparative financial statements have also been introduced in HKSA 710. However, HKSA 710 makes it clear that the comparative financial statements presentation method is not applicable to an audit of the statutory financial statements of a company incorporated under the Hong Kong Companies Ordinance.</p> <p>Other key changes are new bold text paragraphs 2, 10, 12, 15 and 17 that were previously not adopted in SAS 450.</p>
20.	HKSA 720	<p>The scope of the proposed replacement Standard is extended to cover the case where auditors' report is included in a document used in a securities offering. The proposed replacement Standard retains specific guidance in the context of SAS 600 and the Companies Ordinance on the auditor's possible further courses of action in the event that the management refuses to correct a material inconsistency or a material misstatement of fact. In addition, New Public Sector Perspective guidance has been added.</p>

<b><u>Summary of “differences” between the proposed Hong Kong Standards and their ISA and ISRE equivalents</u></b>		
1.	HKSA 210	<ul style="list-style-type: none"> <li>Local guidance in paragraph 19-1 and local explanations in footnotes 1 and 2.</li> <li>Example audit engagement letter in Appendix 1 and guidance on tax engagement letter and example tax engagement letter in Appendix 2.</li> </ul>
2.	HKSA 250	<ul style="list-style-type: none"> <li>A reference to IFAC Code of Ethics for Professional Accountants is replaced by HKICPA Statements of Professional Ethics/<i>Code of Ethics for Professional Accountants</i>.</li> <li>Local explanation in footnote 1.</li> </ul>
3.	HKSA 260	None
4.	HKSA 320	None
5.	HKSA 402	None
6.	HKSA 501	Local guidance in paragraphs 34-1, 34-2 and 34-3.
7.	HKSA 505	<ul style="list-style-type: none"> <li>Local requirement and guidance in paragraphs 39 to 48.</li> <li>A standard bank confirmation request form reproduced as an attachment.</li> </ul>
8.	HKSA 510	<ul style="list-style-type: none"> <li>A reference to IFAC Code of Ethics for Professional Accountants is replaced by HKICPA Statements of Professional Ethics/<i>Code of Ethics for Professional Accountants</i>.</li> <li>Local explanation in footnote 1.</li> </ul>
9.	HKSA 520	None
10.	HKSA 530	None
11.	HKSA 540	None
12.	HKSA 545	None
13.	HKSA 550	Local explanation in footnote 1a.
14.	HKSA 560	Local explanations in footnotes 1 and 2 and local guidance in Appendix.
15.	HKSA 570	None
16.	HKSA 580	Local explanation in footnote 1 and local guidance in footnote 2 of Appendix.
17.	HKSA 610	None
18.	HKSA 620	None
19.	HKSA 710	Local guidance in paragraphs 5-1, 17-1 and 17-2.
20.	HKSA 720	Local guidance in paragraphs 13-1, 18-1, 18-2 and 18-3.
21.	HKSRE 2400	<ul style="list-style-type: none"> <li>A reference to IFAC Code of Ethics for Professional Accountants is replaced by HKICPA Statements of Professional Ethics/<i>Code of Ethics for Professional Accountants</i>.</li> <li>Local guidance in footnote 3a of Appendix 1.</li> </ul>