Update No. 280

(Issued 28 September 2022)

VOLUME I

Document Reference and Title	***Instructions***	***Explanations***
Contents of Volume I	Replace page i with revised page i.	Revised content page

PROFESSIONAL ETHICS

COE (Revised 2018), *Code of Ethics for Professional Accountants*	Replace cover page, pages 6 and 7 with revised cover page, pages 6 and 7.	Note 1
COE (Revised 2022), *Code of Ethics for Professional Accountants*	Replace cover page, pages 6 and 7 with revised cover page, pages 6 and 7.	- ditto -

VOLUME III

Document Reference and Title	***Instructions***	***Explanations***
Contents of Volume III	Replace pages i, vi and viii with revised pages i, vi and viii.	Revised content pages

Section 1: Effective for audits and reviews of financial statements / other assurance and related services engagements beginning on or before 14 December 2022

Preface to the Hong Kong Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements	Replace cover page, pages 6 and 10 with revised cover page, pages 6 and 10.	Note 1

HONG KONG STANDARDS ON AUDITING

HKSA 210, *Agreeing the Terms of Audit Engagements*	Replace cover page, pages 2 and 5 with revised cover page, pages 2 and 5.	- ditto -
HKSA 210 (Revised 2022), *Agreeing the Terms of Audit Engagements*	Replace cover page and page 5 with revised cover page and page 5.	- ditto -

Section 2: Effective for audits and reviews of financial statements / other assurance and related services engagements beginning on or after 15 December 2022

Preface to the Hong Kong Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements	Replace cover page, pages 6 and 10 with revised cover page, pages 6 and 10.	- ditto -

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 and page 53 with revised cover page and page 53.	- ditto -

HONG KONG STANDARDS ON AUDITING

HKSA 210, *Agreeing the Terms of Audit Engagements*	Replace cover page and page 5 with revised cover page and page 5.	- ditto -

PRACTICE NOTES

PN 851 (Revised), *Reporting on the Annual Financial Reports of Non-governmental Organisations*	Insert after PN 850 (Revised 2022), *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* revised in May 2022.	Note 2

Notes:

1. The relevant ethics and auditing pronouncements are revised as a result of the Financial Reporting Council (Amendment) Ordinance 2021 which expanded the Accounting and Financial Reporting Council's statutory functions to include the issuance of practising certificates to certified public accountants; registration of accounting practice units and local Public Interest Entities auditors; and inspection, investigation and discipline of the accounting profession with effect from 1 October 2022. The Corporate Practice (Registration) Rules will be repealed on 1 October 2022.

2. PN 851 (Revised) is updated to align with Hong Kong Standard on Assurance Engagements ("HKSAE") 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and the current version of Lump Sum Grant Manual ("LSGM") which was last updated by the Social Welfare Department of the Government of the HKSAR ("SWD") in October 2016. The key changes are as follows:

   (a) Aligned the PN with HKSAE 3000 (Revised);
   (b) Amended the PN for SWD's proposed assurance opinion;
   (c) Updated the requirements of the LSGM stated in the PN according to the latest version of October 2016;

(d) Amended the example engagement letter in Appendix I to align with HKSAE 3000 (Revised) and SWD's proposed assurance opinion;
(e) Added Appendix II "Recommended procedures for reporting on the annual financial report of a non-governmental organisation"; and
(f) Amended the example report in Appendix III to align with HKSAE 3000 (Revised), SWD's proposed assurance opinion and HKSQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements.*

PN 851 (Revised) will be effective for reporting periods ending 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/280mk.pdf