



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

MEMBERS' HANDBOOK

Members' Handbook

Update No. 6

(Issued September 2004)

This Update encloses the revised and new pages of the Members' Handbook as a result of the passage of the Professional Accountants (Amendment) Ordinance 2004 which becomes effective on 8 September 2004. The changes made to the Members' Handbook include:

1. change of name from Hong Kong Society of Accountants (HKSA) to Hong Kong Institute of Certified Public Accountants (HKICPA);
2. new designations for members and member practices; and
3. new CPD requirements.

Please follow the enclosed filing instructions in updating your Members' Handbook.

Update No. 6

VOLUME I

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
	1 Spine and 7 Dividers	All
	Contents of Volume I	i-ii
	PROFESSIONAL ACCOUNTANTS ORDINANCE AND BY-LAWS	
	Professional Accountants (Amendment) Ordinance 2004	New (A1029-A1125 & acknowledgement) Insert these pages after Professional Accountants Ordinance
	PROFESSIONAL ETHICS	
1.101	Disciplinary Committee Proceedings Rules	1-4, 9, 11-15
1.102	Corporate Practices (Registration) Rules	1-4, 6, 7
1.102 (sch.)	Schedule to the Corporate Practices (Registration) Rules "Corporate Practices (Model Memorandum and Articles of Association)"	1-4, 7, 9, 12-15, 18, 20
1.103	Corporate Practices (Professional Indemnity) Rules	1-4
	GENERAL GUIDANCE	
1.200	Explanatory foreword	1-3
1.201	General	1
1.203A	Independence for assurance engagements	1-3, 5-6
1.203	Conflicts of interest	1
1.204B	Unlawful acts or defaults by clients of members	1, 4, 5, 9, 13-17
1.205	Practice promotion	1
1.207	Changes in a professional appointment	1, 4, 6

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
1.208	Fees	1-2
1.209	Management consulting services	1
1.290C	Unlawful acts or defaults by or on behalf of a member's employer	1, 3-4
1.290D	Financial and accounting responsibilities of directors	1
1.291	The ethical responsibilities of members in business	1, 3
1.292	Corporate finance advice	1, 9
1.300	Explanatory foreword	1
1.301	Books and papers - ownership, disclosure and lien	1, 8
1.303	Restrictions on appointments as secretaries and directors of audit clients	1
1.304	Arrangements to cover the incapacity or death of a sole practitioner	1-3
1.305	Direct professional access	1, 3, 5, 7-8, 13
1.307	Production of audit working papers to the Securities and Futures Commission under section 179 of the Securities and Futures Ordinance	1-3, 5-6, 8, 13, 37-38
	PRACTICE REVIEW	
1.400	Explanatory foreword	1-2
1.401	Review procedures and conduct of members	1-5, 7-8, 10, 12, 13
	CONTINUING PROFESSIONAL DEVELOPMENT	
1.500	Continuing Professional Development	1-9 (Note)

Note: Statement 1.500 is revised to reflect the consequential changes required as a result of the passage of the Professional Accountants (Amendment) Ordinance 2004. In addition to the change in the name from HKSA to HKICPA and the designations of members and member practices, the compliance with the CPD requirements is also made as a condition for renewal of registration by members, to synchronize with the annual subscription timeline. Furthermore, the reporting period for CPD compliance will be changed to the period covering 1 December to the following 30 November. The requirements in this revised Statement are applicable to members' compliance with the CPD requirements for the reporting periods beginning on or after 1 December 2003. Therefore the first reporting period under this revised Statement should be from 1 December 2003 to 30 November 2004.

Update No. 6

VOLUME II

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
	2 Spines and 12 Dividers	All
	Contents of Volume II	1-2
	PREFACE AND FRAMEWORK	
	Contents of Volume II – Preface and Framework	1
	Preface to Hong Kong Financial Reporting Standards	1-6
	Framework for the Preparation and Presentation of Financial Statements	1, 19
	HONG KONG ACCOUNTING STANDARDS (HKAS)	
	Contents of Volume II – HKAS	1
HKAS 1	<i>Presentation of Financial Statements</i>	6, 7
HKAS 8	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	4, 6, 29
	HONG KONG FINANCIAL REPORTING STANDARDS (HKFRS)	
	Contents of Volume II – HKFRS	1
HKFRS 1	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>	14

Update No. 6

VOLUME III

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
	2 Spines and 7 Dividers	All
	Contents of Volume III	i-iii
	SAS 001 – SAS 699 AUDITS OF FINANCIAL STATEMENTS	
SAS 010	The scope and authority of auditing pronouncements	1-4
SAS 100	Objective and general principles governing an audit of financial statements	1-2
SAS 110	The auditors' responsibility to consider fraud and error in audit of financial statements	1, 15
SAS 120	Consideration of laws and regulations in an audit of financial statements	1, 6
SAS 130	Going concern	1-3, 12-15
SAS 140	Engagement letters	1, 7-8
SAS 240	Quality control for audit work	1-3, 6, 12
SAS 401	Audit evidence – considerations for specific items	1, 6
SAS 402	External confirmations	1, 8
SAS 450	Opening balances and comparatives	1, 9, 10
SAS 600	Auditors' reports on financial statements	1, 17-32
	SAS 700 – SAS 799 ENGAGEMENTS OTHER THAN AUDITS OF FINANCIAL STATEMENTS	
SAS 700	Engagements to review interim financial reports	1, 3, 9, 13-14, 20-25
SAS 710	Engagements to perform agreed-upon procedures regarding financial information	1-2, 6, 7

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
SAS 720	Engagements to compile financial information	1-2, 6-8
	STANDARDS ON ASSURANCE ENGAGEMENTS	
SAE 100	Framework for assurance engagements intended to provide either a high or moderate level of assurance	1-3, 5
SAE 200	High level assurance engagements	1-3, 5
	PRACTICE NOTES	
PN 600.1	Reports by auditors under the Hong Kong Companies Ordinance	1-3, 7, 12, 13, 15-17
PN 600.2	Audit approach to companies applying section 141D of the Companies Ordinance	1-2, 5
PN 620.2	Communications between auditors and the Insurance Authority	1-2, 6
PN 710	The auditors' statement on the summary financial report	1-2, 8, 9
PN 810.1	Insurance brokers – compliance with the minimum requirements specified by the Insurance Authority under sections 69(2) and 70(2) of the Insurance Companies Ordinance	1-2, 4, 18-22
PN 810.2	The duties of auditors under the Insurance Companies Ordinance	1-2, 6, 13
PN 820	The audit of licensed corporations and associated entities of intermediaries	1, 3, 20, 26, 32-37, 39-42
PN 840	The audit of solicitors' accounts under the Solicitors' Accounts Rules and the Accountant's Report Rules	1-2, 5, 8
PN 850	Review of flag day accounts	1-9
PN 851	Review of the Annual Financial Reports of Non-governmental Organisations	1-2, 4, 7-9
PN 852	Review of lottery accounts	1-3, 5-9

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
PN 860.1	The audit of retirement schemes	1, 3, 27, 33-38, 40-42, 44, 45
PN 860.2	Reports on internal controls of investment custodians made available to third parties	1-2, 9,12
PN 870	The assessments of Certification Authorities under the Electronic Transactions Ordinance	1-2, 12, 18, 23, 25
PN 871	Engagement to report on compliance with the Billing and Metering Integrity Scheme of OFTA	1-9, 11-13, 24
PN 1000	Inter-bank confirmation procedures	1-2
PN 1001	IT Environments – Stand-alone personal computers	1-2
PN 1002	IT Environments – On-line computer systems	1-2
PN 1003	IT Environments – Database systems	1-2
PN 1009	Computer-assisted audit techniques	1-2
PN 1010	The consideration of environment matters in the audit of financial statements	1-2
PN 1012	Auditing derivative financial instruments	1-2, 4
PN 1013	Electronic commerce – Effect on the audit of financial statements	1-2
	AUDITING GUIDELINES	
AG 3.283	Guidance for internal auditors	1, 6
AG 3.340	Prospectuses and the reporting accountant	1, 13, 15-17
AG 3.341	Accountants' report on profit forecasts	1, 7-8

Document Reference	Title	Existing Pages to be Discarded and Replaced by Revised Pages
	INDUSTRY AUDITING GUIDELINES	
IAG 3.401	Authorized institutions in Hong Kong	4, 13, 29, 32, 41-50
IAG 3.406	Banks and deposit-taking companies – the amended section 161B and section 161BA of the Companies Ordinance	1, 3, 8-10
	REFERENCE MATERIALS	
Circular dated 24 August 2004	Audit Report following Change of Name from HKSA to HKICPA	New Circular (Note) Insert the Circular after the “Reference Materials” divider

Note: The change of name from HKSA to HKICPA on 8 September 2004 will affect the wording of audit reports where there is a reference to the professional standards issued by the HKSA. The Circular gives guidance on the changes required to be made to the audit reports and includes a specimen audit report containing a revised reference to the professional standards issued by the HKICPA. It also includes explanatory notes on the use of the description “Certified Public Accountants (Practising)” in audit reports.