

## Chief Executive Officer's Message 行政總裁的話

I have great pleasure in introducing this new Financial Reporting Council ("FRC") bi-annual publication, designed to strengthen our links with listed companies, auditors and other stakeholders.

我很高興為大家介紹財務匯報局第一期的電子簡訊。這份每年發送兩次的電子簡訊，將有助本局加強與上市公司、核數師及其他持份者的聯繫。



P.M. Kam Chief Executive Officer | 甘博文 行政總裁

During the first half of 2011, more than 20 US-listed Chinese companies have suspended trading or been delisted. In some of these cases the auditors involved resigned. In its research report on audit quality, the Public Company Accounting Oversight Board ("PCAOB") in the US raised serious concerns about the quality of audits conducted by some US registered accounting firms on companies whose operations primarily took place in Mainland China. The report noted that some US registered accounting firms had performed most of such audits by relying on the work of third parties in ways that did not comply with PCAOB standards.

This topical news is a timely reminder of the importance of the FRC's role as a watchdog of auditors and of the financial reporting of Hong Kong listed companies. To this end, we are introducing our new risk-based financial statements review programme this year. The programme uses specific criteria to select listed companies for the review of full sets of financial statements, a significant step forward from our previous practice of simply reviewing all modified auditors' reports. The new programme represents an advance in terms of protecting investors and assuring the highest standards of financial reporting for Hong Kong.

In another recent development, the European Commission has begun to recognize the equivalence of audit oversight systems in some non-EU economies. This move has improved global cooperation, as it gives different economies the ability to rely on each other's inspections of audit work. Hong Kong has been granted a transitional status, and a technical assessment of the Hong Kong audit system will be carried out by the European Commission in due course; here at the FRC we will be providing the Government with all the support and assistance it needs. In the feature article in this issue, we also compared the functions performed by nine independent audit oversight bodies in other jurisdictions.

I hope you enjoy this new FRC e-newsletter and find the contents useful. We believe good communication is essential to good practice, and we welcome comments and suggestions from all our readers.

於二零一一年上半年，逾二十家在美國上市的中國公司相繼被停牌或除牌，其中一些公司的核數師更提出請辭。美國的上市公司會計監督委員會，發表了一份有關審計質素的研究報告，就部分於美國註冊的會計師事務所為業務主要設於中國的公司進行審計的質素，表示高度關注。該報告指出，這些會計師事務所在審計時有使用他人的審計工作，但在過程中並無遵從上市公司會計監督委員會的有關規定。

這個備受市場關注的議題，再次肯定本局在監管香港上市公司的核數師及財務匯報方面，扮演重要角色。為進一步完善監管制度，本局今年推出根據風險抽查財務報表的審閱計劃，相比以往只審閱非無保留意見核數師報告，這套計劃的審閱範圍更加全面。本局會於特定範疇抽樣挑選上市公司的財務報告作全面審閱，從而提升對投資者的保障，維持財務匯報的質素。

最近，歐盟委員會認可了某些非歐盟經濟體系的審計監管制度。因此，不同的經濟體系可以相互依賴對方的監管機構所進行的審計工作檢查，促進國際間合作。歐盟委員會給予香港一個過渡期，將於稍後對香港的審計監管制度進行技術性評估。在這方面，本局會為政府提供一切所需支持及協助。我們亦於今期的專題報導，探討九個不同司法管轄區的獨立審計監管機構獲賦予的權力和功能。

我希望你喜歡這份電子簡訊，並從中獲得實用的資訊。良好的溝通就是成功的第一步，本局歡迎讀者提出寶貴意見及建議。

# Summaries of completed investigations

## 已完成的調查個案摘要

In the first half of 2011, the FRC published two reports of investigations by the Audit Investigation Board. Both are available under the **“Publications”** section of the FRC website. The two cases investigated have also been referred to the Hong Kong Institute of Certified Public Accountants for follow-up action.

於二零一一年上半年，財務匯報局發表了兩份由審計調查委員會負責的調查報告，兩份報告均可於財務匯報局網站內的「[刊物](#)」一欄下載。這兩宗個案已轉交香港會計師公會考慮跟進行動。

### Case 1 個案 1

#### Presentation of earnings per share 每股盈利的呈列

##### Background 背景資料

Earnings per share presented on the face of the income statement in a listing document were calculated incorrectly. The calculation was based on the number of ordinary shares before a share split which took place after the reporting date of the latest financial statements but before the date of issuance of the listing document.

上市文件中的損益表所呈列的每股盈利計算不正確。這是由於上市公司在最新財務報告的報告日期與上市文件刊發日期之間進行股份拆細，但上市公司仍根據股份拆細前的普通股股數計算每股盈利。

##### FRC Advice 財務匯報局的建議

We would like to remind preparers of financial statements that if there is a change in the number of ordinary or potential ordinary shares, as a result of a capitalization, a bonus issue, a share split or a reverse share split which takes place after the reporting period but before the financial statements are authorized for issue, the calculation of basic and diluted earnings per share must be adjusted for all periods presented. Mere disclosure in the notes to the financial statements is insufficient.

我們希望提醒編製財務報表的人士，在結算日後和財務報表刊發日期之前，如果已發行普通股或潛在普通股數量，因資本化、紅股發行、股票拆細或併股而出現變更，則所有在列報期間的基本和攤薄每股盈利的計算必須調整。本局認為，只在有關財務報告附註內提及上述變更，並不足夠。

### Case 2 個案 2

#### Review of working papers of subsidiaries' auditor 審閱子公司核數師的工作底稿

##### Background 背景資料

The principal auditor (who audited the parent company) did not properly document the nature, timing and extent of the audit procedures performed and the conclusions reached on its review of the working papers prepared by the auditor of the subsidiaries in accordance with the auditing and assurance requirements.

主要核數師(母公司的核數師)沒有根據有關審計和鑒證規定，就審閱其他核數師(子公司的核數師)所完成的審計工作底稿時，適當地記錄其已完成的審計程序之性質、時間和範圍，及所作出的結論。

##### FRC Advice 財務匯報局的建議

Auditors must always prepare sufficient and appropriate documentation on their audit work so that any experienced auditor can understand the procedures performed and conclusions reached, including those in relation to the review of working papers from other auditors.

核數師應就審計(當中包括審閱其他核數師的工作底稿)作出充分及適當的記錄，以讓其他有審計經驗的核數師可明瞭其所進行的審計程序及所作出的結論。



# International audit oversight equivalence for global cooperation

## 審計監管制度等效 冀促進國際間合作

Different economies have differing audit oversight systems and standards. In today's era of globalization, however, it is in everyone's interest for different economies to recognize and trust each other's audit oversight systems. This is especially valuable for multinational corporations, as mutually recognized audit oversight systems and standards help reduce the cost of listing in various jurisdictions, contributing to greater global economic efficiency.

不同經濟體系的審計監管制度及標準均存在差異。在這個全球化的年代，倘若不同經濟體系之間能夠相互認可及信賴彼此的審計監管制度，將會為各方帶來裨益，尤其是對於跨國企業而言。這樣的制度不但可減省跨境上市的成本，更可提升環球經濟效益。

In Europe, the European Commission has ensured that audit oversight standards across the EU are equivalent. In January 2011, it extended its appraisal: nine countries outside the EU had the equivalence of their audit oversight systems recognized, including Mainland China. A further 20 jurisdictions – including Hong Kong – were assessed as still being in a transitional phase. Until the end of July 2012, auditors from these 'transitional' countries and territories will not be subject to EU audit oversight or be required to register with relevant EU authorities. In the months before this deadline, a new assessment will be made of their progress. So the question arises as to what Hong Kong can do to meet the EU's standards.

Last year the FRC carried out a study to learn more about the powers and functions of nine independent audit oversight bodies in different jurisdictions. We found that, unlike the FRC, these independent oversight bodies, together with other authorities independent from the accounting and auditing profession, were responsible for overseeing four regulatory functions relating to the auditing of listed entities: registration, inspection, investigation, and disciplinary action. By contrast, the FRC in Hong Kong carries out only investigation; the other three functions are outside its remit and are handled by the Hong Kong Institute of Certified Public Accountants.

Our study indicates that, in order for Hong Kong to affiliate with international independent audit regulators and move from transitional to full recognition by the EU, the quality assurance system of the audit profession should be independent and subject to public oversight.

在歐洲，歐盟委員會已經確認歐盟成員國之間的審計監管制度屬於等效。於二零一一年一月，九個非歐盟成員國也獲得等效認可，其中包括中國。另外，歐盟委員會已給予包括香港的二十個司法管轄區一個過渡期，此過渡期將於二零一二年七月底屆滿。於過渡期內，這些國家或地區的核數師將不受歐盟的審計監管，亦無須向相關的歐盟監管機構申請註冊。於過渡期屆滿前數月，歐盟當局將重新評審這些國家或地區在審計監管制度方面的進程。因此，香港是時候要思考如何可以達到歐盟的標準。

本局於去年進行了一項研究，探討九個於不同司法管轄區的獨立審計監管機構獲賦予的權力和功能。我們發現，這些獨立監管機構連同其他獨立於會計及審計業界的機關，肩負四個規管上市實體的審計監管功能：註冊、檢查、調查及處分。相比之下，香港的財務匯報局只負責調查工作，而其他三項功能則由香港會計師公會負責。

我們的研究顯示，倘若香港希望與國際的獨立審計監管機構結盟，走出過渡期成為全面被歐盟認可擁有獨立審計監管制度的司法管轄區，審計專業的質量保證制度便應獨立及受公眾監管。

Functions of independent audit oversight bodies in different jurisdictions:  
不同司法管轄區的獨立審計監管機構之職能：

	Registration 註冊	Inspection 檢查	Investigation 調查	Disciplinary action 處分
Hong Kong 香港			✓	
Australia 澳洲	✓	✓	✓	✓
Canada 加拿大	✓	✓	✓	✓
France 法國	✓	✓	✓	✓
Germany 德國	✓	✓	✓	✓
Japan 日本	✓	✓	✓	✓
Mainland China 中國	✓	✓	✓	✓
Singapore 新加坡	✓	✓	✓	✓
UK 英國	✓	✓	✓	✓
USA 美國	✓	✓	✓	✓

## Investigations and Enquiries 調查及查訊個案

	Investigation 調查	Enquiries 查訊
1 January 2011 於二零一一年一月一日	7	2
Initiated in the period 本期展開	1	-
Completed in the period 本期完成	(2)	-
In progress at 30 June 2011 於二零一一年六月三十日仍在進行中	6	2

## Complaints 投訴個案

In the first half of 2011 we received four complaints, both lodged by other regulators. We also completed assessing two cases from 2010, one of which was turned into an investigation.

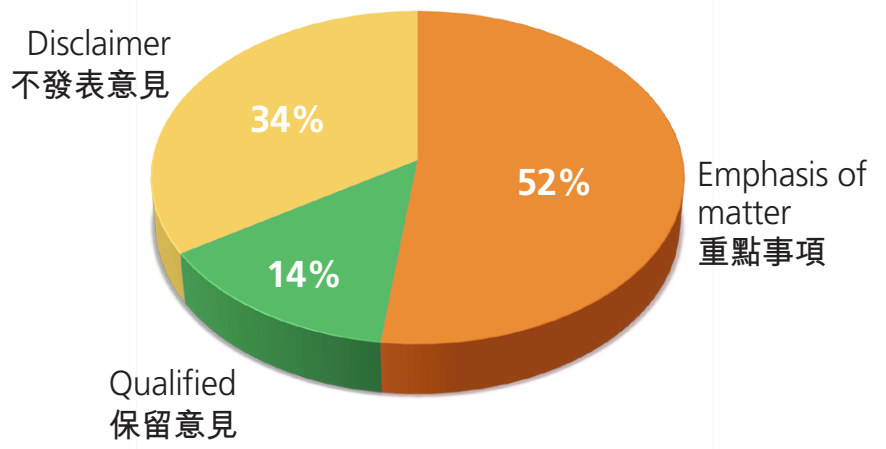
我們於二零一一年上半年接獲四宗由其他監管機構提出的投訴。我們亦已完成評估兩宗於二零一零年接獲的投訴，並且對其中一宗個案展開調查。

## Review of modified auditors' reports 審閱非無保留意見核數師報告

We screened all 86 modified auditors' reports published in the first six months of 2011 and identified two cases of potential non-compliance with accounting requirements, which warranted a comprehensive review under the risk-based financial statements review programme.

我們已審閱了合共八十六份於二零一一年上半年刊發的非無保留意見核數師報告，從中識別了兩宗可能涉及不遵從會計規定的個案，並且根據風險抽查財務報表的審閱計劃作出全面審閱。

Types of modification  
非無保留意見核數師報告的種類



## Risk-based financial statements review programme 根據風險抽查財務報表的審閱計劃

This new programme, starting in 2011, will review the financial statements of 70 listed companies based on various selection criteria.

本局於今年展開這項新計劃，根據不同的篩選準則，抽樣挑選七十家上市公司的財務報表作出審閱。

As at 30 June 2011, 24 sets of financial statements has been selected for review.

於二零一一年六月底，本局已選出二十四份財務報表作全面審閱：

For details of our monthly operations statistics, please visit the "[Operations Statistics](#)" section of our website.

有關財務匯報局每月的運作統計數字，請瀏覽本局網站的「[運作統計數字](#)」一欄。

Selection criteria 篩選準則	Numbers of financial statements 財務報表數目
Modified auditors' reports 非無保留意見核數師報告	2
Newly listed 新上市	7
Change of auditors 更換核數師	4
Alleged non-compliance with accounting requirements and/or auditing irregularities based on media reports 根據傳媒報導被指控涉嫌沒有遵從會計規定或有審計不當行為	2
Accounting theme 會計主題	4
Industry theme 行業主題	4
Random 隨機抽樣	1
Total 總數	24

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