

Press Release

29 May 2024

AFRC reminds auditors of the importance of audit documentation integrity

The Accounting and Financial Reporting Council (**AFRC**) today publishes an article titled [The Importance of Audit Documentation Integrity](#). It aims to remind auditors of the key standards relating to audit documentation integrity and to emphasise the importance of improving audit quality through the development of an effective system of audit documentation policies, procedures, and controls.

Audit documentation is the primary means by which auditors demonstrate their compliance with auditing standards. High-quality audit documentation plays a vital dual role in enhancing audit quality and reducing the risk of non-compliance with standards. Failing to archive audit documentation on a timely basis, and improper alteration of audit documentation after archiving are breaches of the Hong Kong Standards on Auditing (**HKSAs**) and Hong Kong Quality Management Standards (**HKSQMs**) and are misconduct under the Accounting and Financial Reporting Council Ordinance (**AFRCO**).

The AFRC is concerned with the increasing trend of our previous inspection findings relating to the lack of audit documentation integrity which includes insufficient controls to avoid unauthorised alteration, loss of archived audit documentation and improper alteration of audit documentation after it was selected by the AFRC for inspection.

The AFRC urges audit firms to establish an effective system of policies, procedures, and controls to safeguard audit documentation integrity, prevent misconduct and promote a quality-focused culture.

Ms Janey Lai, CEO of the AFRC remarked, “Audit documentation is not merely a box-ticking exercise for administrative purposes. Demonstrating a clear commitment to audit documentation integrity, through the right tone at the top, fosters a quality-focused culture and contributes to establishing public trust on their audit quality. Collectively, audit documentation integrity contributes toward promoting a sustainable development of the accounting profession.”

End

About the Accounting and Financial Reporting Council

The Accounting and Financial Reporting Council (AFRC) is an independent body established under the Accounting and Financial Reporting Council Ordinance. As an independent regulator, AFRC spearheads and leads the accounting profession to constantly raise the level of quality of professional accountants, and thus protects the public interest.

For more information about the statutory functions of the AFRC, please visit www.afrc.org.hk.

For media enquiries:

Chelsy Chan

Senior Officer, Corporate Communications

Tel: +852 2236 6066

Fax: +852 2810 6320

Email: chelsychan@afrc.org.hk