



# MEMBERS' HANDBOOK

## Update No. 8

(Issued November 2004)

<u>Document Reference and Title</u>	<u>Instructions</u>	<u>Explanations</u>
<b>1. <u>VOLUME II</u></b>		
<a href="#">Contents of Volume II</a>	Replace contents pages 1 & 2 with revised contents pages 1 & 2.	Revised contents pages
<b>HONG KONG ACCOUNTING STANDARDS (HKAS)</b>		
Contents of Volume II – HKAS	Replace contents page 1 with revised contents page 1.	Revised contents page
<a href="#">HKAS 12 Income Taxes</a>	Insert these pages after HKAS 11.	New Standard
<a href="#">HKAS 14 Segment Reporting</a>	Insert these pages after HKAS 12.	New Standard
<a href="#">HKAS 18 Revenue</a>	Insert these pages after HKAS 16.	New Standard
<a href="#">HKAS 32 Financial Instruments: Disclosure and Presentation</a>	Replace pages 31 & 32 with revised pages 31 & 32.	Revised Pages
<a href="#">HKAS 37 Provisions, Contingent Liabilities and Contingent Assets</a>	Insert these pages after HKAS 36.	New Standard
<a href="#">HKAS 39 Financial Instruments: Recognition and Measurement</a>	Replace pages 33 & 34 with revised pages 33, 34 & 34A.	Revised Pages

## 2. **VOLUME III**

New Divider	Insert after HKSAE 3000.	New Divider for Hong Kong Standards on Related Services
-------------	--------------------------	---

<a href="#">Contents of Volume III</a>	Replace contents pages i & ii with revised contents pages i & ii.	Revised contents pages
--	---	------------------------

### **HONG KONG STANDARDS ON AUDITING**

<a href="#">HKSA 200, “Objective and General Principles Governing an Audit of Financial Statements”</a>	Insert these pages before HKSA 220.	Note 1
---	-------------------------------------	--------

<a href="#">HKSA 300, “Planning an Audit of Financial Statements”</a>	Insert these pages after HKSA 240.	Note 2
---	------------------------------------	--------

<a href="#">HKSA 315, “Understanding of the Entity and Its Environment and Assessing the Risks of Material Misstatement”</a>	Insert these pages after HKSA 300 and discard SAS 315.	Note 1
--	--	--------

<a href="#">HKSA 330, “The Auditor’s Procedures in Response to Assessed Risks”</a>	Insert these pages after HKSA 315 and discard SAS 330.	Note 1
--	--	--------

<a href="#">HKSA 500, “Audit Evidence”</a>	Insert these pages after HKSA 330.	Note 1
--	------------------------------------	--------

### **HONG KONG STANDARDS ON RELATED SERVICES**

<a href="#">HKSRS 4400, “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”</a>	Insert these pages after the Hong Kong Standards on Related Services Divider and discard SAS 710.	Note 3
---	---	--------

<a href="#">HKSRS 4410, “Engagements to Compile Financial Statements”</a>	Insert these pages after HKSRS 4400 and discard SAS 720.	Note 3
---	--	--------

### **STATEMENTS OF AUDITING STANDARDS**

<a href="#">SAS 200, “Planning”</a>	Replace pages 1 & 5 with revised pages 1 & 5.	Note 2
-------------------------------------	---	--------

Notes:

1. Hong Kong Standards on Auditing (HKSA) 200, 315, 330 and 500 are issued to adopt verbatim the equivalent International Standards on Auditing (ISA) which were previously issued as Statements of Auditing Standards (SAS) 100 (Revised), 315, 330 and 500 respectively. HKSA 200, 315, 330 and 500 are effective for audits of financial statements for periods beginning on or after 15 December 2004.

Paragraphs 1 to 15 and 29 of SAS 100, and SAS 400 (which is attached to SAS 500) remain in effect for audits of financial statements for periods beginning before 15 December 2004. SAS 315 and 330 are withdrawn.

2. HKSA 300 adopts verbatim ISA 300 (Revised) and is effective for audits of financial statements for periods beginning on or after 15 December 2004.

HKSA 300 requires the auditor to be more rigorous in the planning of his audits. It builds on the new Audit Risk Standards and requires the auditor to plan the audit so that the engagement will be performed in an effective manner. It emphasizes that planning is a continual and iterative process throughout the engagement and that unexpected events, changes in conditions or other circumstances may lead the auditor to re-evaluate the planned audit procedures. Furthermore it requires the auditor to establish the overall strategy for the audit that sets the scope, timing and direction of the audit.

SAS 200 remains effective for audits of financial statements for periods beginning before 15 December 2004.

3. Hong Kong Standards on Related Services (HKSRS) 4400 and 4410 are issued to adopt verbatim the equivalent International Standards on Related Services which were previously issued as SAS 710 and 720 respectively. HKSRS 4400 and 4410 are effective upon issue, and SAS 710 and 720 are withdrawn.