

**Press Release**  
23 March 2015

## **Completed investigation**

On 12 March 2015, the FRC adopted the investigation report on the audit of the consolidated financial statements of a listed entity for the year ended 31 March 2012 (**the Relevant Financial Statements**). The Audit Investigation Board (**the AIB**) found that in the audit of the Relevant Financial Statements, the auditor did not perform additional audit procedures to resolve inconsistency in the audit evidence obtained in accordance with Hong Kong Standard of Auditing (**HKSA**) 500 and express an appropriate audit opinion in accordance with HKSA 700. The investigation report has been referred to the Hong Kong Institute of Certified Public Accountants (**the HKICPA**) to determine if any disciplinary actions are warranted.

On 24 March 2014, the FRC directed the AIB to conduct an investigation on the audit of the Relevant Financial Statements following the receipt of a complaint on 27 June 2013.

As a result of the investigation, the AIB found that, the auditor, in the audit of the Relevant Financial Statements, did not perform additional audit procedures to resolve the inconsistency in the audit evidence obtained in accordance with paragraphs 6 and 11 of HKSA 500. As the relevant impact was material to the Relevant Financial Statements, the auditor failed to express an appropriate audit opinion in accordance with paragraphs 10 and 11 of HKSA 700.

On 12 March 2015, the FRC adopted the investigation report prepared by the AIB, which summarized the findings of the investigation. The investigation report has been referred to the HKICPA to determine if any disciplinary actions are warranted. Names of the relevant parties are withheld pending the conclusion of such disciplinary proceedings, if any.

The AIB is chaired by the Chief Executive Officer and its members are full-time staff of the FRC.

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## **Note to editors**

### **About the FRC**

The FRC is a statutory body established in December 2006 under the Financial Reporting Council Ordinance. The FRC is entrusted with the statutory responsibilities to conduct independent investigations into possible auditing or reporting irregularities in relation to listed entities and to enquire into possible non-compliance with accounting requirements on the part of listed entities. The FRC has 11 members with a variety of professional backgrounds and the majority of whom, including the Chairman, are lay persons. For more information, please visit [www.frc.org.hk](http://www.frc.org.hk).