


Better Aligned with
the Audit Regulatory Regime
Worldwide



THE ROLE OF THE FRC

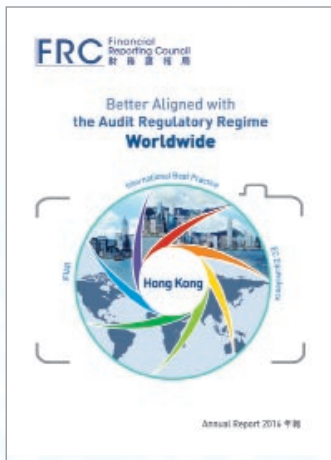
財務匯報局的職責

 To conduct independent investigations into possible auditing and/or reporting irregularities in relation to listed entities
就有關上市實體可能在審計及 / 或匯報方面的不當行為展開獨立調查

 To enquire into possible non-compliance with accounting requirements on the part of listed entities
就上市實體可能沒有遵從會計規定的事宜展開查訊

Better Aligned with the Audit Regulatory Regime Worldwide

進一步與全球審計監管制度看齊



In the ever changing and globalising environment, keeping abreast of the times and aligning ourselves with other international cities are the keys to success. Hong Kong, as an international financial center, is connected to the world as always. On the regulatory side, we hope to build on the proposed new audit regulatory regime to align Hong Kong with the global regulatory world, so that we can be benchmarked against international standards and practices. The aim is to enable Hong Kong to be eligible for membership of the International Forum of Independent Audit Regulators (IFIAR) and be recognised as European Commission (EC) equivalent.

Working in the public interest, the FRC will continue to actively participate in bringing the reform process to fruition and better align Hong Kong with the audit regulatory regime worldwide.

在這個瞬息萬變及越趨全球化的環境，與時並進、與其他國際金融中心看齊，是我們賴以成功的關鍵。作為國際金融中心，香港一直緊密連接全球各地。在監管制度方面，我們希望藉著擬議的新審計監管制度，令香港能夠進一步與全球監管制度接軌，符合國際標準和做法，並取得獨立審計監管機構國際論壇的會員資格和歐洲委員會的等效資格。

財務匯報局將繼續以公眾利益為依歸，堅定不移地推進改革過程，希望見證其取得圓滿成果，令香港進一步與全球審計監管制度看齊。



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CHAIRMAN'S STATEMENT

主席報告



The FRC has worked and will continue to work to achieve an audit regulatory regime which is independent of the profession, adopts international best practice and in line with other major capital markets worldwide.

財務匯報局不論過去及將來都會努力不懈，致力令香港的審計監管制度獨立於業界，並採用國際最佳範例的做法，與世界其他主要資本市場看齊。



Dr John Poon, BBS, JP *Chairman*

潘祖明博士，銅紫荊星章，太平紳士 主席

The year 2017 marks the 10th anniversary of the FRC. These are exciting and challenging times to be part of an organisation at the forefront of regulatory reform, and I am honoured to have been reappointed for a third term as Chairman of the FRC. I would like to take this opportunity to restate my full commitment to upholding the core values of the FRC, which include independence and impartiality, accountability and transparency, integrity and proficiency.

Having around 2,000 listed entities with a market capitalisation of approximately HK\$26 trillion, Hong Kong is recognised globally as a major international financial centre. With such a status, the global investing community rightly expects that Hong Kong's audit regulatory regime should be consistent with commonly adopted international standards and practices. The era of "self regulation" for the audit profession among major jurisdictions now belongs firmly to the past, and our audit regulatory regime should be independent of the profession.

The benefit of a jurisdiction having independent audit oversight should not be underestimated. It promotes high quality audit practices and enhances investor confidence in financial reporting, thus providing better protection for investors worldwide. It also supports the globalisation of financial markets and fosters economic growth by facilitating cross-border investments.

2017年是財務匯報局成立10週年的日子。作為走在審計監管改革前線的機構，財務匯報局經歷了很多令人振奮及充滿挑戰的時刻。本人很榮幸第三度獲委任為財務匯報局主席，並藉此重申對堅守本局核心價值的承諾，包括獨立及公平公正、承擔及具高透明度、誠信及精湛才能。

香港是全球公認的主要國際金融中心，擁有約2,000間上市實體，總市值約26萬億港元。鑑於香港的國際地位，全球投資界合理期望香港的審計監管制度應符合國際一般採納的標準和做法。審計行業「自我監管」的時代在主要司法權區已成過去，我們的審計監管制度必須獨立於業界。

司法權區設立獨立審計監管制度的好處不容忽視。獨立的審計監管制度提倡採用優質的審計做法及致力提升投資者對財務匯報方面的信心，從而為世界各地的投資者提供最佳的保障。此外，獨立的審計監管制度亦對金融市場全球化提供支持，同時透過促進跨境投資帶動經濟增長。



For various reasons, Hong Kong has lagged behind in this important global development. In recent years, the FRC has tirelessly advocated for a fundamental reform that would bring the Hong Kong audit regulatory regime into alignment with international best practice and enable it to achieve international recognition in this regard. It is worth briefly recapping our initiatives over the past four years to keep the momentum for audit regulatory reform going, and to help bring the reform process to where it is today – on the verge of the Government's introduction of enabling legislation.

Audit regulatory reform

In 2013, the FRC commissioned a report on independent audit oversight that identified the areas in which Hong Kong did not meet the requirements for membership of the International Forum of Independent Audit Regulators (IFIAR) and fell short of achieving regulatory equivalence with the European Commission (EC). That report helped provide an impetus for the Government to closely examine the existing audit regulatory regime in Hong Kong, following which it published its "Proposals to Improve the Regulatory Regime for Listed Entity Auditors" for public consultation. In June 2015 the Government published its consultation conclusions, which took into account feedback received from the public including the FRC's own written submission. Under the proposals and conclusions, the FRC will become Hong Kong's audit oversight body, vested with direct powers of inspection, investigation and discipline with regard to auditors of listed entities. The FRC will also be vested with oversight power over the Hong Kong Institute of Certified Public Accountants (HKICPA) in relation to registration, the setting of standards in professional ethics, auditing and assurance, and the setting of continuing professional development requirements for auditors of listed entities.

The global audit regulatory environment has continued to evolve. In order to keep abreast of international norms and expectations, in October 2016 the FRC published an Update on Independent Audit Oversight Report (the 2016 Report). The 2016 Report shows clearly that an audit regulator should be operationally independent of the audit profession in the exercise of its functions and powers, and its funding should not be subject to undue influence by the profession.

Recently, the EU has strengthened the governance requirement for audit regulators. For the purpose of gaining EC equivalence, the governing body of an audit regulator must be comprised solely of non-practitioners – identified as persons who in the previous three years have not carried out statutory audits or been employed by or associated with an audit firm.

在種種原因下，香港追不上這個重要的全球發展。財務匯報局近年努力不懈地提倡進行全面改革，令香港的審計監管制度符合國際最佳範例，並達至國際認可的水平。在政府即將就審計監管改革立法之際，讓我們一同回顧本局過去四年來在推動審計監管改革方面的努力，以及現時的監管改革進展。

審計監管改革

於2013年，財務匯報局進行了一份關於獨立審計監管的報告，指出香港在若干方面未能符合獨立審計監管機構國際論壇會員資格，亦未能達到歐洲委員會監管等效資格的規定。該報告有助促使政府詳細審查香港現行的審計監管制度，其後政府發表了「優化上市實體核數師監管制度的建議」諮詢文件。於2015年6月，政府就其諮詢發表了總結，當中考慮到來自公眾及財務匯報局所提交的書面意見。根據建議及總結，財務匯報局將成為香港的獨立審計監管機構，並獲賦予直接行使檢查、調查和紀律處分上市實體核數師的權力。財務匯報局亦將獲賦予權力監察香港會計師公會對上市實體核數師的註冊、職業道德、審計及鑒證準則的制訂和持續專業發展規定的制訂這三方面的職能。

全球審計監管環境不斷演變。為了時刻緊貼國際規範和期望，財務匯報局於2016年10月發表了獨立審計監管更新報告(2016年報告)。2016年報告明確表示審計監管機構在行使其職能及權力方面，須在運作上獨立於審計業界，其資金來源亦不應受到業界的不當干預。

歐洲委員會近期加強了對審計監管機構的管治規定。若要取得歐洲委員會的等效資格，審計監管機構的成員須由非執業會計師組成，亦即於過去三年並非從事法定審計工作或受聘於會計師事務所，或與會計師事務所有關連的人士。

CHAIRMAN'S STATEMENT (continued)

主席報告 (續)

The 2016 Report reiterates the fact that audit regulators of major jurisdictions such as the United Kingdom and the United States all have three key characteristics; they are (1) independent of the profession and have authority over auditors of listed entities; (2) members of IFIAR; and (3) in compliance with the EC requirements. Currently, 41 jurisdictions around the world are IFIAR members and are recognised by the EC as having regulatory equivalence.

We firmly believe that there are no impediments to Hong Kong joining the world of independent audit regulators in the near future, and meeting the requirements for both IFIAR membership and EC equivalence. In this way, Hong Kong will become integrally connected with the audit regulatory regime worldwide, and stand alongside other capital markets at the forefront of global audit regulatory best practice.

2016年報告重申了主要司法權區，例如英國及美國的審計監管機構，均具備三項主要特徵：(1) 獨立於業界，並對上市實體核數師具備監管權；(2) 獨立審計監管機構國際論壇會員；及(3) 符合歐洲委員會的監管規定。現時全球共有41個司法權區既是獨立審計監管機構國際論壇的會員，亦具備歐洲委員會認可的監管等效資格。

本局堅信，沒有任何障礙可以阻止香港於不久的將來成為全球獨立審計監管機構的一份子，並且符合獨立審計監管機構國際論壇的會員資格和歐洲委員會監管等效資格的規定。在此情況下，香港將可與世界各地的審計監管制度接軌，亦站於全球審計監管最佳範例的前線，與其他資本市場看齊。



Dr John Poon, Chairman and Mr Paul F. Winkelmann, CEO, hosted a press briefing for the Update on Independent Audit Oversight Report in October 2016, together with Mr David Barnes from Deloitte LLP.

主席潘祖明博士及行政總裁衛皓民先生，以及Deloitte LLP的David Barnes先生於2016年10月就獨立審計監管的更新報告主持傳媒簡介會。



Effective governance and operational excellence

The support I have received from Council members, members of the Honorary Advisory Panel and the Financial Reporting Review Panel (FRRP) and other lay members of FRC committees has been immense. These members are all well respected in their respective fields, and have played important roles in ensuring excellence across our operations. Apart from providing valuable advice on specific cases, the members of the Honorary Advisory Panel have also contributed to various FRC committees, where they have shared their expertise and independent views. Their unwavering support, exceptional professionalism and firm guidance have contributed greatly to the success and achievement of the FRC. This “check and balance” framework will remain an essential component of our governance culture, embedded at the heart of our activities as our roles and responsibilities expand.

In addition, it has been my great pleasure over the years to have worked with colleagues of exceptional talent and dedication. We have in place a team of highly committed staff and experienced professionals. This team will need to be expanded to ensure that we remain capable and competent in discharging our statutory responsibilities professionally, and are able to meet public expectations of efficiency and effectiveness when our responsibilities broaden as a result of the reform.

Multi-level collaboration

Fostering close communication with our counterparts and stakeholders has always been an important focus of our activities. Locally, the FRC has continued holding its regular liaison meetings with other regulators in Hong Kong, at which all parties have updated each other on the status of referred cases. These meetings also provided welcomed opportunities for discussing regulatory issues of mutual interest, and for developing initiatives that encourage better co-ordination.

At a cross-border level, the FRC has continued and will continue to hold constructive discussions with the Ministry of Finance (MoF) and the China Securities Regulatory Commission (CSRC) in the Mainland. Topics have included regulators' gaining access to audit working papers located in the Mainland. We believe these discussions will lay the groundwork for updating our Memoranda of Understanding to better suit our needs as a full-fledged independent audit regulator.

On a wider scale, the FRC has actively participated in international meetings and conferences. Globalisation requires an audit regulator to think globally, and one of the best ways of doing this is to communicate, coordinate and cooperate closely with similar international organisations. Becoming an IFIAR member will enable us to share experiences and practices, learn from other international audit regulators, and foster cooperation among relevant members globally.

有效監管和卓越運作

本人十分感謝財務匯報局成員、名譽顧問團、財務匯報檢討委員團成員以及財務匯報局屬下委員會的其他非執業成員一直以來的鼎力支持。該等成員在各自所屬的業界備受尊重，而且在確保本局各方面的卓越運作擔當着重要的角色。名譽顧問團成員除了處理具體個案外，亦會在本局不同委員會透過分享專業知識和獨立意見作出寶貴貢獻。各成員一直以來的支持、優秀的專業精神及明確的指導，對財務匯報局取得的成功和成就有莫大貢獻。此「制衡」框架將繼續是本局管治文化的重要部分，在本局日後擴大角色及職能時，仍會植根於本局的運作之中。

此外，本人十分榮幸在多年來能夠和具備優秀才能及充滿熱忱的同僚合作。本局的團隊由熱誠投入的員工及經驗豐富的專業人士所組成。當本局於改革後擴大職能時，將有需要擴充團隊，以確保本局能夠維持具備足夠的能力，專業地履行其法定職責，並符合公眾對本局於處事效率及成效方面的期望。

多方面合作

本局其中一個工作重點是繼續與其他監管機構和持份者保持密切溝通。在本地合作方面，財務匯報局與香港其他監管機構定期舉行聯絡會議，以跟進互相轉介的個案。該等會議亦讓我們討論共同關注的監管議題，並就促進彼此的合作制定措施。

就跨境工作而言，本局繼續與中國財政部（財政部）和中國證券監督管理委員會（中國證監會）進行建設性討論，議題包括監管機構就取得存放於中國內地的審計工作底稿的問題。本局相信，相關的討論將為我們更新諒解備忘錄的工作奠下基礎，以配合日後本局成為全面的獨立審計監管機構的需要。

至於在更廣闊的層面上，本局積極參與國際會議及論壇。在全球化的趨勢下，審計監管機構亦需要作出全球化思考，而其中一個最佳的方法就是與類似的國際組織進行緊密溝通、協調和合作。成為獨立審計監管機構國際論壇會員，將使我們能夠互相分享經驗及實踐方法，以及向其他國際審計監管機構學習，並促進與全球相關成員機構之間的合作。

Appreciations

On 31 March 2016, Mr Mark Dickens retired as the FRC's Chief Executive Officer. I would like to take this opportunity to express my appreciation for his valuable contribution during his tenure. I would also like to welcome Mr Paul F. Winkelmann, our new CEO, who is no stranger to the profession. He assumed the leadership role with passion on 1 April 2016.

Three new Convenors and two new members were appointed to the FRRP in 2016. Apart from welcoming the new members on board, I would like to express my heartfelt appreciation to both the ongoing and recently retired members of the FRRP for their immense contributions.

My profound thanks also go to our 20 Honorary Advisers for their enormous contributions to the effective and efficient operations of the FRC.

There has been no change in the Council's membership, with four members having been re-appointed for another two-year term to 30 November 2018. I truly value the impartiality and independence of mind offered by Council members, and I would like to thank them for their continuous support, for their contributions, and for their unflinching commitment to the FRC.

致謝

狄勤思先生於2016年3月31日退任本局的行政總裁一職。本人藉此機會感謝狄勤思先生於在任期內對本局所作的寶貴貢獻。本人亦歡迎衛皓民先生出任本局的新行政總裁。衛皓民先生於業內廣為人識，他於2016年4月1日加入本局。

財務匯報檢討委員會於2016年委任三名新召集人及兩名新成員。除了歡迎新成員加入外，本人亦衷心感謝現任及於近期退任的財務匯報檢討委員會成員所作出的莫大貢獻。

本人亦衷心感謝20名名譽顧問對本局的高效運作所作出的貢獻。

本局成員的組成維持不變，四名成員已獲重新委任，任期為兩年，至2018年11月30日。對於本局成員所給予的公正而獨立的意見，本人均珍而重之，亦想藉此感謝本局成員一直以來的支持，以及對本局的一切貢獻及不懈承諾。



Council members for 2016.

2016年的財務匯報局成員。



Looking ahead

I would like to end by reiterating the clear expectations of the global investing community, i.e. that the Hong Kong audit regulatory regime should be independent of the audit profession, adopt international best practice, and be in line with other major capital markets worldwide.

To meet these expectations, reform is essential. The legislative framework should enable Hong Kong to become eligible for membership of IFIAR and to be recognised as having regulatory equivalence with the EC. We believe that this is in the best interests of the investing public and will strengthen Hong Kong as a major international financial centre, as well as better aligning it with other major capital markets.

With support from the Council and the Honorary Advisory Panel, coupled with the efforts of our dedicated and professional staff, I am confident that we have laid a solid foundation to build on. It is a foundation that will enable us to competently tackle any future challenges that may arise.

展望未來

作為總結，本人在此重申全球投資界的明確期望，亦即香港的審計監管制度應該獨立於審計業界，採用國際最佳範例的做法，並與國際其他主要資本市場看齊。

為了達到此目標，改革是必須的。立法框架應可讓香港符合獨立審計監管機構國際論壇的會員資格和歐洲委員會的監管等效資格。本局相信，審計監管改革符合大眾投資者的最佳利益，不但可以鞏固香港作為主要國際金融中心的地位，並且可以讓香港進一步與全球其他資本市場看齊。

憑藉本局成員和名譽顧問團的支持，加上本局專業團隊的熱誠和努力，本人有信心本局將可在堅實的基礎上向前邁進，並有能力應付未來可能出現的任何挑戰。

Dr John Poon, BBS, JP
潘祖明博士，銅紫荊星章，太平紳士
Chairman
主席

9 March 2017
2017年3月9日

CHIEF EXECUTIVE OFFICER'S REPORT

行政總裁報告



2016 was an active year for the FRC. We focused on enhancing our operational efficiency, continued our support for the audit regulatory reform and fostered our collaboration with other regulators. We will continue to work on these three priorities in the coming year.

2016年是財務匯報局活躍的一年。本局專注提升營運效率，繼續支持審計監管改革，並促進與其他監管機構之間的合作。於未來一年，本局將會繼續在這三個重點項目上努力。



Mr Paul F. Winkelmann *Chief Executive Officer*
衛皓民先生 行政總裁

This is my first report since taking up the position of CEO on 1 April 2016. I am pleased to report that we have had a very active year.

這是本人自2016年4月1日起接任行政總裁一職後的首份年報。本人欣然報告，在過去一年，本局積極進行了大量工作。

The FRC's mission is to be a facilitator in enhancing the quality of financial reporting in Hong Kong, so that the global investment community can continue to place full trust in the Hong Kong capital market. I believe that a primary element in achieving this mission is having the ability to work with preparers and auditors as part of a process designed to constantly improve quality and keep up to date with changes in financial reporting expectations. In this regard I welcome the anticipated changes in the auditor regulatory regime, which will give us the opportunity to work with auditors through the inspection process. We will also be able to contribute to the development of relevant standards on auditing and ethics through the proposed oversight process.

財務匯報局的使命，是致力提升香港財務匯報的質素，令全球投資者可以繼續信賴香港的資本市場。本人相信，要達至這個使命，關鍵在於與財務報表編製者和核數師合作，共同制定程序以持續提升財務報告的質量，並緊貼市場對財務匯報方面不斷變化的期望。就此而言，本人歡迎審計監管制度的預期轉變，該等轉變將為本局提供機會，透過查核程序與核數師合作，並透過擬議的監察程序，在制定審計及職業道德的相關標準方面作出貢獻。



Operations

We received and handled an unprecedented number of pursuable complaints in 2016. After averaging 25 a year over the previous five years, the number of complaints rose to a total of 118 this year. During the year we completed 11 investigations, the highest number since we commenced operations. We also initiated 18 investigations during the year, a substantial increase over the previous year when 11 investigations were initiated. Further discussion and analysis of our operations can be found in the “Management and Operations Review” section on pages 54 to 77 of this annual report.

In order to manage this increased level of activity effectively, we needed to focus our resources on enhancing the efficiency with which we handled complaints, investigations and enquiries. With the approval of our Operations Oversight Committee, we made several amendments to our operations manual. In particular, we streamlined our complaints handling process so that we could better meet our goal of evaluating complaints within three months of receiving them. This means that we are now able to evaluate each complaint more quickly to decide whether an investigation is warranted, an enhancement that has led to a rise in the number of investigations initiated during the year.

With regard to investigations, we have re-examined how we draft our reports and findings. Further efficiencies in the area of investigations are planned for 2017.

We also reconsidered our financial statements review programme. For 2016 we revised the programme to introduce “filters” to more effectively identify areas of likely non-compliance and/or irregularity. The revised filters focus on the following attributes:

- Companies with change of auditors due to disagreements or unresolved issues;
- Companies whose audit firm is small in relation to the complexity of the audit;
- Financial statements with alleged non-compliance with accounting requirements and/or auditing or reporting irregularities based on media reports/companies subject to intervention by HKEx;
- Financial statements with significant prior period errors suggesting investors relying on prior period financial statements could have been misled; and
- Financial statements with modified auditor’s reports.

Our work on modified auditors reports is now no longer a separate exercise.

運作

本局於2016年接獲及處理的可跟進投訴數目創歷年新高。繼過去五年每年平均接獲25宗後，本年度接獲的投訴數目上升至合共118宗。年內，本局完成11宗調查，是自本局開始運作以來的最高數目。本局亦於年內展開了18宗調查，較上一個年度展開的11宗調查大幅上升。有關本局運作的進一步討論及分析，可參閱本年報第54頁至第77頁「管理及運作回顧」一節。

為了有效地處理日益增加的個案，本局需要集中資源以提升處理投訴、調查及查詢的效率。經過運作監察委員會批准後，本局對內部運作手冊作出了若干修訂，當中包括簡化投訴處理程序，從而達到本局於接獲投訴後的三個月內作出評估的目標。修訂內部運作手冊後，本局現時能夠更快地評估每宗投訴，以決定是否需要展開調查。因此，本年度所展開的調查數目有所上升。

在調查方面，本局重新審視了草擬調查報告及結果的方法。本局計劃於2017年進一步提高調查的效率。

本局亦重新檢視財務報表審閱計劃。本局於2016年對該計劃作出修訂，包括加入「篩選機制」，以更有效地識別可能不遵從會計規定的事宜及/或審計不當行為。經修訂的篩選機制專注於以下類別：

- 由於出現意見分歧或未解決事項而更換核數師的公司；
- 聘用小型會計師行處理複雜的審計問題的公司；
- 基於媒體報導其財務報表涉嫌有不遵從會計規定事宜及/或有審計或匯報不當行為/被香港交易及結算有限公司(港交所)介入的公司；
- 作出重大前期調整的財務報表(投資者或受該前期財務報表誤導)；及
- 附有非無保留意見核數師報告的財務報表。

至於非無保留意見核數師報告的審閱工作，現已不再分開進行。

Up to now, we have relied on the support of external reviewers in operating this programme. I am very grateful for their dedicated work in this regard, all of which has been undertaken on an honorary basis. Having regard to the intent of the programme, and in order to better achieve independence of the programme from the profession, 2017 will see us change to make this a fully in-house programme, with the recruitment of additional staff.

Regulatory Reform

In line with our theme for this year's annual report, we have spent a considerable amount of time on dealing with developments in the area of audit regulatory reform. In October, we held a press briefing which aroused significant public interest and attracted positive media coverage. The Independent Audit Oversight Reform Committee (IAORC) and its sub-committee held several discussions on key matters which the government proposes to introduce in the bill for audit regulatory reform. In addition, I and one of my directors visited the United Kingdom Financial Reporting Council (UK FRC) to gain a more comprehensive understanding of their structure and operations.

I very much look forward to the introduction of the bill. The FRC is firmly committed to supporting it through to its successful implementation.

Regulator Outreach

We have also continued to reach out to, and interact with, other regulators in Hong Kong, China and internationally. We have continued to hold quarterly liaison meetings with the SFC, HKEx and the HKICPA, at which we share information regarding common findings and issues and discuss how we can improve on our responses collectively.

截至目前為止，本局一直依靠外部審閱人員協助執行財務報表審閱計劃。他們的委任純屬義務性質，本人衷心感謝他們所付出的貢獻。因應計劃的目的，並使計劃進一步獨立於業界，本局將於2017年作出改變，把財務報表的審閱改為全部由本局負責，及在這方面增加人手。

監管改革

正如本年報的主題所示，本局在推動審計監管改革的發展方面投入了不少時間。本局於10月份舉行了傳媒簡介會，引起了大眾的關注以及正面的媒體報導。本局的獨立審計監管改革委員會及其小組委員會亦已進行了若干討論，以商討有關政府建議就審計監管改革提交條例草案的主要事宜。此外，本人與本局的其中一名總監到訪了英國財務匯報局，以便全面地了解其架構及運作。

本人十分期待政府提交相關的條例草案。財務匯報局將積極支持審計監管改革，使之能夠成功完成。

監管機構外展工作

本局亦繼續與香港、中國及國際其他監管機構廣泛聯絡及交流。本局繼續與香港證監會、港交所及香港會計師公會舉行季度聯絡會議，互相分享有關調查個案的主要發現及問題，並共同討論如何改善我們的回應。



In November 2016, the CEO of the FRC gave a presentation at the annual joint financial reporting forum organized by the HKICPA, HKEx and FRC. 於2016年11月，財務匯報局的行政總裁在香港會計師公會、港交所及財務匯報局聯合舉辦的年度財務匯報論壇上發表演說。



We have also continued to maintain dialogue with the Ministry of Finance (MoF) on our access to audit working papers in the Mainland. These meetings have been important in achieving across-the-board efficiencies in enforcing regulations in the Hong Kong capital market.

To keep abreast of developments globally, I and my Deputy CEO, Ms Wincey Lam, attended a roundtable discussion in April 2016 hosted by the Malaysian Institute of Accountants, the Association of Chartered Certified Accountants (ACCA), and the International Auditing and Assurance Standards Board (IAASB). The discussion focused on the topics of professional scepticism, quality control and group audits. We shared our insights and experience in relation to enhancing audit quality with representatives from regulators, practitioners, professional bodies and academia from across the Asia Pacific region.

We enhanced our relationship with the UK FRC through our visit to them and through other interactions. In addition, we received a visit from the Public Company Accounting Oversight Board which enabled us to gain a better understanding of some of their procedures under their specific regulatory regime.

We also met with the IAASB and the ACCA Global Regulatory Team. These meetings were useful opportunities to share views and experience in relation to global regulatory developments and the regulatory environment in Hong Kong.

本局亦就取得存放於內地的審計工作底稿的問題，繼續與中國財政部溝通。雙方的討論對於提高香港資本市場監管方面的整體效率尤為重要。

為了緊貼全球的最新發展，本人和副行政總裁林穎志女士於2016年4月份出席了由馬來西亞會計師協會、特許公認會計師公會及國際審計及鑒證準則理事會舉行的圓桌會議，討論關於審計工作所需的專業懷疑態度、質量控制及集團審計等議題。我們與來自亞太區不同國家的監管機構代表、執業會計師、專業團體及學者互相分享了關於提升審計質量的心得和經驗。

本局透過到訪英國財務匯報局及其他交流活動，加強本局與該局之間的關係。此外，本局接待了美國上市公司會計監督委員會的團隊的到訪，以進一步了解其特定監管制度中的若干程序。

我們亦與國際審計與鑒證準則理事會及特許公認會計師公會的全球審計監管團隊會面。這些會面為我們提供了寶貴的機會，就全球監管發展及本港監管環境互相分享心得及經驗。



In April 2016, the CEO and the Deputy CEO of the FRC attended the roundtable discussion hosted by the Malaysian Institute of Accountants, the ACCA and the IAASB in Kuala Lumpur, Malaysia.

於2016年4月，財務匯報局的行政總裁及副行政總裁出席了由馬來西亞會計師協會、特許公認會計師公會及國際審計及鑒證準則理事會在馬來西亞吉隆坡舉行的圓桌會議。



In May 2016, the CEO of the FRC gave a presentation on “New Auditor Reporting Standard” to a group of chief executives of enterprises from Mainland China at a seminar hosted by PricewaterhouseCoopers.

於2016年5月，財務匯報局的行政總裁在羅兵咸永道會計師事務所舉行的研討會上，向一眾內地企業的行政總裁發表以「最新審計報告標準」為題的演說。

Communication with the Investing Public

We have continued to work to enhance the transparency of our operations as much as possible, and to improve our communication channels with stakeholders and the investing public. This year, as every year, the FRC also reported on its work and answered questions from legislators at a meeting of the Panel on Financial Affairs of the Legislative Council.

Financial Review

Our four funding parties – the Companies Registry Trading Fund, HKEx, the HKICPA and the SFC – provided us with HK\$29.36M of funding (2015: HK\$27.96M). Total expenditure amounted to HK\$27.33M (2015: HK\$23.21M). The surplus for the year was HK\$2.88M (2015: HK\$5.88M).

Staff costs accounted for HK\$23.44M or 86% of total expenses (2015: HK\$21.02M or 90% of total expenses). This year we incurred additional costs for the audit oversight research and related expenses of HK\$2M (2015: HK\$0.5M).

Resources

As mentioned in last year's report, two new professional staff members joined us in the first quarter of 2016. We are currently in the process of recruiting three more professionals to help address our workload. This will bring our total complement of staff to 25, of which 16 will be professional staff.

In order to cultivate our existing talent pool, we continued to organise technical training for our professional staff designed to assist them in staying up-to-date with accounting and auditing standards and keeping their investigation skills sharp.

與投資者溝通

本局繼續致力提高運作的透明度，並改善與持份者及公眾投資者的溝通渠道。此外，一如既往，財務匯報局於本年度立法會財經事務委員會會議上，向立法會議員匯報工作及回應提問。

財務檢討

本局的四間撥款機構（公司註冊處營運基金、港交所、香港會計師公會及證監會）向本局支付的年度撥款合共2,936萬港元（2015年：2,796萬港元）。開支總額為2,733萬港元（2015年：2,321萬港元）。年內盈餘為288萬港元（2015年：588萬港元）。

員工成本為2,344萬港元，佔總開支86%（2015年：2,102萬港元，佔總開支90%）。在本年度，本局就審計監管研究所產生的額外成本及相關開支為200萬港元（2015年：50萬港元）。

資源

誠如去年年報所述，兩名屬專業人士的新員工於2016年第一季加入本局。本局現正招聘額外三名屬專業人士的新員工，以處理本局的工作量。此舉將使本局的員工數目增至25人，當中16人屬專業人士。

為了培育現有的團隊，本局繼續為專業員工舉辦專業技術培訓，以加深他們對最新會計及審計準則的認識，並加強他們的調查技巧。



Acknowledgements

At the end of March 2016, Mr Mark Dickens retired from the role of CEO. I would like to thank Mark for handing over a FRC made up of a strong team of professionals supported by a dedicated administrative staff. I am fortunate to have inherited such a robust organisation, served by such dedicated and high quality staff.

I would like to take this opportunity to thank the Chairman, Council Members, the Honorary Advisory Panel, the Financial Reporting Review Panel, the FSTB, and the Process Review Panel. Without the support and professional insights of these individuals and bodies, leading the FRC would be a much more difficult task than it is.

致謝

於2016年三月底，狄勤思先生退任行政總裁一職。我謹在此感謝狄勤思先生移交了一個具備優秀才能的專業團隊和一班對工作充滿熱誠的行政員工，我很榮幸能夠接手管理一個如此健全及得到充滿熱誠及優秀團隊支持的機構。

本人亦藉此機會對主席、本局成員、名譽顧問團、財務匯報檢討委員會、財經事務及庫務局及程序覆檢委員會表示衷心的謝意。沒有該等人士及機構的支持及專業見解，領導財務匯報局的工作將會比現時艱辛得多。

Mr Paul F. Winkelmann
衛皓民先生
Chief Executive Officer
行政總裁
9 March 2017
2017年3月9日

FINANCIAL REPORTING COUNCIL MEMBERS

財務匯報局成員

Chairman 主席

- 1 Dr John Poon, BBS, JP
潘祖明博士，銅紫荊星章，太平紳士

Members 成員

- 2 Mr Chan Tze Ching, BBS, JP
陳子政先生，銅紫荊星章，太平紳士
- 3 Mr Wilson Fung
馮英偉先生
- 4 Mr Nicholas Sallnow-Smith
蘇兆明先生
- 5 Mr Sin Chung Kai, SBS, JP
單仲偕先生，銀紫荊星章，太平紳士
- 6 Mr David Stannard
冼達能先生
- 7 Mr Wong Kai Man, BBS, JP
黃啟民先生，銅紫荊星章，太平紳士
- 8 Dr Kelvin Wong, JP
黃天祐博士，太平紳士
- 9 Ms Eirene Yeung
楊逸芝女士
- 10 Ms Ada Chung, JP (ex-officio)
鍾麗玲女士，太平紳士(當然成員)
- 11 Mr Paul F. Winkelmann (ex-officio)
衛皓民先生(當然成員)





FRC Financial Reporting Council
財務匯報局



PROFILES OF FRC MEMBERS

財務匯報局成員簡介

Chairman

主席



Dr John Poon, BBS, JP (re-appointment effective 15 December 2016; term expires on 14 December 2018)

Dr Poon is a solicitor and a non-executive director of the Mandatory Provident Fund Schemes Authority. He was formerly the deputy chairman of Esprit Holdings Limited until July 2008. Dr Poon served as a lay member of the council of the Hong Kong Institute of Certified Public Accountants from December 2005 to December 2011 during which he was also the chairman of Professional Qualifications Accountability Board (2009-2011) and the chairman of Governance Review Task Force in 2011. He was a member of the Standing Committee on Company Law Reform (2003-2009) and the Board of Review (Inland Revenue Ordinance) (2004-2010).

潘祖明博士，銅紫荊星章，太平紳士(於2016年12月15日再度獲委任；任期至2018年12月14日屆滿)

潘博士為一名律師，亦是強制性公積金計劃管理局非執行董事。他曾任思捷環球控股有限公司的副主席至2008年7月。潘博士曾於2005年12月至2011年12月出任香港會計師公會理事會業外理事；期間亦擔任專業資格專責委員會主席(2009-2011)及於2011年出任管治檢討專責小組主席。他曾任公司法改革常務委員會成員(2003-2009)，及稅務上訴委員會委員(2004-2010)。

Members

成員



Mr Chan Tze Ching, BBS, JP (re-appointment effective 1 December 2016 on the nomination of the Hong Kong Exchanges and Clearing Limited; term expires on 30 November 2018)

Mr Chan is a senior advisor of The Bank of East Asia and CVC Capital Partners. Mr Chan is a veteran banker, with over 30 years of banking experience covering Hong Kong, Japan, Taiwan and Mainland China. He currently serves on the boards of various listed companies, NGOs and government statutory bodies.

陳子政先生，銅紫荊星章，太平紳士(由香港交易及結算所有限公司提名，於2016年12月1日再度獲委任；任期至2018年11月30日屆滿)

陳先生現任東亞銀行及CVC Capital Partners高級顧問。陳先生為資深銀行家，在業界超過30年經驗函括香港、日本、台灣及中國等地。他目前擔任多間上市公司、志願團體及政府法定機構的董事。



Mr Wilson Fung (re-appointment effective 1 December 2016 on the nomination of the Hong Kong Institute of Certified Public Accountants (HKICPA); term expires on 30 November 2018)

Mr Fung has over 17 years of experience in auditing in Hong Kong and the United Kingdom. Having worked for Jardine Matheson for 21 years, he retired from the company as its group financial controller in September 2014. He is a fellow member of both the HKICPA and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants in England and Wales. He was elected as president of the HKICPA in 2010. Mr Fung is the founding president of Hong Kong Business Accountants Association, the chairman of Hong Kong Dance Company, a member of the Town Planning Board, a member of Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal, a member of Hong Kong Productivity Council, a member of the West Kowloon Cultural District Authority Board, a member of the Audit Committee of Hong Kong University of Science and Technology and a director of the Urban Renewal Fund. He was appointed to the Financial Reporting Review Panel of the FRC as a Convenor from July 2007 to July 2013.

馮英偉先生(由香港會計師公會提名,於2016年12月1日再度獲委任;任期至2018年11月30日屆滿)

馮先生在香港及英國擁有逾17年審計經驗,曾於怡和管理有限公司工作超過21年,於2014年9月退休前為集團財務總監。他是香港會計師公會及特許公認會計師公會的資深會員,也是英格蘭和威爾斯特許會計師公會的會員。他曾於2010年出任香港會計師公會會長。馮先生是香港商界會計師協會創會會長、香港舞蹈團主席、城市規劃委員會成員、打擊洗錢及恐怖分子資金籌集(金融機構)覆核審裁處委員、香港生產力促進局成員、西九文化區管理局董事局成員、香港科技大學審計委員會成員及市區更新基金的董事會成員。他曾於2007年7月至2013年7月期間出任財務匯報局的財務匯報檢討委員會召集人。



Mr Nicholas Sallnow-Smith (re-appointment effective 1 December 2015; term expires on 30 November 2017)

Mr Sallnow-Smith has been chairman of The Lion Rock Institute of Hong Kong since April 2016. He has over 40 years of experience in the finance and treasury field in the United Kingdom and Asia, and has extensive knowledge of the property investment/ management industry in Hong Kong. He was previously chairman of the Board of the REIT Manager Link Asset Management Limited from 2007-2016. He was chief executive of Hongkong Land Limited between 2000 and 2007. He is an independent non-executive director of Wynn Macau, Limited, UCP Plc and Aviva Life Insurance Company Limited (Hong Kong). He has been actively involved in public service and is an executive committee member of the Hong Kong Youth Arts Foundation, a member of the Council of the Treasury Markets Association, and a councilor of Foundation for The Arts and Music in Asia Ltd. He is also a member of the Board of Governors of Hong Kong Philharmonic Society Ltd. and a director of East Asian History of Science Foundation Ltd.

蘇兆明先生(於2015年12月1日再度獲委任;任期至2017年11月30日屆滿)

蘇兆明先生於2016年4月開始擔任香港獅子山學會主席。他於英國及亞洲的金融及財資領域擁有逾40年經驗,並在香港的物業投資/管理行業擁有廣博知識。他於2007年至2016年間曾擔任領匯管理有限公司的董事會主席,以及於2000年至2007年間曾擔任香港置地集團公司的行政總裁。他是永利澳門有限公司、UCP Plc及香港的英傑華人壽保險有限公司的獨立非執行董事。他積極參與公職服務,現為香港青年藝術協會行政委員會成員、財資市場公會議會的成員、及亞洲藝術音樂推廣基金會的委員。他也是香港管弦協會有限公司董事及東亞科學歷史基金會之董事。

PROFILES OF FRC MEMBERS (continued)

財務匯報局成員簡介 (續)



Mr Sin Chung Kai, SBS, JP (re-appointment effective 1 December 2015; term expires on 30 November 2017)

Mr Sin was a Legislative Councillor representing the geographical constituency of Hong Kong Island from 2012 to 2016. He served as a board director of the West Kowloon Cultural District Authority and the chairman of its remuneration committee from 2008 to 2014. Mr Sin served as a board member of the Hong Kong Tourism Board from 2008 to 2014, a member of the Council for Sustainable Development from 2009 to 2013, a member of the Greater Pearl River Delta Business Council from 2009 to 2013 and a member of the Operations Review Committee and Witness Protection Review Board Panel of the Independent Commission Against Corruption from 2006 to 2012. He served as a member of the Housing Authority from 2001 to 2009 and a board director of the Hong Kong Mortgage Corporation Limited from 1999 to 2009.

單仲偕先生，銀紫荊星章，太平紳士（於2015年12月1日再度獲委任；任期至2017年11月30日屆滿）

單先生曾於2012年至2016年為代表香港島地方選區的立法會議員。他曾於2008年至2014年為西九文化區管理局董事局成員及該局薪酬委員會主席。單先生曾於2008年至2014年擔任香港旅遊發展局成員，2009年至2013年擔任可持續發展委員會成員，於2009年至2013年為大珠三角商務委員會委員，以及曾於2006年至2012年擔任廉政公署審查貪污舉報諮詢委員會及保護證人覆核委員會委員。他曾於2001年至2009年擔任房屋委員會委員，及於1999年至2009年擔任香港按揭證券有限公司董事局成員。



Mr David Stannard (re-appointment effective 1 December 2015; term expires on 30 November 2017)

Mr Stannard is a corporate lawyer based in Hong Kong. He was executive director in charge of the Corporate Finance Division of the Securities and Futures Commission from January 1999 to September 2001, a member of the Listing Committees of the Main Board and the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited from 2003 to 2008 and a member of the Standing Committee on Company Law Reform from 2003 to 2010.

洗達能先生（於2015年12月1日再度獲委任；任期至2017年11月30日屆滿）

洗達能先生是常駐香港的公司律師。他於1999年1月至2001年9月出任證券及期貨事務監察委員會企業融資部執行董事，2003年至2008年為香港聯合交易所有限公司主板和創業板上市委員會成員，2003年至2010年為公司法改革常務委員會成員。



Mr Wong Kai Man, BBS, JP (re-appointment effective 1 December 2016 on the nomination of the Securities and Futures Commission; term expires on 30 November 2018)

Mr Wong was a non-executive director of the SFC (2009-May 2015) and a member of the Listing Committee (1999-2003) of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. He was an audit partner of PricewaterhouseCoopers, Hong Kong before his retirement in June 2005. He has served/is serving as an independent non-executive director of several companies listed in Hong Kong. Mr Wong has also served on advisory committees and statutory bodies established by the Government of the Hong Kong Special Administrative Region, boards of charities and councils of universities.

黃啟民先生，銅紫荊星章，太平紳士（由證券及期貨事務監察委員會提名，於2016年12月1日再度獲委任；任期至2018年11月30日屆滿）

黃先生為證監會之非執行董事（2009年至2015年5月）及聯交所創業板上市委員會成員（1999-2003）。黃先生亦為香港羅兵咸永道會計師事務所的審計合夥人，並於2005年6月退休。他是幾間上市公司的獨立非執行董事。黃先生亦服務於多個香港特別行政區政府之諮詢及法定委員會、非牟利機構之董事局及數間大學的校董會。



Dr Kelvin Wong, JP (appointment effective 1 December 2015; term expires on 30 November 2017)

Dr Wong is an executive director and deputy managing director of COSCO SHIPPING Ports Limited (formerly known as COSCO Pacific Limited). He is also an independent non-executive director of seven listed companies in Hong Kong. He is the immediate past chairman of The Hong Kong Institute of Directors, a non-executive director of the Securities and Futures Commission, the chairman of the Investor Education Centre and a member of the Operations Review Committee of Independent Commission Against Corruption. A former member of Main Board and GEM Listing Committee of The Stock Exchange of Hong Kong Limited, the Standing Committee on Company Law Reform and the Corruption Prevention Advisory Committee of Independent Commission Against Corruption.

黃天祐博士，太平紳士（於2015年12月1日獲委任；任期至2017年11月30日屆滿）

黃博士為中遠海運港口有限公司（前稱：中遠太平洋有限公司）執行董事兼董事副總經理，亦為七間香港上市公司的獨立非執行董事。他為香港董事學會卸任主席、證券及期貨事務監察委員會非執行董事、投資者教育中心主席及廉政公署審查貪污舉報諮詢委員會委員。他亦為香港聯合交易所有限公司主板及創業板上市委員會前任成員、公司法改革常務委員會前任委員及廉政公署防止貪污諮詢委員會前任委員。

PROFILES OF FRC MEMBERS (continued)

財務匯報局成員簡介 (續)



Ms Eirene Yeung (re-appointment effective 1 December 2016; term expires on 30 November 2018)

Ms Yeung is a Member of the Executive Committee and the Company Secretary of Cheung Kong Property Holdings Limited. She is also the Company Secretary and the Alternate Director to the Group Managing Director of Cheung Kong Infrastructure Holdings Limited; the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc.; and a Non-Executive Director of ARA Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed in Hong Kong and Singapore.

Ms Yeung is a member of the SFC (HKEX Listing) Committee of the SFC of Hong Kong, a member of the Listing Committee of the Main Board and Growth Enterprise Market of the SEHK, a member of the Advisory Committee on Corruption of the ICAC and Vice Chairman of the General Committee of The Chamber of Hong Kong Listed Companies. Ms Yeung is a solicitor of the High Court of the Hong Kong Special Administrative Region and of the Senior Courts of England and Wales.

楊逸芝女士(於2016年12月1日再度獲委任;任期至2018年11月30日屆滿)

楊逸芝女士為長江實業地產有限公司執行委員會委員兼公司秘書,同時任長江基建集團有限公司之公司秘書及為長江基建集團有限公司集團董事總經理之替任董事,並任長江生命科技集團有限公司之公司秘書。楊女士亦為置富資產管理有限公司之非執行董事,該公司管理於香港及新加坡上市之房地產投資信託基金「置富產業信託」。

楊女士為香港證監會之證監會(香港交易所上市)委員會委員、香港聯交所主板及創業板上市委員會成員、廉政公署貪污問題諮詢委員會委員,以及香港上市公司商會常務委員會副主席。楊女士為香港特別行政區高等法院律師及英格蘭及威爾斯高級法院律師。



Ms Ada Chung, JP (ex-officio) (appointment effective 1 October 2007)

Ms Chung is the Registrar of Companies. As a representative of the Financial Secretary, Ms Chung is an ex-officio council member of the Hong Kong Institute of Certified Public Accountants. She is also a fellow of the Hong Kong Institute of Chartered Secretaries and the Hong Kong Institute of Directors. Before her appointment as the Registrar, she was a Deputy Law Officer of the Department of Justice. Ms Chung qualifies as a certified public accountant and a barrister-at-law.

鍾麗玲女士, 太平紳士(當然成員)(由2007年10月1日起)

鍾女士為公司註冊處處長。鍾女士以財政司司長代表的身份,出任香港會計師公會理事會當然成員。她亦是香港特許秘書公會及香港董事學會的資深會員。鍾女士獲委任為處長前,為律政司副民事法律專員。鍾女士擁有會計師及大律師資格。



Mr Paul F. Winkelmann (ex-officio)
(appointment effective 1 April 2016; term expires
on 31 March 2019)

Mr Winkelmann is the Chief Executive Officer of the Financial Reporting Council. He has rich experience in the accounting profession. He was the partner-in-charge of PricewaterhouseCoopers' Risk Management and Quality team in Greater China from 2002 to 2014 and was the president of the Hong Kong Institute of Certified Public Accountants (HKICPA) in 2009. He also served as the Chairman of the Financial Reporting Standards Committee of the HKICPA from 2004 to 2009 which oversaw the full convergence of Hong Kong's accounting standards with the international standards. He was a member of the Operations Oversight Committee of the FRC from August 2013 to March 2016.

衛皓民先生(當然成員)(任期由2016年4月1日
起至2019年3月31日屆滿)

衛皓民先生是財務匯報局的行政總裁。他在會計專業方面具豐富的經驗。他在2002年至2014年為羅兵咸永道會計師事務所大中華區負責風險管理及質素的主管合夥人，並曾在2009年擔任香港會計師公會會長。他亦曾在2004年至2009年期間擔任香港會計師公會轄下財務報告準則委員會的主席，領導香港會計師公會在會計準則方面與國際標準全面接軌。他在2013年8月至2016年3月曾任財務匯報局運作監察委員會成員。

CORPORATE GOVERNANCE

機構管治

The mission of the FRC is to uphold the quality of financial reporting of listed entities in Hong Kong by exercising its statutory powers under the Financial Reporting Council Ordinance (Cap 588) (FRCO).

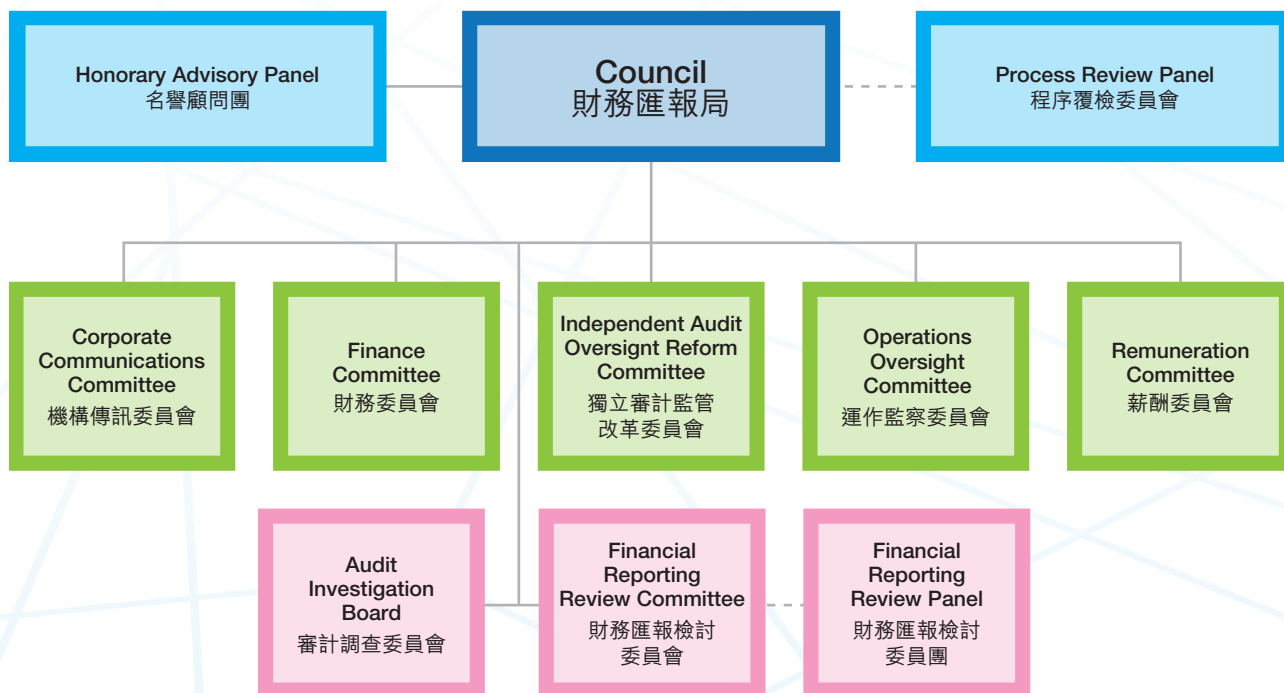
The FRC is committed to high standards of corporate governance and operates within a comprehensive framework of values and guidelines that emphasises integrity, proficiency, independence, impartiality, accountability and transparency. To facilitate effective operations and management of the organisation, the FRC has adopted the best practices outlined by the International Federation of Accountants and has in place a clearly defined governing structure, high standards of conduct, reliable internal control procedures and appropriate checks and balances.

財務匯報局透過行使根據《財務匯報局條例》(第588章)所賦予的法定權力，致力履行其維持香港上市公司的財務匯報質素的使命。

財務匯報局致力實行卓越的機構管治，於一套重視誠信、精通、獨立、公正、承擔及具高透明度的框架內運作。為了達致有效運作及卓越管理，本局已採納國際會計師聯合會發表的最佳作業標準，並且已制定清晰明確的管治制度、嚴格的操守標準、可靠的內部控制程序及恰當的制衡措施。

Organisation Structure

組織架構





The Council

The FRC is governed by its Members, who operate as a Council. A significant majority of Council Members, including the Chairman, are lay persons, i.e., non-accountants. All members are independent of the audit profession. This ensures the Council's independence in carrying out its functions.

The FRC's Chief Executive Officer (CEO) is appointed by the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) on the recommendation of the Council. As at 31 December 2016, there were 11 Members on the Council. Three of these 11 members are nominated by Hong Kong Exchanges and Clearing Limited (HKEx), the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Securities and Futures Commission (SFC) respectively. The Registrar of Companies or her representative, and the FRC's CEO, are ex-officio members.

Council members are appointed for a two year term which is renewable. Procedures are in place to ensure an adequate rotation of members on an annual basis.

The CEO and his staff manage the operations of the FRC and they report back to Council in accordance with the provisions of the procedural manual. On their part, Council gives directives to the CEO and his staff, and ensures the organisation's statutory functions are being performed effectively.

Members of the Council are legally bound to declare any interest they may have in a case. Council Members present during deliberations or decision-making by HKEx, the HKICPA or the SFC relating to cases to be referred to the FRC are considered as having an interest in that case. In accordance with the FRCO, Council Members having such an interest may not (a) be present during any deliberation by the Council, (b) take part in any decision of the Council, or (c) be given any documents related to the case.

財務匯報局成員

財務匯報局成員負責監管財務匯報局的運作。本局的大部分成員(包括主席)均為業外人士,即非會計師。本局的所有成員均獨立於審計業界,這確保了本局能夠獨立履行職能。

本局的行政總裁由香港特別行政區行政長官經本局推薦委任。財務匯報局於2016年12月31日的成員共11人,其中三名成員分別由香港交易及結算有限公司(港交所)、香港會計師公會以及證券及期貨事務監察委員會(證監會)提名委任。本局的兩名當然成員分別是公司註冊處處長或其代表,以及本局的行政總裁。

財務匯報局成員的委任期為兩年,其後可獲得再度委任。現已制定措施,以確保每年均有足夠成員輪流退任。

行政總裁及其員工負責財務匯報局的日常運作,並根據程序手冊的條文向本局匯報工作。本局會向行政總裁及其員工發出指引,確保有效履行機構的法定職能。

財務匯報局成員如於個案中可能有任何利益關係,須依法申報。本局成員如在港交所、香港會計師公會或證監會審議是否轉介個案予本局時在場,又或曾經參與該機構的有關決策,一律被界定為在個案中有利益關係。根據《財務匯報局條例》,在個案中有利益關係的成員不能就有關個案(a)出席本局成員任何審議環節;(b)參與財務匯報局成員所作出的任何決定;或(c)獲得任何有關文件。

Council Meetings

The Council meets once every two months and holds additional meetings as and when necessary. The financial statements of the Council and progress reports on cases are also submitted to the Council for review at meetings. In 2016, the Council held seven meetings, all of which were conducted in accordance with the provisions of the FRCO.

Attendance at Council meetings in 2016 was as follows:

		Meetings attended/held 會議出席/舉行次數
Dr John Poon, BBS, JP (Chairman)	潘祖明博士，銅紫荊星章，太平紳士(主席)	7/7
Mr Chan Tze Ching, BBS, JP	陳子政先生，銅紫荊星章，太平紳士	5/7
Mr Wilson Fung	馮英偉先生	7/7
Mr Nicholas Sallnow-Smith	蘇兆明先生	6/7
Mr Sin Chung Kai, SBS, JP	單仲偕先生，銀紫荊星章，太平紳士	7/7
Mr David Stannard	冼達能先生	6/7
Mr Wong Kai Man, BBS, JP	黃啟民先生，銅紫荊星章，太平紳士	6/7
Dr Kelvin Wong, JP	黃天祐博士，太平紳士	5/7
Ms Eirene Yeung	楊逸芝女士	3/7
Ms Ada Chung, JP or her representative (ex-officio)	鍾麗玲女士，太平紳士或其代表(當然成員)	7/7
Mr Paul F. Winkelmann (CEO) (ex-officio) ¹	衛皓民先生(行政總裁)(當然成員) ¹	4/4
Mr Mark Dickens, JP (CEO) (ex-officio) ²	狄勤思先生，太平紳士(行政總裁)(當然成員) ²	2/3

¹ Appointed as CEO with effect from 1 April 2016.

² Retired as CEO on 31 March 2016.

The average attendance rate at meetings was 84%.

Pursuant to the FRCO, the Chief Executive of the HKSAR may appoint temporary members to the FRC to serve on a rotating basis with respect to cases whereby the Council is not able to meet the statutory quorum in relation to matters in which members had disclosed their interests. During 2016, the following persons were temporary members of the FRC:

Mr Vincent Duhamel
Mr Edward Kwan, MH
Mr Michael Scales
Mr MT Shum, SBS
Ms Anna Wong ¹
Prof Wong Tak Jun ²

Mr Vincent Duhamel and Mr Edward Kwan, MH were each involved in eight cases at the Council meetings held in 2016. Mr Michael Scales and Mr MT Shum, SBS were each involved in five cases, while Prof Wong Tak Jun was involved in three cases.

¹ Appointed with effect from 1 December 2016.

² Retired as temporary member with effect from 30 November 2016.

The in-house General Counsel attends all Council meetings to ensure adequate legal advice is available to Council members. Minutes are kept by the Administration Manager who is the appointed secretary of the meetings.

財務匯報局成員會議

財務匯報局成員每兩個月舉行一次會議，並會按需要召開額外會議。本局的財務報表及個案進度報告均於會上提呈，以供成員審閱。本局成員於2016年共舉行了七次會議，而所有會議均按照《財務匯報局條例》的條文進行。

財務匯報局成員於2016年的會議出席率如下：

		Meetings attended/held 會議出席/舉行次數
Dr John Poon, BBS, JP (Chairman)	潘祖明博士，銅紫荊星章，太平紳士(主席)	7/7
Mr Chan Tze Ching, BBS, JP	陳子政先生，銅紫荊星章，太平紳士	5/7
Mr Wilson Fung	馮英偉先生	7/7
Mr Nicholas Sallnow-Smith	蘇兆明先生	6/7
Mr Sin Chung Kai, SBS, JP	單仲偕先生，銀紫荊星章，太平紳士	7/7
Mr David Stannard	冼達能先生	6/7
Mr Wong Kai Man, BBS, JP	黃啟民先生，銅紫荊星章，太平紳士	6/7
Dr Kelvin Wong, JP	黃天祐博士，太平紳士	5/7
Ms Eirene Yeung	楊逸芝女士	3/7
Ms Ada Chung, JP or her representative (ex-officio)	鍾麗玲女士，太平紳士或其代表(當然成員)	7/7
Mr Paul F. Winkelmann (CEO) (ex-officio) ¹	衛皓民先生(行政總裁)(當然成員) ¹	4/4
Mr Mark Dickens, JP (CEO) (ex-officio) ²	狄勤思先生，太平紳士(行政總裁)(當然成員) ²	2/3

¹ 於2016年4月1日獲委任為行政總裁。

² 於2016年3月31日退休。

會議平均出席率為84%。

根據《財務匯報局條例》，行政長官可委任臨時成員，在任何現任委任成員因披露利益而不能執行成員職能，以致未能符合會議法定人數時，以輪流方式替代該些成員。於2016年12月31日，下列人士為臨時成員：

杜漢文先生
關百忠先生，榮譽勳章
施米高先生
沈文燾先生，銀紫荊星章
黃慧群女士¹
黃德尊教授²

杜漢文先生及關百忠先生，榮譽勳章於2016年舉行的財務匯報局成員會議上，分別參與了八宗個案的審議。施米高先生及沈文燾先生，銀紫荊星章分別參與了五宗個案的審議，而黃德尊教授則參與了三宗個案的審議。

¹ 於2016年12月1日獲委任。

² 於2016年11月30日卸任臨時成員職位。

本局的內部法律顧問出席了所有財務匯報局成員會議，以確保各成員可得到充份的法律諮詢。全部會議紀錄均由被委任為會議秘書的行政經理保存。



Council Committees

The Council has five committees, the responsibilities of which are described below. These committees meet as necessary, on a periodic basis. Each committee operates according to its own terms of reference.

Each Committee has a majority of Council members and at least one Honorary Advisor to ensure appropriate checks and balances across the operations of the FRC. The Operations Oversight Committee also has other members appointed as lay persons.

財務匯報局屬下委員會

財務匯報局下設五個委員會，其責任載述如下。該等委員會須定期並於有需要時舉行會議。各委員會是根據其職權範圍運作。

各委員會的大部分成員均為財務匯報局成員，但也包括最少一位名譽顧問，以確保本局的運作有恰當的制衡措施。此外，運作監察委員會亦有委任業外人士為成員。

Corporate Communications Committee (CCC)

機構傳訊委員會



Back row (from left): Mr Sin Chung Kai, SBS, JP, Ms Eirene Yeung, Ms Ada Chung, JP and Mr Michael Scales
後排(左起)：單仲偕先生，銀紫荊星章，太平紳士、楊逸芝女士、鍾麗玲女士，太平紳士及施米高先生
Front row (from left): Mr Paul F. Winkelmann (ex-officio) and Mr Chan Tze Ching, BBS, JP (Chairman)
前排(左起)：衛皓民先生(當然成員)及陳子政先生，銅紫荊星章，太平紳士(主席)

Terms of reference

- To formulate corporate communications policies and strategies to increase publicity about the work of the FRC.
- To oversee the implementation of corporate communications strategies approved by the Council, and to utilize appropriate communications tools, such as press statements, publications, electronic communications, and conferences, to reach the media and external parties.
- To recommend an annual promotion plan and budget to the Council.
- To oversee the review and updating of FRC website layouts and contents, printed brochures, promotional materials, and other publications of the FRC.
- To oversee publicity campaigns launched from time to time by the FRC.

職權範圍

- 制定機構傳訊政策及策略，加強宣傳本局的工作。
- 監督本局成員核准的機構傳訊策略的執行，以及透過合適的渠道(如新聞稿、刊物、電子通訊及會議等)與傳媒和外部溝通。
- 向本局成員提交年度宣傳計劃及預算。
- 監督有關本局的網頁設計及內容、小冊子、宣傳資料及其他出版刊物的審閱和更新。
- 監督本局不時舉辦的宣傳活動。

Summary of the work of the CCC in 2016

- Advised on the 2017 Corporate Communications Plan.
- Reviewed the draft 2015 annual report of the FRC for the Council's approval.
- Advised on the selection of vendors for the 2016 FRC Annual Report.
- Vetted the promotional materials of the FRC, including its eNews and online advertisements.
- Advised on public relations and media strategies for the FRC, including the press briefing for the launch of the Update on Independent Audit Oversight Report.

Attendance at CCC meetings in 2016 was as follows:

機構傳訊委員會於2016年的工作摘要

- 就2017年的機構傳訊計劃提供建議。
- 審閱2015年財務匯報局年報的草稿，以供本局成員審批。
- 就2016年財務匯報局年報揀選印刷公司提供建議。
- 審閱財務匯報局的宣傳資料，包括財務匯報局電子簡訊及其網上廣告。
- 就財務匯報局的公共關係及傳媒策略方面提供意見，包括為獨立審計監管的更新報告所舉辦的傳媒簡介會。

機構傳訊委員會成員於2016年的會議出席率如下：

Meetings attended/held**會議出席／舉行次數**

Mr Chan Tze Ching, BBS, JP (Chairman)	陳子政先生，銅紫荊星章，太平紳士(主席)	3/3
Ms Ada Chung, JP	鍾麗玲女士，太平紳士	3/3
Mr Michael Scales	施米高先生	1/3
Mr Sin Chung Kai, SBS, JP	單仲偕先生，銀紫荊星章，太平紳士	2/3
Ms Eirene Yeung	楊逸芝女士	1/3
Mr Paul F. Winkelmann (CEO) (ex-officio) ¹	衛皓民先生(行政總裁)(當然成員) ¹	2/2
Mr Mark Dickens, JP (CEO) (ex-officio) ²	狄勤思先生，太平紳士(行政總裁)(當然成員) ²	1/1
Average attendance rate	平均出席率	72%

¹ Appointed with effect from 1 April 2016.

² Term expired on 31 March 2016.

¹ 於2016年4月1日獲委任。

² 任期於2016年3月31日屆滿。



Back row (from left): Mr Wilson Fung, Dr PM Kam and Mr David Stannard
後排(左起)：馮英偉先生、甘博文博士及冼達能先生
Front row (from left): Mr Paul F. Winkelmann (ex-officio) and Dr Kelvin Wong, JP (Chairman)
前排(左起)：衛皓民先生(當然成員)及黃天祐博士，太平紳士(主席)

Terms of reference

- To review the FRC's treasury, internal control, and financial and risk management policies and strategies.
- To approve tenders for procurement with an estimated value exceeding HK\$500,000 (other than legal services relating to the vetting of investigation or enquiry reports).
- To advise the Council on the short, medium and long term financial implications of the FRC's strategic plans.
- To review and make recommendations to the Council on the FRC's annual budget.
- To review the FRC's draft annual financial statements before submission to the Council.
- To provide advice on the future funding model of the FRC once the independent audit oversight reform proposal is finalised.

Summary of the work of the FC in 2016

- Considered the draft financial statements for the 2015 financial year.
- Considered the group medical insurance for the FRC.
- Considered 2017 estimates of the income and expenditure.
- Considered the estimates of operational costs for 2017 to 2020 in preparation for taking up additional statutory functions.

職權範圍

- 審閱本局的庫務、內部控制以及財務與風險管理政策及策略。
- 批准估計金額超過50萬港元的採購項目(有關審閱調查或查訊報告的法律費用除外)。
- 就本局策略性計劃的短期、中期及長期財務影響，向本局成員提供意見。
- 審閱本局的年度預算，以向本局成員提供意見。
- 審閱本局年度財務報表的草稿，以提交本局成員省覽。
- 於獨立審計監管改革建議方案落實時，提供對本局日後資金模式的意見。

財務委員會於2016年的工作摘要

- 審閱2015年財政年度的財務報表草稿。
- 審議財務匯報局的團體醫療保險。
- 審議2017年的收入及支出預算。
- 審議為準備承擔額外法定職能而預備的2017年至2020年的營運開支預算。

CORPORATE GOVERNANCE (continued)

機構管治 (續)

Attendance at FC meetings in 2016 was as follows:

財務委員會成員於2016年的會議出席率如下：

		Meetings attended/held 會議出席／舉行次數
Dr Kelvin Wong, JP (Chairman) ¹	黃天祐博士，太平紳士(主席) ¹	3/3
Mr Wilson Fung	馮英偉先生	3/3
Dr PM Kam ¹	甘博文博士 ¹	1/3
Mr David Stannard ¹	冼達能先生 ¹	1/3
Mr Paul F. Winkelman (CEO) (ex-officio) ²	衛皓民先生(行政總裁)(當然成員) ²	2/2
Mr Mark Dickens, JP (CEO) (ex-officio) ³	狄勤思先生，太平紳士(行政總裁)(當然成員) ³	1/1
Average attendance rate	平均出席率	73%

¹ Appointed with effect from 1 January 2016.

² Appointed with effect from 1 April 2016.

³ Term expired on 31 March 2016.

¹ 於2016年1月1日獲委任。

² 於2016年4月1日獲委任。

³ 任期於2016年3月31日屆滿。

Independent Audit Oversight Reform Committee (IAORC)

獨立審計監管改革委員會



Back row (from left): Mr Eugene Fung, SC, Dr Kelvin Wong, JP, Mr David Stannard, Mr Sin Chung Kai, SBS, JP and Mr Chew Fook Aun
後排(左起)：馮庭碩先生，資深大律師、黃天祐博士，太平紳士、冼達能先生、單仲偕先生，銀紫荊星章，太平紳士及周福安先生
Front row (from left): Mr Paul F. Winkelman (ex-officio), Dr John Poon, BBS, JP (Chairman) and Mr Nicholas Sallnow-Smith
前排(左起)：衛皓民先生(當然成員)、潘祖明博士，銅紫荊星章，太平紳士(主席)及蘇兆明先生



Terms of reference

- To provide advice to the FRC and the staff on matters related to the reform of auditor oversight systems in Hong Kong (the Reform), including but not limited to the registration, inspection, investigation and sanction of auditors.
- To oversee the work of FRC staff in relation to the Reform, including but not limited to the assumption of statutory powers for the inspection of listed company auditors and the transition arrangements relating to audit inspection and related legislative amendments; and to ensure that the activities undertaken by the staff are in accordance with the directives of the FRC and the agreed timeline.
- To receive and consider regular progress reports from the staff on the progress of the Reform.
- To undertake specific tasks related to the Reform as required by the FRC.

Summary of the work of the IAORC in 2016

- Recommended the commissioning of and reviewed the Update on Independent Audit Oversight Report.
- Assisted in the preparation of the press briefing
- Discussed issues relating to the Reform.

Attendance at IAORC meetings in 2016 was as follows:

職權範圍

- 就香港審計監管制度改革(改革)事宜，包括但不限於核數師的註冊、查核、調查及處分，向本局及其員工提供意見。
- 監督本局的員工就改革所履行的工作，包括但不限於接管查核上市公司核數師的法定職能、審計查核的過渡安排及相關立法修訂，並且確保員工已遵照本局指引和議定的時間表進行工作。
- 接收及審議員工就改革進度提交的定期進度報告。
- 按照本局的要求，執行指定的改革相關工作。

獨立審計監管改革委員會於2016年的工作摘要

- 就委託進行獨立審計監管的更新報告提供意見及審閱該報告。
- 協助籌備相關的傳媒簡介會。
- 討論有關香港審計監管改革的事宜。

獨立審計監管改革委員會成員於2016年的會議出席率如下：

Meetings attended/held 會議出席／舉行次數

Dr John Poon, BBS, JP (Chairman)	潘祖明博士，銅紫荊星章，太平紳士(主席)	5/5
Mr Chew Fook Aun ¹	周福安先生 ¹	4/5
Mr Eugene Fung, SC ²	馮庭碩先生，資深大律師 ²	3/5
Mr Nicholas Sallnow-Smith	蘇兆明先生	5/5
Mr Sin Chung Kai, SBS, JP	單仲偕先生，銀紫荊星章，太平紳士	3/5
Mr David Stannard	冼達能先生	3/5
Dr Kelvin Wong, JP ²	黃天祐博士，太平紳士 ²	5/5
Mr Paul F. Winkelmann (CEO) (ex-officio) ³	衛皓民先生(行政總裁)(當然成員) ³	4/4
Mr Mark Dickens, JP (CEO) (ex-officio) ⁴	狄勤思先生，太平紳士(行政總裁)(當然成員) ⁴	1/1
Average attendance rate	平均出席率	83%

¹ Re-appointed with effect from 1 January 2016.

² Appointed with effect from 1 January 2016.

³ Appointed with effect from 1 April 2016.

⁴ Term expired on 31 March 2016.

¹ 於2016年1月1日再度獲委任。

² 於2016年1月1日獲委任。

³ 於2016年4月1日獲委任。

⁴ 任期於2016年3月31日屆滿。

In addition, there were 2 sub-committee meetings during the year.

此外，年內亦舉行了兩個小組委員會會議。

Operations Oversight Committee (OOC)

運作監察委員會



Back row (from left): Mr Vincent Duhamel, Mr Wilson Fung, Mr Jamie Allen, Mr Kenneth Morrison and Mr Stephen Taylor

後排(左起)：杜漢文先生、馮英偉先生、艾哲明先生、文禮信先生及Stephen Taylor先生

Front row (from left): Mr Nicholas Sallnow-Smith, Mr Paul F. Winkelmann (ex-officio), Mr Wong Kai Man, BBS, JP (Chairman) and Mr Chan Tze Ching, BBS, JP

前排(左起)：蘇兆明先生、衛皓民先生(當然成員)、黃啟民先生、銅紫荊星章、太平紳士(主席)及陳子政先生、銅紫荊星章、太平紳士

Terms of reference

- To formulate policies, strategies, guidelines and procedures for the operation of the FRC.
- To provide advice to the FRC and its operational staff on technical and business issues.
- To consider the progress of enquiries, investigations, complaints and reviews currently being dealt with by staff.
- To consider enquiry reports approved by the Financial Reporting Review Committee (FRRC) before the submission to the FRC.
- To consider investigation reports approved by the Audit Investigation Board before submission to the FRC.
- To consider the recommendations in the complaint/review assessment reports before submission to the FRC, and to endorse those complaint/review assessment reports requiring no follow-up action.
- To consider follow-up actions in relation to the review of modified auditors' reports.
- To consider and approve the recommendations made in the risk-based review handling reports in relation to financial statements selected for review under the risk-based financial statements review programme.

職權範圍

- 制定本局的運作政策、策略、指引和程序。
- 向本局及執行法定職責的員工提供技術性及業務性的意見。
- 審議員工現時處理的查訊、調查、投訴及審閱工作的進度。
- 審議經財務匯報檢討委員會批准的查訊報告，以提交本局省覽。
- 審議經審計調查委員會批准的調查報告，以提交本局省覽。
- 審議投訴／審閱評估報告所載的建議，以提交本局省覽。審批無需要採取跟進行動的投訴／審閱評估報告。
- 審議非無保留意見核數師報告的審閱報告所載的跟進行動。
- 就根據風險抽查財務報表審閱計劃而言，審議有關財務報表的審閱處理報告所載的建議。



Summary of the work of the OOC in 2016

- Considered the progress of enquiries, investigations, complaints, and reviews, and also the progress of financial statements review programme and the review of modified auditors' reports.
- Considered 128 complaint handling and assessment reports and seven review assessment reports.
- Considered 11 investigation reports and one enquiry report.
- Considered and approved amendments to the Operations Manual.

Attendance at OOC meetings in 2016 was as follows:

運作監察委員會於2016年的工作摘要

- 審議查訊、調查、投訴、審閱工作及財務報表審閱計劃和非無保留意見核數師報告的工作進度。
- 審議128份投訴處理及評估報告，以及7份審閱評估報告。
- 審議11份調查報告及1份查詢報告。
- 審議及審批內部運作手冊的修訂。

運作監察委員會於2016年的會議出席率如下：

		Meetings attended/held 會議出席／舉行次數
Mr Wong Kai Man, BBS, JP (Chairman)	黃啟民先生，銅紫荊星章，太平紳士(主席)	6/6
Mr Jamie Allen	艾哲明先生	5/6
Mr Chan Tze Ching, BBS, JP	陳子政先生，銅紫荊星章，太平紳士	3/6
Mr Vincent Duhamel	杜漢文先生	4/6
Mr Wilson Fung ¹	馮英偉先生 ¹	5/6
Mr Kenneth Morrison ²	文禮信先生 ²	3/4
Mr Nicholas Sallnow-Smith	蘇兆明先生	6/6
Mr Stephen Taylor	Stephen Taylor先生	5/6
Mr Paul F. Winkelmann (CEO) (ex-officio) ³	衛皓民先生(行政總裁)(當然成員) ³	6/6
Mr Mark Dickens, JP (CEO) (ex-officio) ⁴	狄勤思先生，太平紳士(行政總裁)(當然成員) ⁴	1/1
Average attendance rate	平均出席率	83%

¹ Appointed with effect from 1 January 2016.

² Appointed with effect from 1 June 2016.

³ Mr Winkelmann was an Honorary Advisor and a member of OOC before becoming the CEO of the FRC in 2016.

⁴ Term expired on 31 March 2016.

¹ 於2016年1月1日獲委任。

² 於2016年6月1日獲委任。

³ 衛皓民先生於2016年出任行政總裁前，曾擔任名譽顧問及運作監察委員會成員。

⁴ 任期於2016年3月31日屆滿。

Remuneration Committee (RC)

薪酬委員會



Back row (from left): Mr Nicholas Sallow-Smith, Ms Eirene Yeung and Mr Roger Best
 後排 (左起)：蘇兆明先生、楊逸芝女士及路沛翹先生
 Front row (from left): Mr Paul F. Winkelmann (ex-officio) and Dr John Poon, BBS, JP (Chairman)
 前排 (左起)：衛皓民先生 (當然成員) 及潘祖明博士，銅紫荊星章，太平紳士 (主席)

Terms of reference

- To make recommendations to the Council on staffing, remuneration and employment policies and strategies, including salary structure, terms and conditions of employment, and staff fringe benefits.
- To make recommendations to the Council on the annual pay adjustment and the amount of variable compensation payable to individual staff members.
- To make recommendations to the Council on the amount of variable compensation payable to the CEO.
- To review the remuneration policy to ensure that it is consistent with all applicable legal and regulatory requirements.

Summary of the work of the RC in 2016

- Considered the recommendations concerning the award of discretionary variable pay to the Deputy CEO for 2015.
- Considered the recommendations for salary revision for staff in 2016.
- Considered the performance appraisal of the CEO and the award of discretionary variable pay for 2015.
- Considered the report of the compensation and benefits benchmarking study prepared by an independent consultant.
- Considered the amendments to the Human Resources Policies and Procedures Manual.

職權範圍

- 就有關員工招聘、聘用政策及策略，其中包括薪酬架構、聘用條款及條件和員工福利，向本局成員提供意見。
- 向本局成員提供有關個別員工的年度薪酬調整和浮動薪酬金額的意見。
- 向本局成員提供有關行政總裁的浮動薪酬金額的意見。
- 檢討薪酬政策，確保符合適用法律及監管規定的要求。

薪酬委員會於2016年的工作摘要

- 審議有關於2015年向副行政總裁發放酌情浮動薪酬的建議。
- 審議對本局員工於2016年的薪酬調整的建議。
- 審議行政總裁2015年的績效考核及其酌情浮動薪酬。
- 審閱由獨立顧問所作出的薪酬及福利借鑒研究報告。
- 審議人力資源政策及運作手冊的修訂。



Attendance at RC meetings in 2016 was as follows:

薪酬委員會於2016年的會議出席率如下：

		Meetings attended/held 會議出席／舉行次數
Dr John Poon, BBS, JP (Chairman)	潘祖明博士，銅紫荊星章，太平紳士(主席)	3/3
Mr Roger Best, JP	路沛翹先生，太平紳士	3/3
Mr Nicholas Sallnow-Smith	蘇兆明先生	3/3
Ms Eirene Yeung	楊逸芝女士	3/3
Mr Paul F. Winkelmann (CEO) (ex-officio) ¹	衛皓民先生(行政總裁)(當然成員) ¹	2/2
Mr Mark Dickens, JP (CEO) (ex-officio) ²	狄勤思先生，太平紳士(行政總裁)(當然成員) ²	1/1
Average attendance rate	平均出席率	100%

¹ Appointed with effect from 1 April 2016.

² Term expired on 31 March 2016.

¹ 於2016年4月1日獲委任。

² 任期於2016年3月31日屆滿。

Operations

Enquiry – Financial Reporting Review Panel (FRRP) and Committee (FRRC)

In cases where the FRC believes there may be non-compliance in relation to a listed entity, the Council may appoint a FRRC to conduct an enquiry. The committee consists of a Panel Convenor as Chairman, and at least four other members of the Financial Reporting Review Panel.

Under the powers vested in it under section 43 of the FRCO, the FRRC may require relevant persons to produce records and documents and provide information and explanations so it can conduct an enquiry.

Members of the FRRP are appointed by the Chief Executive of the HKSAR in consultation with the Council. As at 31 December 2016, the FRRP had 48 members, including eight Convenors. They are appointed based on their experience in accounting, auditing, finance, banking, law, administration, or management. A list of FRRP members can be found in the section “Membership of Board and Panels” of this annual report.

A new FRRC was formed to deal with an enquiry initiated in 2016.

運作

查訊 – 財務匯報檢討委員會及委員會

倘財務匯報局相信有上市實體可能不遵從會計規定的事宜，則本局成員可委任一個財務匯報檢討委員會展開查訊。財務匯報檢討委員會包括一名財務匯報檢討委員會召集人擔任主席，以及最少四名來自財務匯報檢討委員會的其他成員。

財務匯報檢討委員會可根據《財務匯報局條例》第43條所賦予的權力，要求有關人士出示記錄及文件、提供資料及解釋，以進行查訊工作。

財務匯報檢討委員會成員是由香港特別行政區行政長官經諮詢本局後委任。於2016年12月31日，財務匯報檢討委員會共有48名成員，當中八名為召集人。成員均由於其會計、審計、金融、銀行、法律、行政或管理經驗而獲委任。財務匯報檢討委員會成員的名單載於本年報「委員會及委員會成員」一節。

一個新組成的財務匯報檢討委員會，負責處理於2016年展開的一宗查訊。

Audit Investigation Board (AIB)

The Council may direct the AIB to conduct investigations into possible auditing or reporting irregularities in relation to listed entities. Under the powers vested in it under sections 25, 26, 27 and 28 of the FRCO, the AIB may require relevant persons to produce records and documents, supply information and provide explanations for the purposes of the investigation.

The CEO of the FRC is the ex-officio Chairman of the AIB. Other members of the AIB, who are normally staff members of the FRC, are appointed by the Council. A list of AIB members can be found in the section "Membership of Board and Panels" of this annual report.

In 2016, the AIB completed 11 investigation cases. It also dealt with 30 investigation cases brought forward from the previous year and 18 investigation cases initiated during the year.

Internal Controls

The FRC maintains an effective internal control system that includes a clear organisational structure, well-defined levels of authority, and proper segregation of duties. The FRC assigns a director to take charge of each case from the moment investigations/enquiries commence.

The FRC regularly reviews all its policies and guidelines relating to personnel administration, procurement, authorisation of transactions, and the safeguarding of its assets.

Code of Conduct

FRC staff members are required to adhere to our code of conduct when carrying out any role on behalf of the FRC. Our code of conduct specifies standards to be followed in areas that may involve conflicts of interest, confidentiality of information, personal investments and data protection. This includes the need for staff members to make regular declarations of their own and their spouse's investments, and to notify any changes in their holdings.

The FRC's code of conduct is reviewed and updated on a regular basis to ensure that it remains consistent with the best practices currently being applied across the areas in which the FRC operates.

Communications with Stakeholders

The FRC actively communicates with stakeholders, including its funding parties, the accounting and auditing profession, its regulatory counterparts, and the general investing public.

調查 – 審計調查委員會

本局可指示審計調查委員會就有關上市實體可能在審計或匯報方面的不當行為展開調查。審計調查委員會可根據《財務匯報局條例》第25、26、27及28條所賦予的權力，要求有關人士出示記錄和文件、提供資料及作出解釋，以進行調查工作。

財務匯報局行政總裁是審計調查委員會的當然主席，而審計調查委員會的其他成員則由本局成員委任，通常是本局員工。審計調查委員會成員的名單載於本年報「委員會及委員團成員」一節。

審計調查委員會於2016年完成11宗調查。其亦處理於去年年末仍在調查的30宗個案以及於年內展開的18宗調查。

內部控制

本局制定了有效的內部控制系統，確保組織架構清晰、權責分明以及職責分工恰當。由本局展開每宗調查／查訊個案開始，會委派一名總監負責處理。

本局定期檢討內部的人事管理、採購、交易審批及資產保護的政策及指引。

操守準則

本局員工在代表本局履行職責時，必須嚴格遵守本局的操守準則。這套操守準則清楚界定了潛在利益衝突、資料保密、個人投資及資料保護等各方面的操守標準。這包括需要員工及其配偶定期呈報投資狀況及有關投資項目的變更。

財務匯報局定期檢討及更新操守準則，確保符合本局運作範疇內的最佳做法。

與持份者溝通

本局積極與持份者進行溝通，包括其撥款機構、會計及審計業、其他監管機構及投資者。



Information disseminated by the FRC is user-friendly and easily accessible. The FRC publishes annual reports and half-yearly eNews to keep stakeholders informed about the progress of its work and its development. Operations statistics and press releases about completed cases are regularly posted on the FRC website (www.frc.org.hk).

The FRC has also set up official pages on certain social media channels, including Twitter, LinkedIn and YouTube, to enable interested parties to connect with the FRC in a more interactive manner.

Checks and Balances

Accountability and Audit

The FRC has adopted a strict audit process. The FRC's annual budget must be endorsed by the Council. The Secretary for Financial Services and the Treasury then reviews and approves the FRC's annual estimates of income and expenditure.

The financial statements of the FRC are subject to an official audit by the Government's Director of Audit; annual reports are submitted to the Secretary for Financial Services and the Treasury and tabled at the Legislative Council. The FRC attends the meeting of the Legislative Council Panel on Financial Affairs and presents a progress report annually.

Process Review Panel (PRP)

The FRC has its work scrutinised by a PRP, the aim of this is to ensure that individual cases have been dealt with consistently, and that all actions and decisions taken are in line with internal procedures and guidelines.

The PRP issues an annual report containing the conclusions of its review, together with suggestions for improvements. Appointments to the PRP are approved by the Chief Executive of the HKSAR.

Ombudsman

The Ombudsman also indirectly oversees the work of the FRC by dealing with any public complaints regarding alleged maladministration made against the FRC and its staff. The FRC did not receive any enquiries from the Ombudsman in 2016.

本局發佈的資料皆易於使用及取得。財務匯報局透過刊發年報及半年度電子簡訊，讓持份者了解本局的工作進度及發展。本局亦在網站(www.frc.org.hk)定期公佈有關運作及索取資料的統計數字，以及已完成的調查個案的新聞稿。

本局亦已在若干社交媒體，包括Twitter、LinkedIn和YouTube設立官方網業，讓有興趣人士更加互動地與本局聯繫。

制衡措施

問責及審計

本局採納嚴謹的審計程序。本局的年度預算須由本局成員批核。財經事務及庫務局局長其後會審批本局的年度收支估計。

本局的財務報表由政府審計署署長負責審核，而年報向財經事務及庫務局局長呈交後，便會提交立法會省覽。本局每年於立法會財經事務委員會會議報告工作進展。

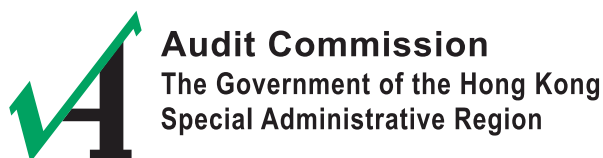
程序覆檢委員會

本局的工作乃受程序覆檢委員會嚴格監察。這方面旨在確保本局以一致方式處理每宗個案，並在採取行動及作出決策時，確保已遵守內部程序和指引。

程序覆檢委員會的年報會載列覆檢結果及改善建議。程序覆檢委員會成員是由香港特別行政區行政長官委任。

申訴專員

申訴專員亦透過處理針對本局及其員工管理不善的任何公眾投訴，間接監管本局的工作。本局於2016年並沒收到來自申訴專員的任何查詢。



香港特別行政區政府
審計署

Independent Auditor's Report To the Financial Reporting Council

獨立審計師報告 致財務匯報局

Opinion

I have audited the financial statements of the Financial Reporting Council set out on pages 39 to 53, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the state of affairs of the Financial Reporting Council as at 31 December 2016, and of its results of operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with section 18(2) of the Financial Reporting Council Ordinance (Cap. 588).

Basis for opinion

I conducted my audit in accordance with section 19(1) of the Financial Reporting Council Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Financial Reporting Council in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Financial Reporting Council is responsible for the other information. The other information comprises all the information included in the Financial Reporting Council's 2016 Annual Report, other than the financial statements and my auditor's report thereon.

意見

我已審計列載於第39至53頁的財務匯報局財務報表，該等財務報表包括於2016年12月31日的財務狀況表與截至該日止年度的綜合收入表、資金變動表和現金流量表，以及財務報表的附註，包括主要會計政策概要。

我認為，該等財務報表已按照國際財務報告準則真實而中肯地反映財務匯報局於2016年12月31日的事務狀況及截至該日止年度的業績和現金流量，並已按照《財務匯報局條例》（第588章）第18(2)條妥為擬備。

意見的基礎

我已按照《財務匯報局條例》第19(1)條及審計署的審計準則進行審計。我根據該等準則而須承擔的責任，詳載於本報告「審計師就財務報表審計而須承擔的責任」部分。根據該等準則，我獨立於財務匯報局，並已按該等準則履行其他道德責任。我相信，我所獲得的審計憑證是充足和適當地為我的審計意見提供基礎。

其他資料

財務匯報局須對其他資料負責。其他資料包括財務匯報局2016年年報內的所有資料，但不包括財務報表及我的審計師報告。



My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Financial Reporting Council for the financial statements

The Financial Reporting Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and section 18(2) of the Financial Reporting Council Ordinance, and for such internal control as the Financial Reporting Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Financial Reporting Council is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Financial Reporting Council is assisted by its Finance Committee in discharging its responsibilities for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

我對財務報表的意見並不涵蓋其他資料，我亦不對其他資料發表任何形式的鑒證結論。

就財務報表審計而言，我有責任閱讀其他資料，從而考慮其他資料是否與財務報表或我在審計過程中得悉的情況有重大矛盾，或者似乎存有重大錯誤陳述。基於我已執行的工作，如果我認為其他資料存有重大錯誤陳述，我需要報告該事實。在這方面，我沒有任何報告。

財務匯報局就財務報表而須承擔的責任

財務匯報局須負責按照國際財務報告準則及《財務匯報局條例》第18(2)條擬備真實而中肯的財務報表，及落實其認為必要的內部控制，使財務報表不存有因欺詐或錯誤而導致的重大錯誤陳述。

在擬備財務報表時，財務匯報局須負責評估其持續經營的能力，以及在適用情況下披露與持續經營有關的事項，並以持續經營作為會計基礎。

財務匯報局下設的財務委員會協助其履行監督財務報告過程的責任。

審計師就財務報表審計而須承擔的責任

我的目標是就整體財務報表是否不存有因欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括我意見的審計師報告。合理保證是高水平的保證，但不能確保按審計署審計準則進行的審計定能發現所存有的任何重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響財務報表使用者所作出的經濟決定，則會被視作重大錯誤陳述。

REPORT OF THE DIRECTOR OF AUDIT (continued)

審計署署長報告 (續)

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Reporting Council's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Financial Reporting Council;
- conclude on the appropriateness of the Financial Reporting Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Financial Reporting Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Financial Reporting Council to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

在根據審計署審計準則進行審計的過程中，我會運用專業判斷並秉持專業懷疑態度。我亦會：

- 識別和評估因欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險；設計及執行審計程序以應對這些風險；以及取得充足和適當的審計憑證，作為我意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕內部控制的情況，因此未能發現因欺詐而導致重大錯誤陳述的風險，較未能發現因錯誤而導致者為高；
- 了解與審計相關的內部控制，以設計適當的審計程序。然而，此舉並非旨在對財務匯報局內部控制的有效性發表意見；
- 評價財務匯報局所採用的會計政策是否恰當，以及其作出的會計估計和相關資料披露是否合理；
- 判定財務匯報局以持續經營作為會計基礎的做法是否恰當，並根據所得的審計憑證，判定是否存在與事件或情況有關，而且可能對財務匯報局持續經營的能力構成重大疑慮的重大不確定性。如果我認為存在重大不確定性，則有必要在審計師報告中請使用者留意財務報表中的相關資料披露。假若所披露的相關資料不足，我便須發出非無保留意見的審計師報告。我的結論是基於截至審計師報告日止所取得的審計憑證。然而，未來事件或情況可能導致財務匯報局不能繼續持續經營；及
- 評價財務報表的整體列報方式、結構和內容，包括披露資料，以及財務報表是否公允反映交易和事項。

Kenneth Ho
Assistant Director of Audit
for Director of Audit

9 March 2017

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

審計署署長
審計署助理署長
何作柱代行

2017年3月9日

審計署
香港灣仔
告士打道7號
入境事務大樓26樓



STATEMENT OF COMPREHENSIVE INCOME 綜合收入表

For the year ended 31 December 2016
(Amounts expressed in Hong Kong dollars)

截至2016年12月31日止年度
(金額以港元列示)

		Note 附註	2016	2015
Income	收入			
Annual contribution	每年投入資金	4	29,358,000	27,960,000
Interest income	利息收入	5	593,740	522,398
Recovery of costs of investigations	調查成本收回		253,509	612,866
Gain on disposal of office equipment and furniture	處置辦公室設備及 傢具收益		3,280	-
			30,208,529	29,095,264
Expenditure	支出			
Staff costs	員工成本	6	(23,435,234)	(21,019,424)
Corporate communications expenses	機構傳訊支出	7	(522,635)	(820,178)
Audit oversight research and related expenses	審計監管研究 及相關支出	8	(1,991,131)	(508,000)
Legal and professional fees	法律及專業費用		(127,813)	(100,493)
Depreciation charge	折舊支出	11	(148,640)	(102,768)
Write off of accounts receivable	應收賬款撇銷		(24,900)	-
Impairment loss on accounts receivable reversed	已撥回應收賬款 之減值損失	12	-	23,625
Other operating expenses	其他營運支出	9	(1,077,192)	(683,278)
			(27,327,545)	(23,210,516)
Surplus and total comprehensive income for the year	年內盈餘及 總綜合收入		2,880,984	5,884,748

The notes on pages 43 to 53 form part of these financial statements.

第43頁至53頁的附註為本財務報表的一部分。

FINANCIAL STATEMENTS (continued)

財務報表 (續)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

(Amounts expressed in Hong Kong dollars)

財務狀況表

於2016年12月31日

(金額以港元列示)

		Note 附註	2016	2015
Non-current assets	非流動資產			
Office equipment and furniture	辦公室設備及傢具	11	371,844	404,570
Current assets	流動資產			
Receivables and prepayments	應收賬款及預付款項	12	818,422	720,998
Time deposits with original maturities over three months	原到期日超過三個月的定期存款	13	38,000,000	34,000,000
Cash and cash equivalents	現金及現金等價物	14	4,873,300	6,217,033
Total current assets	流動資產總值		43,691,722	40,938,031
Current liabilities	流動負債			
Accounts payable and accruals	應付賬款及應計費用		(2,630,879)	(2,790,898)
Net current assets	流動資產淨值		41,060,843	38,147,133
Net assets	資產淨值		41,432,687	38,551,703
Funds	資金			
General fund	一般資金	15	21,432,687	18,551,703
Reserve fund	儲備金	15	20,000,000	20,000,000
Total funds	總資金		41,432,687	38,551,703

Approved and authorized for issue by the Financial Reporting Council on 9 March 2017

於2017年3月9日獲財務匯報局批准及授權刊發



Dr John Poon, BBS, JP 潘祖明博士，銅紫荊星章，太平紳士
Chairman 主席



Mr Paul F. Winkelmann 衛皓民先生
Chief Executive Officer 行政總裁

The notes on pages 43 to 53 form part of these financial statements.

第43頁至53頁的附註為本財務報表的一部分。



STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2016
(Amounts expressed in Hong Kong dollars)

資金變動表

截至2016年12月31日止年度
(金額以港元列示)

		General fund 一般資金	Reserve fund 儲備金	Total funds 總資金
At 1 January 2015	於2015年1月1日	12,666,955	20,000,000	32,666,955
Surplus and total comprehensive income for 2015	2015年盈餘及總綜合收入	5,884,748	-	5,884,748
At 31 December 2015	於2015年12月31日	<u>18,551,703</u>	<u>20,000,000</u>	<u>38,551,703</u>
At 1 January 2016	於2016年1月1日	18,551,703	20,000,000	38,551,703
Surplus and total comprehensive income for 2016	2016年盈餘及總綜合收入	2,880,984	-	2,880,984
At 31 December 2016	於2016年12月31日	<u>21,432,687</u>	<u>20,000,000</u>	<u>41,432,687</u>

The notes on pages 43 to 53 form part of these financial statements.

第43頁至53頁的附註為本財務報表的一部分。

FINANCIAL STATEMENTS (continued)

財務報表 (續)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016
(Amounts expressed in Hong Kong dollars)

現金流量表

截至2016年12月31日止年度
(金額以港元列示)

	Note	2016	2015
	附註		
Cash flows from operating activities			
Surplus for the year		2,880,984	5,884,748
Adjustments for:			
Depreciation charge		148,640	102,768
Impairment loss on accounts receivable reversed		-	(23,625)
Interest income		(593,740)	(522,398)
Gain on disposal of office equipment and furniture		(3,280)	-
		2,432,604	5,441,493
Changes in working capital:			
(Increase)/decrease in receivables and prepayments		(2,743)	59,156
(Decrease)/increase in accounts payable and accruals		(165,019)	348,834
Net cash inflow from operating activities		2,264,842	5,849,483
Cash flows from investing activities			
Payment for the purchase of office equipment and furniture		(107,634)	(37,610)
Interest received		499,059	413,820
Increase in time deposits with original maturities over three months		(4,000,000)	(12,000,000)
Net cash outflow from investing activities		(3,608,575)	(11,623,790)
Net decrease in cash and cash equivalents		(1,343,733)	(5,774,307)
Cash and cash equivalents at 1 January		6,217,033	11,991,340
Cash and cash equivalents at 31 December	14	4,873,300	6,217,033

The notes on pages 43 to 53 form part of these financial statements.

第43頁至53頁的附註為本財務報表的一部分。



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016
(Amounts expressed in Hong Kong dollars)

1. General Information

The Financial Reporting Council (FRC) was established in Hong Kong under the Financial Reporting Council Ordinance (Cap 588) (FRCO). Its office address is 29th Floor, High Block, Queensway Government Offices, 66 Queensway, Hong Kong.

2. Principal Activities

As set out in the FRCO, the FRC is empowered to conduct investigations concerning auditing and reporting irregularities in relation to entities listed in Hong Kong, and to make enquiries into non-compliance with accounting requirements on the part of such entities.

3. Significant Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of preparation

These financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars, which is the functional currency of the FRC.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

財務報表附註

截至2016年12月31日止年度
(金額以港元列示)

1. 一般資料

財務匯報局是根據《財務匯報局條例》(第588章)在香港設立。其地址為香港金鐘道66號金鐘道政府合署高座29樓。

2. 主要活動

如《財務匯報局條例》所列明，財務匯報局獲賦予權力就香港上市實體在審計及匯報方面的不當行為進行調查，以及就該等實體不遵從會計規定的事宜展開查訊。

3. 主要會計政策

(a) 合規聲明

本財務報表乃按國際財務報告準則編製而成。

(b) 編製基準

本財務報表已根據歷史成本法編製，並以財務匯報局的功能貨幣港元列示。

管理層在編製符合國際財務報告準則的財務報表時，須對應用會計政策構成的影響，以及對資產、負債、收入和支出的報告金額構成的影響，作出判斷、估計和假設。這些估計和相關假設是根據以往經驗和各項當時情況認為合理的其他因素而作出，而所得結果乃用作判斷目前顯然無法直接通過其他來源獲得的資產和負債賬面值的基準。實際結果可能有別於該等估計。

3. Significant Accounting Policies (continued)

(b) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to an accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the FRC in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 17.

A summary of the significant accounting policies adopted by the FRC is set out below.

(c) Office equipment and furniture

Office equipment and furniture are stated at cost less accumulated depreciation and impairment losses, except that items costing less than \$5,000 are expensed when incurred. The cost of an item of office equipment and furniture comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated on the straight-line basis to write off the cost of each item of office equipment and furniture over its estimated useful life after considering its estimated residual value. The respective useful lives are as follows:

Computers	3 years
Other office equipment	7 years
Office furniture and fixtures	2 to 10 years

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of office equipment and furniture is derecognized upon disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the relevant asset, and is recognized in surplus or deficit in the period in which the asset is derecognized.

3. 主要會計政策 (續)

(b) 編製基準 (續)

財務匯報局會不斷檢討各項估計和相關假設。如果會計估計的修訂只影響作出修訂的期間，便會在該期間內確認；如果修訂對當時和未來期間均有影響，則在作出修訂的期間和未來期間確認。

財務匯報局在應用國際財務報告準則時作出對本財務報表有重大影響的判斷，以及各項主要的估計不確定因素，論述於附註17。

財務匯報局採用的主要會計政策概要載列如下。

(c) 辦公室設備及傢具

辦公室設備及傢具按成本減累計折舊及減值損失列賬，惟成本低於5,000元的項目則於產生時支銷。辦公室設備及傢具項目的成本，包括其購買價格及將資產運抵指定地點並使其達到預定的方式進行運作所必需的狀態而發生的直接可歸屬成本。

折舊乃按個別辦公室設備及傢具項目之估計可使用壽命並考慮估計殘值後，以直線法攤銷其成本。各項目的可使用壽命如下：

電腦	3年
其他辦公室設備	7年
辦公室傢具及裝置	2至10年

殘值、可使用壽命及折舊方法至少於每個報告期期末進行檢討，及作出適當調整。

辦公室設備及傢具項目於處置或預期通過使用該資產不能產生未來經濟利益時終止確認。終止確認該資產產生的任何利得或損失（按處置相關資產所得款項淨額（如有）及賬面金額間的差額釐定），於該資產終止確認期間計入盈餘或虧絀。



3. Significant Accounting Policies (continued)

(c) Office equipment and furniture (continued)

At the end of each reporting period, the FRC assesses whether there is any indication that an item of office equipment and furniture may be impaired or a previously recognized impairment loss no longer exists or may have decreased. When there is an indication of impairment, the recoverable amount of an item of office equipment and furniture is estimated, which is the higher of its fair value less costs of disposal and its value in use. An impairment loss is recognized in surplus or deficit, if the asset's carrying amount is greater than its recoverable amount. When a previously recognized impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. Reversals of impairment losses are recognized in surplus or deficit.

(d) Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when the FRC becomes a party to the contractual provisions of an instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

(e) Financial assets

Financial assets of the FRC principally comprise accounts receivable, interest receivable, time deposits and other bank balances. They are held within a business model whose objective is to hold assets in order to collect contractual cash flows. The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any allowance for impairment loss. An impairment loss is recognized when there is objective evidence that the asset is impaired. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any impairment loss is recognized in surplus or deficit and reflected in an allowance account. When the FRC considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

3. 主要會計政策(續)

(c) 辦公室設備及傢具(續)

於每個報告期期末，財務匯報局評估是否出現任何跡象顯示辦公室設備及傢具項目出現減值，或過往確認的減值損失是否不再存在或已經減少。於出現減值時估計辦公室設備及傢具項目的可收回金額，即公允價值減處置費用與使用價值之間的較高者。若資產的賬面金額高於其可收回金額，減值損失於盈餘或虧絀中確認。於其後撥回先前確認的減值損失時，資產的賬面金額將調高至經修訂的估計可收回金額，惟不可高於該資產於過往期間沒有確認減值損失前釐定的賬面值。撥回減值損失計入盈餘或虧絀。

(d) 金融工具

金融資產及金融負債會於財務匯報局成為一項金融工具合同條款的訂約方時，於財務狀況表中確認。金融資產及金融負債最初以公允價值計量。因購入金融資產或發行金融負債而直接引致的交易費用，會於初始確認入賬時，於各金融資產或金融負債之公允價值內作適當的計入或扣除。

(e) 金融資產

財務匯報局的金融資產主要包括應收賬款、應收利息、定期存款及其他銀行結餘。該等資產於同一業務模式下被持有，而該業務模式的目的為持有資產以收取合同現金流量。金融資產根據合約條款在指定日期產生現金流量，該等現金流量純粹為償付本金及未償本金的利息。於初始確認後，該等資產均採用實際利率法按攤餘成本減去減值損失撥備計量。減值損失會於有客觀證據表明資產發生減值時確認，並按該資產的賬面金額與按照該金融資產初始實際利率折現的預計未來現金流量現值之間的差額計量。任何減值損失計入盈餘或虧絀，並於備抵賬內反映。於財務匯報局認為有關資產不大可能收回時，相關金額則會予以撇銷。

3. Significant Accounting Policies (continued)

(e) Financial assets (continued)

Any subsequent reversal of an impairment loss is recognized in surplus or deficit, to the extent that the carrying amount of the asset does not exceed its amortized cost that would have been determined had no impairment loss been recognized.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the FRC has transferred substantially all the risks and rewards of ownership of the asset.

(f) Financial liabilities

Financial liabilities comprise accounts payable and accruals and are measured at amortized cost using the effective interest method subsequent to initial recognition.

A financial liability is derecognized when the relevant obligation is discharged, cancelled or expires.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with maturity within three months when placed or acquired, that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Unconditional and non-refundable contributions are recognized as income when they become receivable.

Interest income is recognized on an accruals basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Recovery of costs of investigation is recognized when the right to receive payment is established.

3. 主要會計政策 (續)

(e) 金融資產 (續)

任何於其後撥回的減值損失將確認為盈餘或虧絀，惟有關資產的賬面金額不可高於其沒有確認減值損失前釐定的攤餘成本。

倘從資產獲收現金流量的權利已到期或財務匯報局已將資產所有權內幾乎所有的風險和報酬轉讓，該金融資產會被終止確認。

(f) 金融負債

金融負債包括應付賬款及應計費用，於初始確認後採用實際利率法按攤餘成本計量。

金融負債於相關的義務解除、取消或到期時終止確認。

(g) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行存款和其他短期及流動性高的投資，該等投資可隨時轉換為已知金額的現金，在存放或購入時距離期滿日不超過三個月，而且所涉及的價值變動風險不大。

(h) 收入確認

收入以其已收或應收價款的公允價值計量。

無條件及不可發還的投入資金在其成為應收款項時計入收入。

利息收入按權責發生制以實際利率法確認，實際利率是指金融資產在預計存續期的估計未來現金收款額折現為該金融資產的賬面淨額的利率。

調查成本的收回於確立收取權利時確認。



3. Significant Accounting Policies (continued)

(i) Employee benefits

Salaries and paid annual leave are accrued in the period in which the employees rendered the associated services.

Bonus payments are recognized when the FRC has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate can be made.

Contributions to the Mandatory Provident Fund (MPF) scheme are recognized as an expense when employees have rendered services entitling them to the contributions. Contributions are made based on a percentage of the employees' basic salaries. The assets of the MPF scheme are held separately from those of the FRC in an independently administered fund. The employer contributions vest fully with the employees when contributed into the MPF scheme, except for the employer voluntary contributions, which are refunded to the FRC when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF scheme.

4. Annual Contribution

The Companies Registry Trading Fund (CRTF), the Hong Kong Institute of Certified Public Accountants (HKICPA), the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEx) signed a Memorandum of Understanding (MoU) regarding the funding arrangement of the FRC. Each party agreed to contribute an annual amount of \$7.3 million to the FRC in 2016 (2015: \$7.0 million) for the recurring expenditure. To cater for inflation adjustments and to provide greater certainty to the FRC to facilitate its development and future work plan, the annual contribution from each party for 2017 shall be increased to approximately \$7.7 million.

The office premises of the FRC are provided by the CRTF at a nominal rent of \$1 per annum. All the related utility and sewage charges, outgoings, costs and expenses incurred in repairing, maintaining and managing the office premises are borne by the CRTF.

5. Interest Income

Interest income was earned from time deposits and other bank balances.

3. 主要會計政策(續)

(i) 員工福利

薪酬及有薪年假於員工提供相關服務期內確認。

倘因過去事項而承擔了現時發放花紅的法律或推定責任，以及所涉金額能夠可靠地估計時，會確認花紅付款。

當僱員提供服務而享有強制性公積金計劃供款時，供款在僱員提供相關服務時確認為支出。供款乃按僱員基本薪酬的某個百分比計算。強制性公積金計劃的資產與財務匯報局的資產分開持有，並由獨立管理的基金保管。僱主供款於支付予強制性公積金計劃後即全數成為僱員的既得利益，惟僱主的自願性質供款，在僱員未能享有全數既得利益前離職的情況下，可按強制性公積金計劃的規則退回財務匯報局。

4. 每年投入資金

公司註冊處營運基金、香港會計師公會、證券及期貨事務監察委員會(證監會)及香港交易及結算所有限公司(港交所)已就財務匯報局的資金安排簽署諒解備忘錄。各機構同意於2016年向財務匯報局投入730萬元年度資金(2015年：700萬元)，以應付經常性營運支出。為抗衡通脹及確保財務匯報局可穩健發展和推行未來的工作計劃，各機構亦同意於2017年，增加各自投入的資金至約770萬元。

財務匯報局之辦公室由公司註冊處營運基金提供，每年象徵式收取一元租金。所有相關設施及污水費用、其他開銷、維修、保養及管理辦公室的成本及支出均由公司註冊處營運基金承擔。

5. 利息收入

利息收入來自定期存款及其他銀行結餘。

FINANCIAL STATEMENTS (continued)

財務報表 (續)

6. Staff Costs

6. 員工成本

		2016	2015
Salaries, variable pay, bonuses and gratuities	薪酬、浮動酬金、花紅及賞金	21,710,691	19,083,476
MPF contributions	強制性公積金供款	683,484	772,604
Staff recruitment expenses	招募員工支出	320,562	479,659
Medical and life insurance	醫療及人壽保險	499,936	461,190
Staff training and development	員工培訓及技能發展	79,204	118,141
Others	其他	141,357	104,354
		23,435,234	21,019,424

Except for the Chief Executive Officer, Council members are not remunerated. The above staff costs included the emoluments of the Chief Executive Officer as stated below:

除行政總裁外，財務匯報局成員並無酬金。以上員工成本已包括下述的行政總裁酬金：

		2016			2015
		Salaries and variable pay	MPF contributions	Medical insurance	Total
		薪酬及浮動酬金	強制性公積金供款	醫療保險	總額
Paul F. Winkelmann ¹	衛皓民 ¹	3,132,012	13,500	-	3,145,512
Mark Dickens ²	狄勤思 ²	918,160	6,000	6,332	930,492
		4,050,172	19,500	6,332	4,076,004
					3,922,194

1 Appointed with effect from 1 April 2016

2 Retired on 31 March 2016

1 於2016年4月1日獲委任

2 於2016年3月31日退休



7. Corporate Communications Expenses

		2016	2015
Promotion and public education	推廣及公共教育	251,556	584,752
Publications	出版刊物	203,075	201,244
Others	其他	68,004	34,182
		522,635	820,178

8. Audit Oversight Research and Related Expenses

During 2016 the FRC engaged Deloitte LLP to prepare an update report on the auditor oversight regime. In addition, Deloitte LLP have been engaged to carry out a benchmarking study of the operations of four major auditor oversight regimes. The latter project is approximately 50% completed as at year end. In 2015, the expenditure related to a compensation and benefits benchmarking study.

9. Other Operating Expenses

		2016	2015
Conferences and duty visits	會議及差旅費用	307,198	152,709
Professional liability insurance	專業責任保險	25,150	25,150
Office equipment and furniture expensed	辦公室設備及傢具開支	64,858	19,111
Printing, stationery and office expenses	打印、文具及辦公室開支	679,986	486,308
		1,077,192	683,278

In accordance with section 19 of the FRCO, the financial statements of the FRC are audited by the Director of Audit. No fee is charged for this service.

10. Taxation

Pursuant to section 16 of the FRCO, the FRC is exempt from taxation under the Inland Revenue Ordinance (Cap 112).

7. 機構傳訊支出

	2016	2015
	251,556	584,752
	203,075	201,244
	68,004	34,182
	522,635	820,178

8. 審計監管研究及相關支出

於2016年，財務匯報局委託Deloitte LLP就審計監管體制作出更新報告，以及就四個主要審計監管體制的運作進行借鑒研究。截至2016年年底，該項借鑒研究的工作已接近完成一半。2015年的支出是用作報酬及福利借鑒研究。

9. 其他營運支出

	2016	2015
	307,198	152,709
	25,150	25,150
	64,858	19,111
	679,986	486,308
	1,077,192	683,278

根據《財務匯報局條例》第19條，財務匯報局的財務報表由審計署署長負責審核，當中並無收取任何服務費用。

10. 稅項

根據《財務匯報局條例》第16條，財務匯報局獲豁免而無須根據《稅務條例》（第112章）繳稅。

11. Office Equipment and Furniture

11. 辦公室設備及傢具

		Computers 電腦	Other office equipment 其他辦公室 設備	Office furniture and fixtures 辦公室傢具 及裝置	Total 總額
Cost	成本				
At 1 January 2015	於2015年1月1日	520,492	144,891	494,144	1,159,527
Additions	購入	29,680	-	7,930	37,610
At 31 December 2015	於2015年12月31日	550,172	144,891	502,074	1,197,137
At 1 January 2016	於2016年1月1日	550,172	144,891	502,074	1,197,137
Additions	購入	50,164	60,750	5,000	115,914
Disposals	處置	(8,226)	(56,500)	-	(64,726)
At 31 December 2016	於2016年12月31日	592,110	149,141	507,074	1,248,325
Accumulated depreciation	累計折舊				
At 1 January 2015	於2015年1月1日	(460,394)	(112,633)	(116,772)	(689,799)
Charge for the year	年內支出	(45,123)	(7,900)	(49,745)	(102,768)
At 31 December 2015	於2015年12月31日	(505,517)	(120,533)	(166,517)	(792,567)
At 1 January 2016	於2016年1月1日	(505,517)	(120,533)	(166,517)	(792,567)
Charge for the year	年內支出	(34,929)	(11,137)	(102,574)	(148,640)
Written back on disposals	處置時撥回	8,226	56,500	-	64,726
At 31 December 2016	於2016年12月31日	(532,220)	(75,170)	(269,091)	(876,481)
Net book value	賬面淨值				
At 31 December 2016	於2016年12月31日	59,890	73,971	237,983	371,844
At 31 December 2015	於2015年12月31日	44,655	24,358	335,557	404,570



12. Receivables and Prepayments

		2016	2015
Accounts receivable	應收賬款	-	132,657
Less: allowance for impairment loss	減：減值損失備抵賬	-	(77,125)
		-	55,532
Prepayments	預付款項		
- Medical and life insurance	- 醫療及人壽保險	284,619	253,205
- Staff benefits	- 員工福利	12,445	24,850
- Professional liability insurance	- 專業責任保險	13,589	13,589
- Others	- 其他	100,925	61,659
Interest receivable	應收利息	406,844	312,163
		818,422	720,998

The accounts receivable mainly represented the recoverable costs of investigations. The movement in the allowance for impairment loss in respect of accounts receivable during the year is as follows:

應收賬款主要指調查的可收回成本。年內應收賬款減值損失備抵賬變動如下：

		2016	2015
At 1 January	於1月1日	77,125	100,750
Impairment loss reversed	已撥回減值損失	-	(23,625)
Uncollectible amount written off	撇銷無法收回金額	(77,125)	-
		-	77,125
At 31 December	於12月31日	-	77,125

13. Time Deposits with Original Maturities over Three Months

Time deposits with original maturities over three months represented four-month, six-month and one-year term deposits which carried fixed interest ranging from 0.58% to 1.53% (2015: 0.75% to 1.34%) per annum. The balances outstanding at 31 December 2016 and 2015 had maturities less than 12 months from the end of the reporting period.

13. 原到期日超過三個月的定期存款

原到期日超過三個月的定期存款指四個月、六個月及一年期限之定期存款，按固定年利率由0.58厘至1.53厘計息（2015年：0.75厘至1.34厘）。於2016年及2015年12月31日的結餘於報告期期末12個月內到期。

14. Cash and Cash Equivalents

		2016	2015
Cash on hand	手頭現金	3,649	3,426
Current accounts	支票活期存款	127,704	238,908
Savings account	儲蓄存款	541,947	374,699
Time deposits with original maturities within three months	原到期日不超過三個月的定期存款	4,200,000	5,600,000
		4,873,300	6,217,033

15. Funds

General fund represents the operating surplus of the FRC's recurrent funding.

Reserve fund represents the non-recurrent contributions received from the CRTF, the HKICPA, the SFC and the HKEx at the establishment of the FRC according to the MoU. Each party contributed a lump-sum amount of \$5 million which is not refundable. The reserve fund is to be deployed to meet any inadequacies of the recurrent funding and other exigencies of circumstances.

16. Financial Instruments

The carrying amounts of financial instruments by category are as follows:

		2016	2015
Financial assets at amortized cost		按攤餘成本計量的金融資產	
Accounts receivable	應收賬款	-	55,532
Interest receivable	應收利息	406,844	312,163
Time deposits with original maturities over three months	原到期日超過三個月的定期存款	38,000,000	34,000,000
Cash and cash equivalents	現金及現金等價物	4,873,300	6,217,033
		43,280,144	40,584,728
Financial liabilities at amortized cost		按攤餘成本計量的金融負債	
Accounts payable and accruals	應付賬款及應計費用	2,630,879	2,790,898

The carrying amounts of the FRC's financial assets and financial liabilities approximate to their fair values as at 31 December 2016 and 2015.

14. 現金及現金等價物

15. 資金

一般資金乃指財務匯報局經常性資金的經營盈餘。

儲備金指公司註冊處營運基金、香港會計師公會、證監會及港交所根據諒解備忘錄設立財務匯報局時所投入的非經常性資金。各機構投入一筆不可發還，為數五百萬元的資金。儲備金可於經常性資金不足及其他緊急情況下動用。

16. 金融工具

各類金融工具的賬面金額如下：

於2016年及2015年12月31日，財務匯報局的金融資產及金融負債的賬面金額接近其公允價值。



17. Financial Risks

(a) Credit risk

The FRC's credit risk is primarily attributable to accounts receivable, time deposits and other bank balances.

The accounts receivable are assessed for recoverability on an individual basis and impairment allowances are recognized when considered necessary. The recovery of the investigation costs is closely monitored by the Council. The FRC does not hold any collateral or other credit enhancements over these balances.

The Council approved an investment policy which, subject to other limits, only allows the FRC to place deposits with licensed banks in Hong Kong having regard to their credit rating. The policy also limits the amount placed with each bank and the maximum duration the deposit is placed in order to manage its credit risk.

The portfolio of deposits is managed and monitored to ensure it meets the investment policy with bi-monthly reports submitted to the Council. As a result, the FRC is not exposed to significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of the financial assets as set out in the statement of financial position.

(b) Liquidity risk

The FRC has a strong cash position and therefore has a very low level of liquidity risk. The FRC maintains sufficient levels of cash and cash equivalents and manages its working capital by carefully reviewing forecasts on a regular basis. All financial liabilities were due to be repaid within three months (2015: three months) from the end of the reporting period.

(c) Market risk

Currency risk

The FRC received its funding and settled its expenses in Hong Kong dollars. Its financial assets and financial liabilities were all denominated in Hong Kong dollars. Hence, the FRC was not exposed to any currency risk.

Interest rate risk

The FRC's interest bearing assets mainly comprised funds placed in time deposits with fixed interest rate which are measured at amortized cost in the financial statements. The FRC was subject to the risk that the fair value of these time deposits would fluctuate because of changes in market interest rates. In order to manage this risk, the FRC adopted a policy to monitor interest rate risk on a continuous basis.

17. 金融風險

(a) 信用風險

財務匯報局所承擔的信用風險主要涉及應收賬款、定期存款及其他銀行結餘。

應收賬款按個別基準評估可收回性及於認為有需要時確認減值撥備。本局密切監控調查成本的回收。財務匯報局並無就該等結餘持有任何抵押品或採取其他改善信貸條件的措施。

根據財務匯報局成員已通過的投資政策，財務匯報局僅可在符合其他限制規定下，根據信用評級於香港持牌銀行設立存款。有關政策並規定了每間銀行的存款上限和定期存款的最長存款期，以便管理信用風險。

財務匯報局管理和監察存款組合，確保符合投資政策，並且每兩個月向財務匯報局成員提交報告。鑒於上述措施，財務匯報局並無重大信用風險。財務狀況表中載列的金融資產賬面金額代表所承擔的最高信用風險。

(b) 流動資金風險

財務匯報局的現金狀況充裕，因此流動性風險相當低。財務匯報局維持充足水平的現金及現金等價物，並透過定期審慎檢討預測以管理其營運資金。所有金融負債於報告期末起三個月內(2015年：三個月)到期償還。

(c) 市場風險

貨幣風險

財務匯報局資金收入及支出均為港元，而所有金融資產及金融負債均以港元為單位。因此財務匯報局並無承擔任何貨幣風險。

利率風險

由於財務匯報局的有利息資產為固定利率的定期存款，而其於財務報表內以攤餘成本計量，故財務匯報局承擔定期存款公允價值隨市場利率變動而波動的風險。為管理有關風險，財務匯報局採取以持續地監察利率風險的政策。

MANAGEMENT AND OPERATIONS REVIEW

管理及運作回顧

We currently have a complement of 22 staff in the FRC, comprising a strong team of professionally qualified accountants with audit background, a legally qualified in-house General Counsel and dedicated administrative staff.

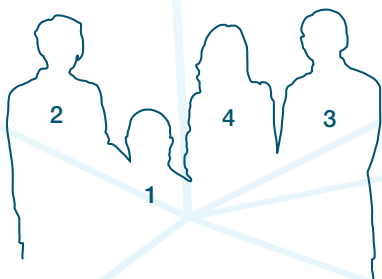
財務匯報局目前有22名成員，由一支具備審計經驗的優秀專業會計師團隊、一名內部法律顧問及一班對工作充滿熱誠的行政人員組成。

The key operations management team is:

主要運作管理團隊包括：



- 1 Mr Paul F. Winkelmann, CEO
衛皓民先生，行政總裁
- 2 Ms Wincey Lam, Deputy CEO
林穎志女士，副行政總裁
- 3 Mr Chan Tak Shing, Senior Director
陳德成先生，高級調查總監
- 4 Ms Florence Wong, Senior Director
王蕙湄女士，高級調查總監





Key Operations Statistics

主要運作數據

	2012	2013	2014	2015	2016
Pursuable complaints received 接獲的可跟進投訴	19	20	33	46	118
Modified auditors' reports screened 已檢閱的非無保留意見核數師報告	138	168	171	174	178
Financial statements selected for review 已抽選作審閱的財務報表	75	75	87	75	38*
Investigations initiated 年內展開調查的個案	9	7	22	11	18
Investigations completed 完成調查的個案	9	5	4	9	11
Enquiries completed 完成查訊的個案	1	2	1	–	1

* The financial statements review programme was enhanced with revised filtering criteria during 2016 to focus on certain areas of likely non-compliance/irregularity. Therefore, the number of financial statements selected for review in 2016 is not comparable to the statistics of previous years.

* 本局於2016年修訂篩選準則，把重點聚焦於有可能不遵從規定事宜／不當行為的範圍，從而改善財務報表審閱計劃。因此，於2016年抽選作審閱的財務報表的數量並不可與以前年度的數量作比較。

Review of Complaints

Every complaint received is carefully evaluated prior to determining whether to close the case or commence an investigation and/or an enquiry.

During the year, we amended our procedures manual to incorporate an approach to handling vexatious or nuisance complaints as part of our efficiency and effectiveness review. This will enable us to efficiently dispose of any such complaints in future years, and enable our staff to focus on handling our remaining case load.

The FRC received 118 pursuable complaints in 2016. Of these, 103 related to auditing or reporting irregularities and 10 related to non-compliance with accounting requirements. A further five complaints involved both auditing or reporting irregularities and non-compliance with accounting requirements.

		2016	2015
Complaints from the public	來自公眾的投訴	106	30
Complaints from listed entity	來自上市實體的投訴	1	–
Complaints from the HKEx	來自港交所的投訴	4	6
Complaints from the HKICPA	來自香港會計師公會的投訴	3	7
Complaints from the SFC	來自證監會的投訴	4	3
Total	總計	118	46

The FRC handled the 24 complaints brought forward from the previous year, along with the 118 pursuable complaints received during the year. Of these complaints, 11 led to 12 investigations and one enquiry being initiated, and 4 complaints were referred to specified enforcement agencies. By the end of the year, 14 complaints were still being evaluated.

The handling of 113 complaints was completed with no follow-up action as no apparent non-compliance/auditing irregularity was identified. Of these complaints, 97 (2015: 22) appear to have come from the same source and were directed at a single audit firm.

		2016	2015
Brought forward	年初審閱中的個案	24	14
Pursuable complaints received	接獲的可跟進投訴	118	46
Initiated investigation and/or enquiry	展開調查／查詢的個案	(11)	(6)
Referred to specified enforcement agencies	轉介予指明執行機構的個案	(4)	(2)
Completed with no follow-up action	已完成而無需要採取跟進行動的個案	(113)	(28)
In progress at end of year	年末仍在審閱中的個案	14	24

審閱投訴

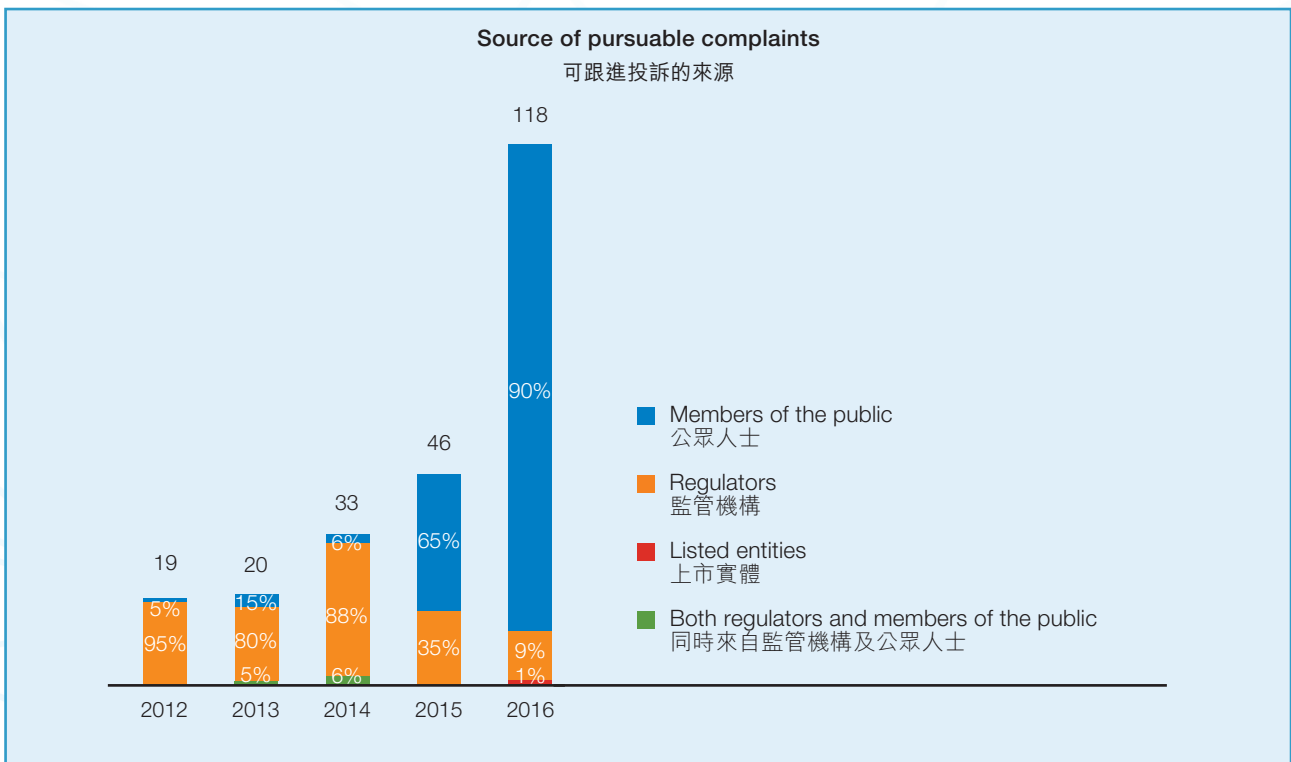
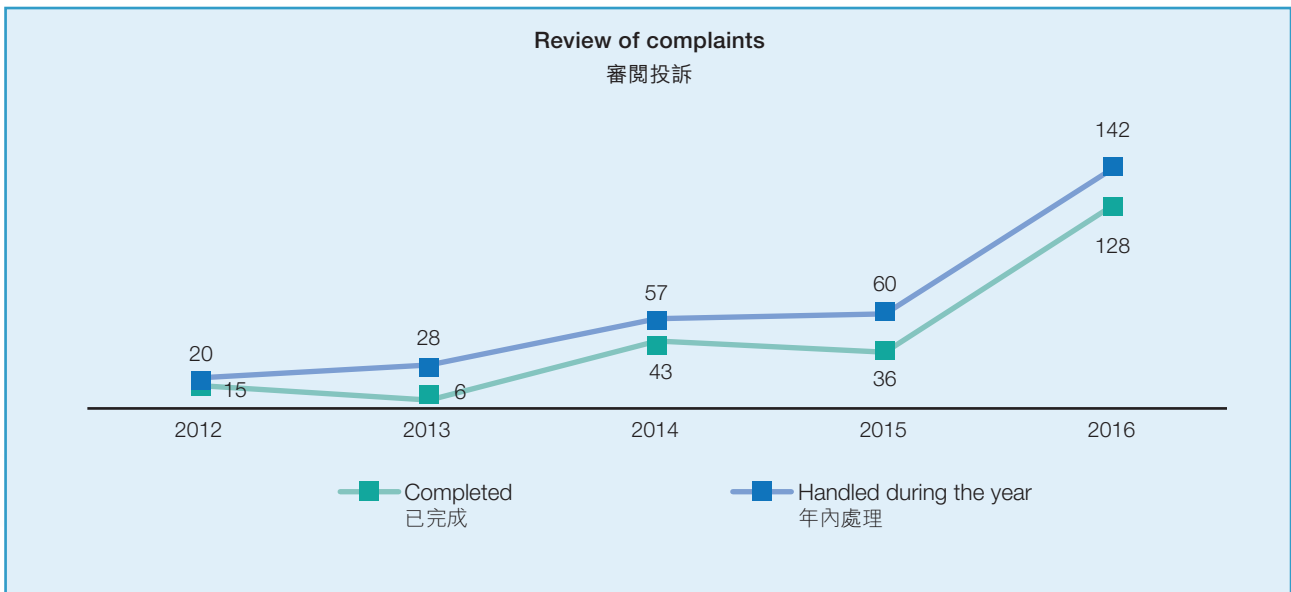
本局謹慎審閱所接獲的每宗投訴，以決定是否結束案件或展開調查及／或查訊。

於年內，本局修改了程序手冊，加入處理無理纏擾或造成滋擾的投訴個案的方法，以維持審閱的效率及成效。此舉將有助本局於未來更有效地處理任何該等投訴，亦有助員工可專注處理餘下的個案。

本局於2016年共接獲118宗可跟進投訴。當中，103宗涉及審計或匯報不當行為，10宗涉及不遵從會計規定事宜。另外五宗同時涉及審計或匯報不當行為及不遵從會計規定事宜。

本局於年內共處理24宗於上一年度接獲的投訴，以及118宗於年內接獲的可跟進投訴。當中，本局就11宗投訴展開12宗調查及一宗查訊，並轉介4宗投訴予指明執行機構。截至本年年末，本局仍在審閱14宗投訴。

所接獲的可跟進投訴當中，113宗由於沒有發現任何可能不遵從會計規定事宜／不當行為，故此個案已完成而無需要採取跟進行動；97宗(2015年：22宗)看來是來自同一來源，並針對同一間會計師行。

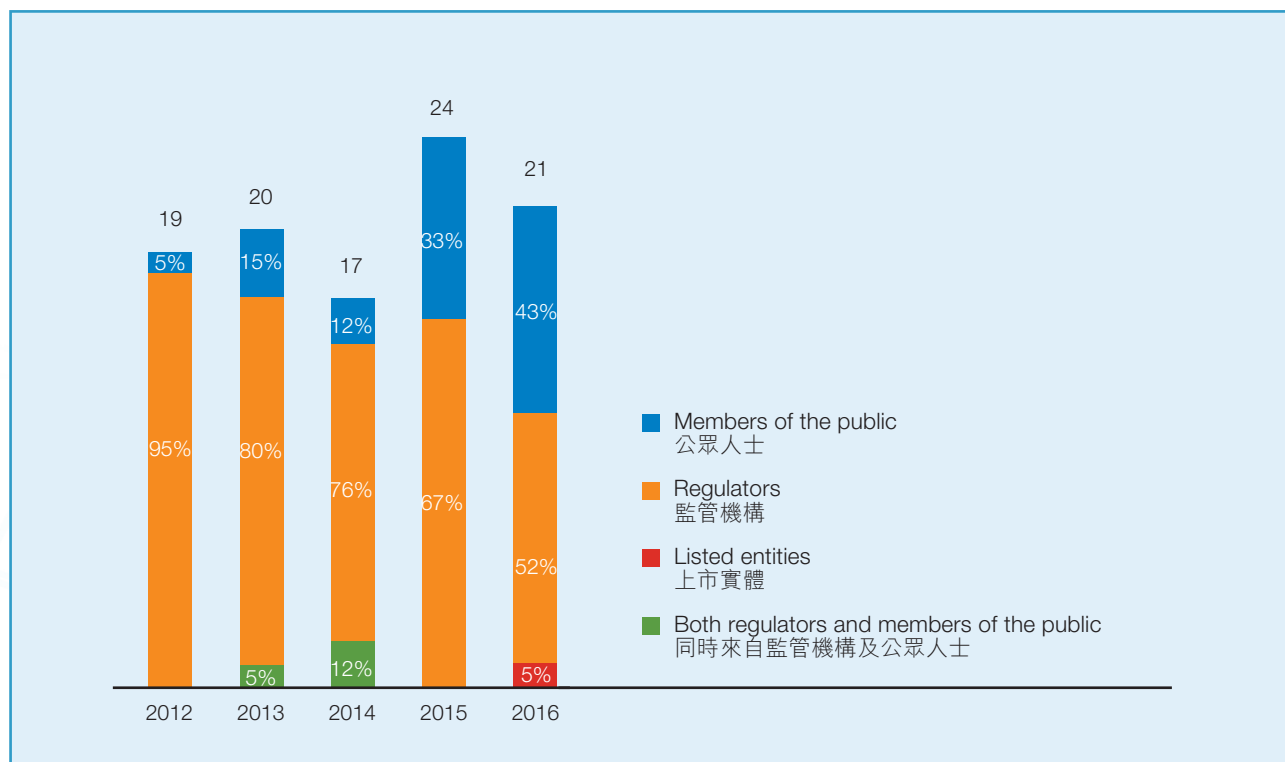


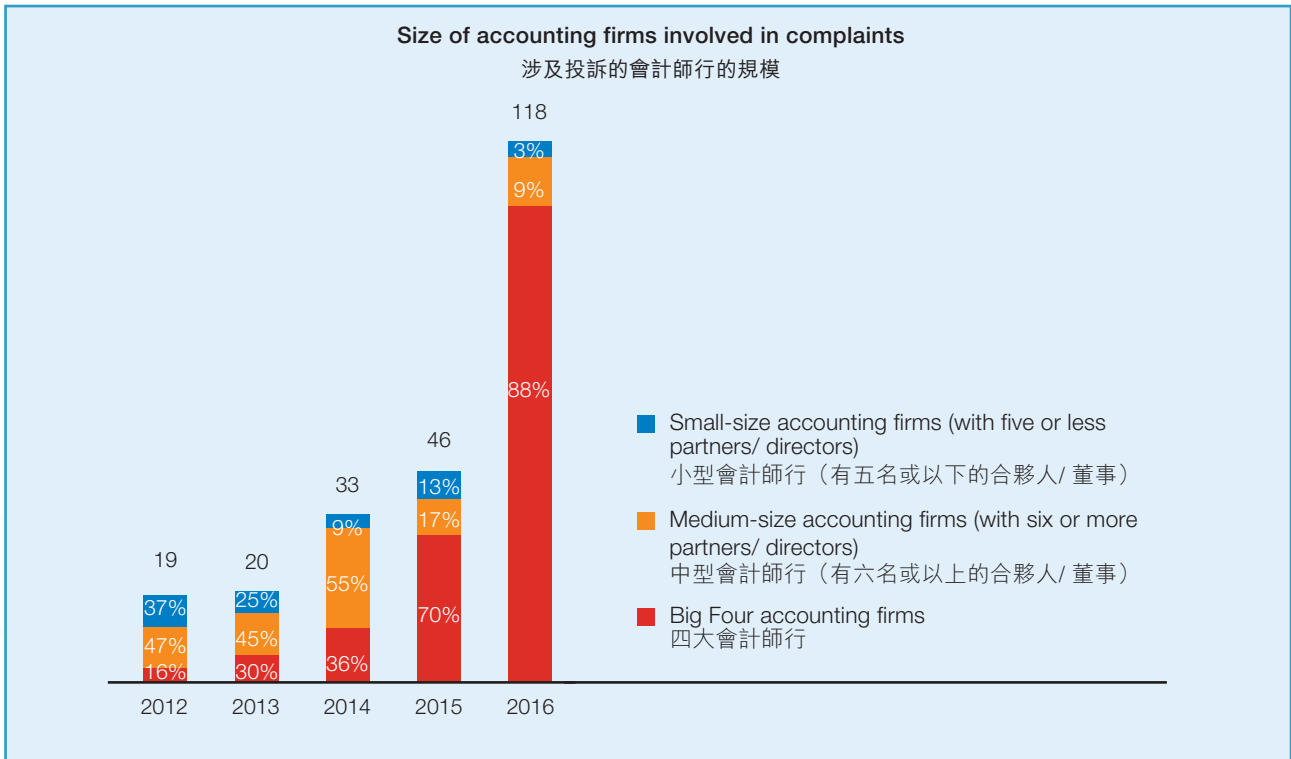
MANAGEMENT AND OPERATIONS REVIEW (continued)

管理及運作回顧(續)

By eliminating the anomalies created by the number of complaints which appear to have come from a single source in 2015 and 2016, together with a different anomaly created in 2014, a different picture emerges.

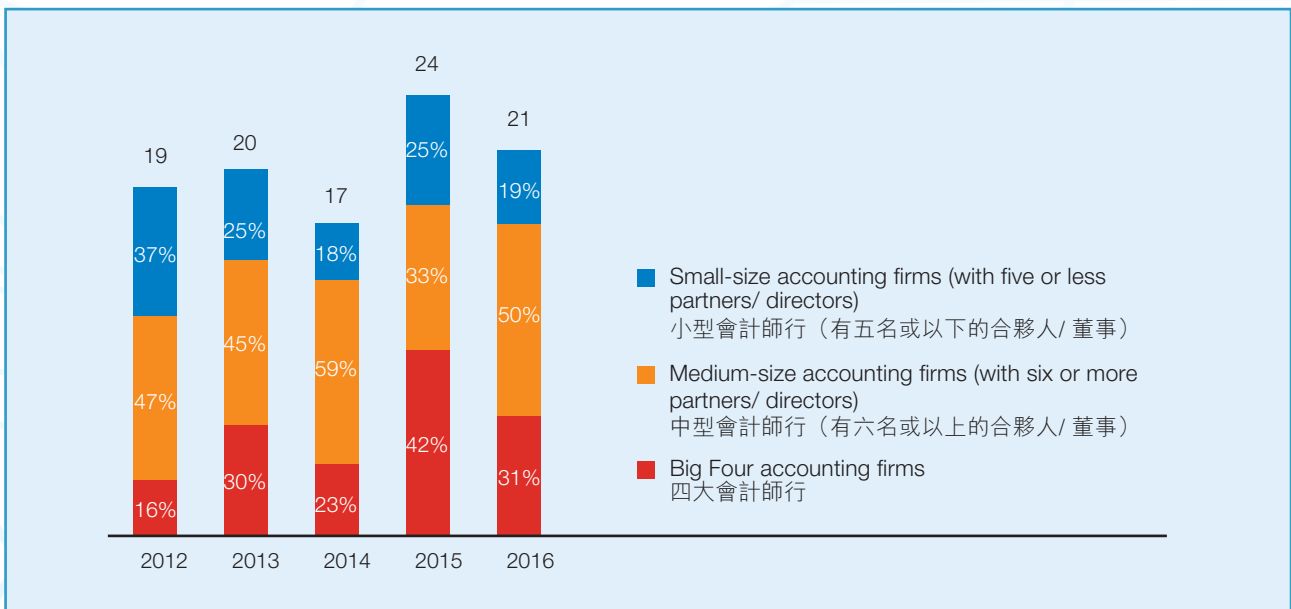
撇除於2015年及2016年看來是來自單一來源的投訴個案所造成的異常情況，以及於2014年發生的另外一個異常情況後，投訴來源的分佈有所改變。





By also eliminating the anomalies created in 2014, 2015 and 2016 mentioned in the chart on source of pursuable complaints, once again a different picture emerges.

撇除於上述可跟進投訴來源圖表所提及於2014年、2015年及2016年所發生的異常情況後，涉及投訴的會計師行的規模的分佈亦有改變。



MANAGEMENT AND OPERATIONS REVIEW (continued)

管理及運作回顧 (續)

Financial Statements Review Programme

As mentioned in the CEO's report, the financial statements review programme was amended to focus on areas of likely non-compliance/irregularity as identified by the use of a "filtering" mechanism.

In addition, a full review of companies adopting Chinese Accounting Standards for Business Enterprises (ASBE) continued to be carried out in collaboration with HKEx and HKICPA.

Financial statements reviewed by external reviewers are re-examined by staff of the FRC to ensure that any cases of apparent non-compliance with accounting requirements have been dealt with consistently; and all review points raised are evaluated to determine whether any follow up action is required.

財務報表審閱計劃

誠如行政總裁報告所述，本局修訂了財務報表審閱計劃，以透過應用「篩選」機制更集中於識別有可能不遵從規定事宜／不當行為的範圍。

此外，本局繼續與港交所及香港會計師公會合作，審閱以中國企業會計準則編製財務報表的公司。

外部審閱人員所審閱的財務報表會經本局重新審核，確保以一致方式處理任何可能不遵從會計規定事宜的個案；而本局亦會審核所有審閱要點，以決定是否需要採取任何跟進行動。

Screening of modified auditors' reports

		2016	2015
Brought forward	年初檢閱中的個案	-	-
Screened during the year	年內檢閱的個案	178	174
No apparent non-compliance	無明顯不遵從規定事宜的個案	(76)	(95)
Review required	需要審閱的個案	(102)	(79)
In progress at end of year	年末仍在檢閱中的個案	-	-

篩選非無保留意見核數師報告

Review of modified auditors' reports

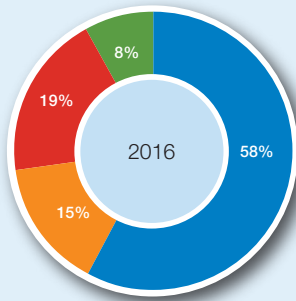
		2016	2015
Brought forward	本年初審閱中的個案	2	17
Initiated in the year	年內展開審閱的個案	102	79
Completed with no follow-up action	已完成而無需要採取跟進行動的個案	(100)	(90)
Required review of entire set of financial statements	需要審閱整份財務報表的個案	(3)	(1)
Required follow-up action	需要採取跟進行動的個案	-	(3)
In progress at end of year	年末仍在審閱中的個案	1	2

審閱非無保留意見核數師報告



Financial statements reviewed in 2016-breakdown by filters

於2016年已審閱的財務報表－以篩選條件分類



- Listed entities whose audit firm is small in relation to the complexity of the audit
聘用小型核數師處理複雜的審計問題
- Alleged non-compliance with accounting requirements and/or auditing or reporting irregularities based on media reports/ listed entities subject to intervention by HKEx
基於媒體報導涉嫌有不遵從會計規定事宜及/或有審計或匯報不當行為；或被港交所介入的上市實體
- Financial statements with significant prior period adjustments suggesting investors relying on prior period financial statements could have been misled
作出重大前期調整的財務報表（投資者或受該前期財務報表誤導）
- Modified auditors' reports
非無保留意見核數師報告

Investigations

The FRC handled 30 investigations brought forward from 2015 and initiated 18 investigations in 2016. In total, 11 investigations were completed and the investigation reports have been referred to the HKICPA who will determine whether any disciplinary or other action is warranted. Summaries of the investigations completed in 2016 can be found on pages 65 to 76 of this annual report.

During the year, the HKICPA's disciplinary committees took disciplinary action in response to eight investigations completed and referred to it by the FRC in earlier years. The certified public accountants (practising) and corporate practices involved in these cases were reprimanded and ordered to pay penalties and costs.

調查

本局於2016年處理在2015年已展開的30宗調查個案並展開18宗調查個案。本局總共完成11宗調查個案，並已向香港會計師公會轉介該調查報告，公會將考慮是否需要進行任何紀律處分或其他行動。於2016年完成的調查個案的摘要載於本年報第65頁至第76頁。

於年內，香港會計師公會的紀律委員會就本局於較早年度已完成及向其轉介的八宗調查個案採取紀律處分。該等個案涉及的執業會計師及執業法團被譴責及勒令支付罰款及費用。

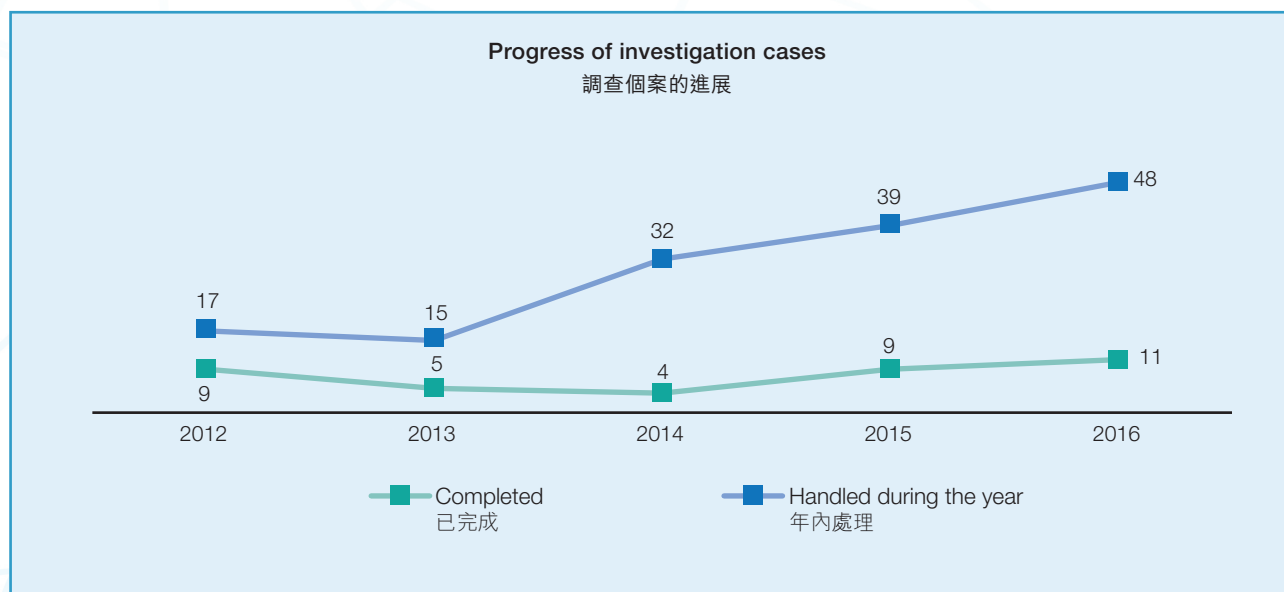
MANAGEMENT AND OPERATIONS REVIEW (continued)

管理及運作回顧 (續)

By the end of the year, 37 investigations were in progress. Some of these investigations involve highly complex issues and require the study of financial statements across several years. These have required more time for evidence to be collected and information to be reviewed. The increase in the number of outstanding cases is due to our focus to resolve complaints in accordance with our target of 90 days, and single complaints/reviews giving rise to multiple investigations.

截至本年年末，本局仍在進行37宗調查個案。部分仍在調查的個案涉及較複雜的問題，需要研究多個年度的財務報表。這些調查個案需要更多時間搜集證據和審閱資料。導致仍在調查個案的數量上升，乃由於本局致力於90日的目標期限內處理投訴，以及就單一投訴／審閱個案展開多個調查個案。

		2016	2015
In progress at beginning of year	年初調查中的個案	30	28
Initiated in the year	年內展開調查的個案	18	11
Completed	已完成	48 (11)	39 (9)
In progress at end of year	年末仍在調查中的個案	37	30



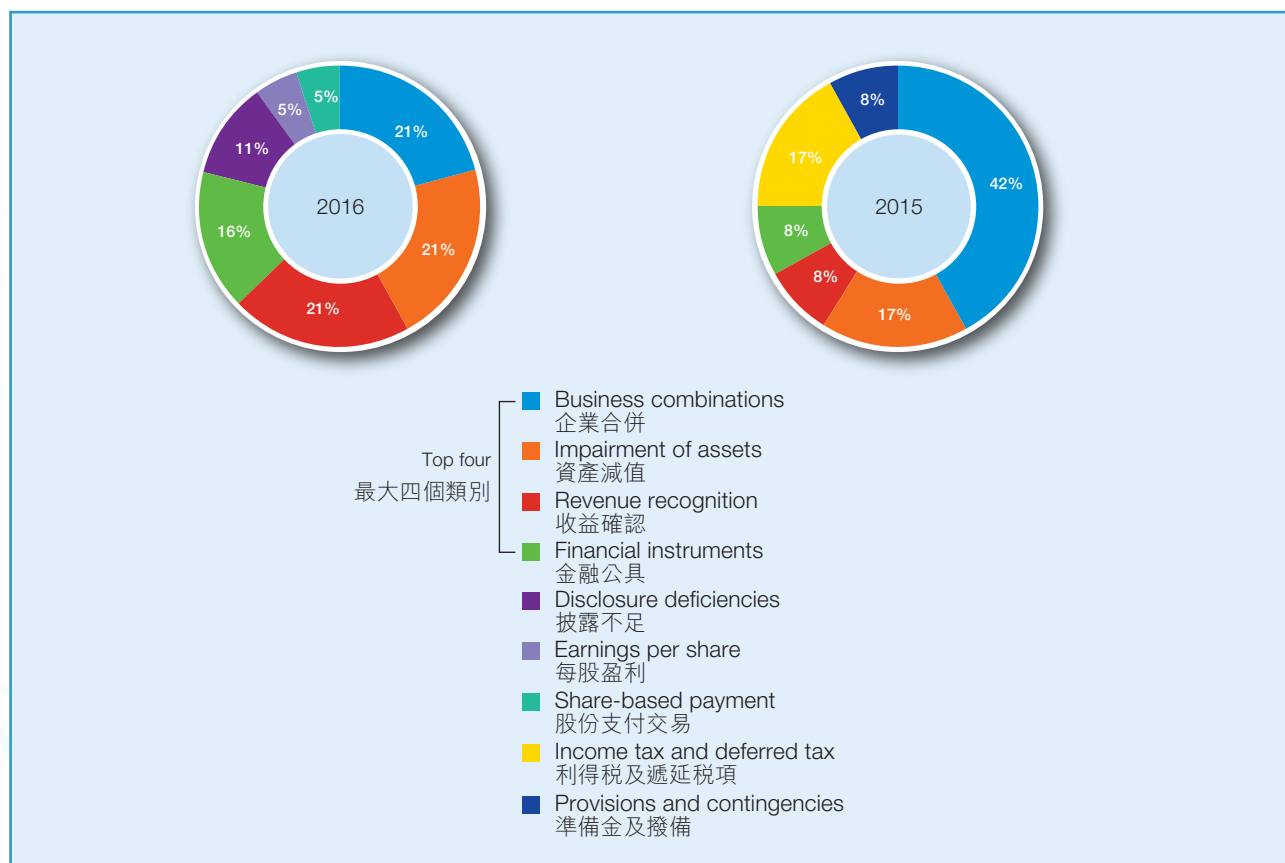


Key issues and findings in completed investigations

The major audit deficiency identified is the failure of auditors to identify inappropriate accounting treatments by companies. This indicates that the auditors had not performed appropriate audit procedures and obtained sufficient evidence to support the accounting treatments proposed by the management in respect of the following areas:

已完成調查個案的主要問題及發現

本局發現的主要審計不足之處為核數師無法識別公司使用不適當的會計處理方法。這顯示了核數師未有進行適當審計程序及獲取足夠證據以支持管理層就下列範疇所使用的會計處理方法：



The top four combined represents 79% for 2016 (2015: 75%) of deficiencies found.

最大的四個類別佔2016年全部調查個案的79% (2015年：75%)

Enquiries

The FRC brought forward two enquiries from last year and initiated one new enquiry.

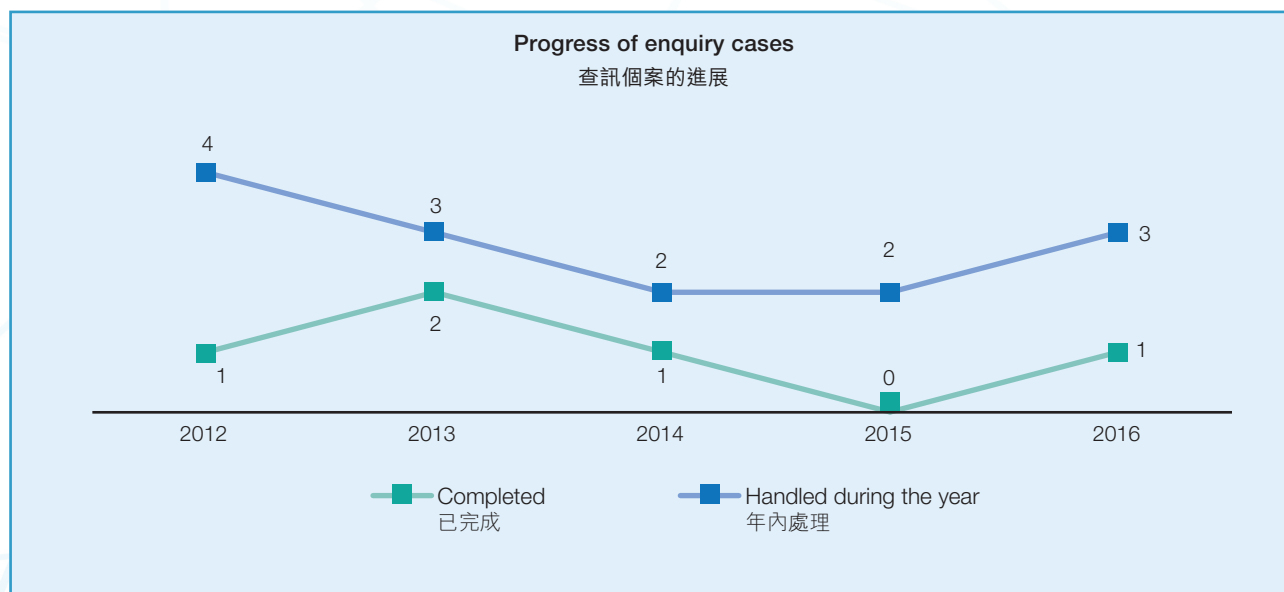
Each enquiry is handled by a Financial Reporting Review Committee with support from staff of the FRC. The time taken to complete an enquiry depends on the circumstances and complexity of individual cases.

查訊

本局處理於上一年度開始的兩宗查訊個案以及展開一宗查訊個案。

每宗查訊個案由財務匯報檢討委員會及本局員工一同處理。完成一宗查訊個案所需要的時間視乎每宗個案的情況及複雜性而定。

		2016	2015
In progress at beginning of year	年初查訊中的個案	2	1
Initiated in the year	年內展開查訊的個案	1	1
Completed	完成查訊的個案	3 (1)	2 -
In progress at end of year	年末仍在查訊中的個案	2	2





Summaries of completed investigations

The FRC completed 11 investigation cases in 2016. Summaries of the key findings are as follows.

已完成的調查個案摘要

本局於2016年完成11宗調查個案。以下為主要調查發現之摘要。

Acquisitions of subsidiaries, impairment assessments of intangible assets and goodwill, calculation of loss per share and re-measurement of contingent consideration

收購子公司、無形資產和商譽的減值測試、每股虧損的計算及或然代價的重新計量

Background

There were possible non-compliances with accounting requirements in the listed entity's consolidated financial statements for two consecutive years. These possible non-compliances related to acquisitions of subsidiaries, impairment assessments of intangible assets and goodwill, calculation of loss per share, and re-measurement of contingent consideration.

背景

上市實體連續兩年的綜合財務報表可能存在不遵從會計規定事宜，當中涉及收購子公司、無形資產和商譽的減值測試、每股虧損的計算，及或然代價的重新計量。

Issues

Whether the auditor had performed adequate audit procedures to obtain sufficient appropriate audit evidence to support their unmodified audit opinion on the financial statements.

問題

核數師有否充分執行審計程序，以獲取充分適當的證據支持其對相關財務報表的無保留意見。

Analysis

The investigation discovered the following auditing irregularities:

分析

調查發現以下審計不當行為：

- (a) In respect of acquisitions of subsidiaries, the auditor did not challenge management's projections on the estimated future profit of the acquired businesses which significantly affected the initial and subsequent measurement of the contingent considerations. In one of the acquisitions, the auditor failed to identify the incorrect classification of the contingent consideration as equity.

- (a) 就收購子公司方面，核數師沒有質疑管理層對所收購業務的未來盈利預測，這對或然代價的初始和期後計量帶來重大影響。於其中一項收購，核數師未能識別或然代價被錯誤分類為權益。

The auditor also failed to perform procedures, other than relying on the acquirees' financial statements and management representation, to ensure all the identifiable assets acquired and liabilities assumed in the acquisitions were recognised, separately from goodwill, and measured at their acquisition-date fair values in accordance with the accounting requirements.

此外，核數師除了信賴被購方的財務報表及管理層的聲明外，亦沒有執行審計程序，以確保所有因收購而取得的可辨識資產及承擔的負債，均已按照會計規定與商譽分開確認，並以收購日的公允值作出計量。

- (b) In respect of impairment assessments of certain intangible assets and goodwill, the auditor did not (i) challenge management for using out-dated valuation; (ii) consider the unfavourable market conditions; and (iii) consider the actual performance of the related business in determining the recoverable amounts of the relevant assets. Consequently, the auditor failed to obtain sufficient appropriate audit evidence.

- (b) 就某些無形資產及商譽的減值測試，核數師沒有 (i) 質疑管理層採用過時的估值；(ii) 考慮不佳的市況；及 (iii) 考慮相關業務的實際表現，來釐定相關資產的可收回金額。因此，核數師並沒有獲取充分適當的審計證據。

- (c) The auditor failed to check the calculation of the weighted average number of ordinary shares outstanding and was not aware that the loss per share was incorrectly presented in the financial statements.

- (c) 核數師沒有檢查已發行普通股的加權平均數的計算，以及未能辨識每股虧損於財務報表中錯誤的呈示。

Conclusion

The above auditing irregularities and the investigation report have been referred to the HKICPA to determine any follow-up action.

分析

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Accounting for acquisitions, convertible bonds and share-based payment transactions

關於收購、可換股債券及股份支付交易的會計處理

Background

The listed entity made two acquisitions, being an acquisition of 50% equity interest in an entity (Acquisition A) and an acquisition of 100% equity interest in another entity (Acquisition B)

背景

上市實體作出兩項收購，包括收購一間公司50%的股權(收購A)及另一間公司100%的股權(收購B)

The consideration for Acquisition A was settled by cash and the issue of two convertible bonds (CB1 and CB2). CB1 and CB2 were measured at values equal to their principal amounts upon initial recognition. CB2 was separated into equity and liability components. There were embedded derivatives in CB2 but the relevant financial statements did not mention this.

收購A的代價以現金及發行兩批可換股債券(可換股債券I及可換股債券II)支付。可換股債券I及可換股債券II的價值，是以初始確認時的本金額計量。可換股債券II分為權益及負債兩部分，但其嵌入認購期權，則在相關的財務報表中未有提及。

The fair values of the identifiable assets and liabilities acquired in Acquisition A and Acquisition B were accounted for at the same value as their carrying amounts at their respective acquisition dates.

由收購A及收購B取得的可辨認資產及負債的公允價值，等同於分別作出兩項收購時的賬面值。

Convertible bonds were issued to an entity wholly-owned by a key member of management of the listed entity (CB3) and a third party (CB4)

發行予由上市實體關鍵管理層成員擁有的實體的可換股債券(可換股債券III)及第三方的可換股債券(可換股債券IV)

CB3 and CB4 were measured at values equal to their principal amounts upon initial recognition.

可換股債券III及可換股債券IV的價值，是以初始確認時的本金額計量。

CB4 was separated into equity and liability components. There were embedded derivatives in CB4 but the relevant financial statements did not mention this.

可換股債券IV分為權益及負債兩部分，而可換股債券IV之嵌入認購期權，則在相關的財務報表中未有提及。

Other share-based payment transactions

其他股份支付交易

The listed entity granted share options to its directors, employees and consultants.

上市實體向其董事、僱員及顧問授予購股權。

The fair value of the share options was estimated at the date of grant using the black-scholes option pricing model. The term of the implied yield used in determining the fair value of the share options was significantly longer than the expected term of the option granted. The period for determining the historical volatility of the share price was less than the expected term of the share options, and the expected term of the share options was significantly shorter than the exercise period taking into account that certain options had been exercised early.

該等購股權的公允價值，是於授出日期按照柏力克-舒爾斯期權定價模式進行估計。上市實體用於釐定購股權公允價值的隱含收益率，年期明顯長於授出之購股權的預期年期。用於釐定股價過往波幅的時期，亦短於預期購股權的年期。此外，若計及提前行使部分購股權，預期購股權的年期將明顯短於行使期。



The listed entity also granted certain warrants to a service provider in exchange for his services. The counterparty was required to complete a specified period of service before becoming unconditionally entitled to those warrants. The listed entity recognised the share-based payment expenses on the date of grant in full. The period for determining the historical volatility of the share price in estimating the fair value of the warrants on the grant date was shorter than the expected term of the warrants.

Issues

- (i) Whether the auditor had properly designed and performed audit procedures that were appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence.
- (ii) Whether the auditor had properly evaluated whether the relevant financial statements were prepared in accordance with the requirements of the applicable financial reporting framework.

Analysis

Acquisition A and Acquisition B

Certain identifiable assets acquired in Acquisition A and Acquisition B that met the contractual-legal criterion were not recognised separately from goodwill. CB1 and CB2 were not measured at their fair values upon initial recognition. The embedded derivatives of CB2 were not separated from the liability component and accounted for as a derivative.

CB3 and CB4

There were unidentifiable goods or services received by the listed entity in relation to the issue of CB3 and CB4. However, CB3 and CB4 were not accounted for as share-based payment transactions. The fair values of the unidentifiable goods or services, being the difference between the consideration received and the fair values of CB3 and CB4, were not recognised as an expense.

The embedded derivatives of CB4 were not identified and no assessment was made as to whether they should be separately recognised from the liability component.

Other share-based payment transactions

The inputs to the option pricing model used in determining the fair value of share options and warrants were not consistent with the terms of the agreements.

The warrants granted were vested in stages and the related share-based payment expenses should be recognised over the vesting period.

上市實體亦向一間服務供應商授予若干認股權證，以換取其服務。上市實體要求交易對方完成指定的服務期限，以無條件獲取該等認股權證。上市實體已於授出日期悉數確認股份支付交易的開支。於估計在授出日期時的認股權證之公允價值時，所用作釐定股價過往波幅的時期，短於預期認股權證的年期。

問題

- (i) 核數師有否設計及執行適當的審計程序，以獲取充分適當的審計證據。
- (ii) 核數師有否妥善評估有關財務報表的編製，是否已遵從適用財務報告框架。

分析

收購A及收購B

由收購A及收購B取得、並符合法律契約標準的若干可辨認資產，沒有和商譽分開確認。可換股債券I及可換股債券II的價值，並沒有以初始確認時的公允價值計量，而可換股債券II之嵌入認購期權沒有與負債部分分離，作為單獨存在的衍生工具處理。

可換股債券III及可換股債券IV

上市實體就可換股債券III及可換股債券IV，收取了未能辨識的商品或服務。然而，可換股債券III及可換股債券IV並沒有作為股份支付交易處理。該等未能辨識的商品或服務之公允價值，亦即上市實體已收取的收購代價與可換股債券III及可換股債券IV公允價值之間的差額，並沒有確認為支出。

上市實體沒有識別可換股債券IV之嵌入認購期權，以及沒有評估其是否需要從負債部分之中分拆及單獨確認。

其他股份支付交易

上市實體於釐定認股權證及購股權的公允價值時所用的計價模型的假設，與有關條款並不一致。

上市實體發行的購股權分批歸屬，唯上市實體沒有將以股份支付的費用在歸屬期間恰當地按比例攤銷。

Based on the above, the AIB found that the auditor failed to sufficiently evaluate the terms and substance of the relevant transactions and the applicable accounting requirements and therefore failed to perform audit procedures to obtain sufficient appropriate audit evidence to support their unmodified opinions on the relevant financial statements.

The AIB also concluded that the engagement director failed to maintain professional knowledge and skill at the level required and failed to act diligently in accordance with the Code of Ethics for Professional Accountants.

Conclusion

The above auditing irregularities and the investigation report has been referred to the HKICPA for follow-up.

基於以上各項，調查委員會認為核數師沒有充分評估有關交易之條款及實質和適用的會計規定，從而執行審計程序以獲得充分適當的審計證據，支持核數師對相關財務報表所出具非無保留的審計意見。

調查委員會亦發現，審計項目總監沒有根據《專業會計師職業道德守則》的要求，維持應有的專業知識和技術，及盡職地執行審計工作。

結論

我們已將上述審計不當行為及調查報告轉交香港會計師公會跟進。

Income recognition

確認收益

Background

The listed entity recognised a waiver of a substantial shareholder's advance in its consolidated financial statements as income, which significantly reduced the loss for the year. Both the auditor of the relevant financial statements and the successive auditor agreed with the accounting treatment.

背景

上市實體於財務報表中把豁免股東貸款確認為收益，使當年的虧損大幅減少。該財務報表的核數師和往後一任的核數師，均認同相關的會計處理方法。

Issue

Whether the auditors had correctly considered the accounting treatment of the waiver in forming their audit opinions on the financial statements.

問題

核數師在財務報表中出具其意見時，有否正確地考慮豁免款項的會計處理方法。

Analysis

Both auditors failed to (a) correctly consider the substance of the waiver of the shareholder's advance; and (b) justify why the accounting for the waiver as income was appropriate and compliant with applicable accounting standards; and (c) evaluate the appropriateness of the accounting treatment and the financial effect of the waiver in forming their opinions on the financial statements.

分析

兩家核數師均未能(a)正確地考慮豁免股東貸款的實質；(b)證明把豁免款項確認為收益，是合適並遵從相關會計準則的做法；(c)在財務報表中出具其意見時，評估豁免款項的會計處理方法是否合適，以及其財務影響。

Conclusion

The above auditing irregularities and the investigation reports have been referred to the HKICPA to determine any follow-up action.

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。



Contingent consideration

或然代價

Background

There was a possible non-compliance with accounting requirements in the listed entity's consolidated financial statements for two consecutive years (audited by two different auditors) in relation to a contingent consideration which arose from the acquisition of subsidiaries.

背景

上市實體連續兩年的綜合財務報表可能存在不遵從會計規定事宜(由兩家不同的核數師進行審計)，當中涉及收購子公司的或然代價。

Issue

Whether the auditors had obtained sufficient appropriate audit evidence to support the accounting treatment for the contingent consideration in forming their audit opinions on the financial statements.

問題

核數師在財務報表中出具其意見時，有否取得充分適當的證據，以支持其對或然代價的會計處理。

Analysis

In the year of acquisition, the listed entity did not recognise any contingent consideration at the acquisition date and at the end of the reporting period. The auditor failed to (a) challenge the reasonableness of management's projection of the future profit of the acquired business; (b) test the projection with relevant and reliable evidence; and (c) identify that disclosing the contingent consideration as a non-adjusting event after the reporting period was a non-compliance with accounting requirements.

分析

於作出收購年度，上市實體未有於收購日及結算日確認任何或然代價。核數師沒有(a)質疑管理層對收購業務的盈利預測是否合理；(b)以相關及可靠的證據測試該盈利預測；(c)識別把或然代價披露為結算日後之非調整事項是不遵從會計規定事宜。

In the subsequent year, the successive auditor failed to (a) identify the non-compliances in the opening balances and comparative information in relation to the contingent consideration; (b) adequately test and assess the measurement of the recognised contingent consideration; (c) identify that presenting the recognised contingent consideration, which was a non-cash item, in the consolidated statement of cash flows and disclosing the contingent consideration as a non-adjusting event after the reporting period were non-compliances with accounting requirements.

在下一個年度，繼任核數師沒有(a)識別有關或然代價的期初餘額及比較數據存在不遵從會計規定事宜；(b)充分測試及評估已確認的或然代價之計量；(c)識別有關將非現金項目的或然代價於綜合現金流量表內列示，及把或然代價披露為以結算日後之非調整事項披露，是不遵從會計規定事宜。

Conclusion

The above auditing irregularities and the investigation reports have been referred to the HKICPA to determine any follow-up action.

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Auditing prepayments and sales transactions

預付款及銷售交易的審計

Background

This investigation arises from the financial statements review program. In June 2012, the auditor appointed to audit the consolidated financial statements of a listed entity for the year ended 30 June 2011 (the 2011 Financial Statements) issued a disclaimer of opinion. This appointment was to replace the former auditor following their inability to obtain sufficient and reliable evidence to complete the 2011 audit.

背景

此調查個案源自財務報表審閱計劃。於2012年6月，獲委任審計上市實體截至2011年6月30日止年度綜合財務報表(2011年財務報表)的核數師不發表意見。該核數師的委任，是取代因未能取得充分可靠的證據，以完成2011年審計工作的前任核數師。

Issues

The disclaimer of opinion on the 2011 Financial Statements referred to scope limitations on the opening balances at 30 June 2010 and furthermore the listed entity announced the result of a forensic investigation citing problems going back to the year ended 30 June 2008. These events indicated that there were possible auditing irregularities in the audits of the financial statements for the years ended 30 June 2008 (the 2008 Audit), 30 June 2009 (the 2009 Audit) and 30 June 2010 (the 2010 Audit) in respect of the following items:

問題

核數師對2011年財務報表不發表意見，指其就2010年6月30日期初餘額的審計存在限制，而且該上市實體公佈了一項法證調查結果，顯示早於截至2008年6月30日止年度已存在問題。這些事項顯示了該上市實體截至2008年6月30日、2009年6月30日及2010年6月30日止年度的財務報表審計(2008年審計)(2009年審計)(2010年審計)可能有審計方面的不當行為，包括：

- (i) Prepayments to three suppliers for purchases for the year ended 30 June 2010 and prepayments made to the major customer for the years ended 30 June 2009 and 2010.
- (ii) Sales to the major customer for each of the years ended 30 June 2008 to 30 June 2010.

- (i) 就截至2010年6月30日止年度採購而支付予三家供應商之預付款，以及於截至2009年6月30日及2010年6月30日止年度支付予主要客戶之預付款。
- (ii) 於截至2008年6月30日至2010年6月30日止各年度，銷售予一名主要客戶所產生的收入。

Analysis

Prepayments to three suppliers

The prepayments to three suppliers at 30 June 2010 were a significant line item which should have given rise to a heightened awareness by the auditor as to its audit significance. However, the auditor only performed fluctuation analysis and concluded at the planning stage that no significant risks had been identified and this line item was of low risk in the 2010 Audit. Analytical procedures were not properly carried out to identify the risk of material misstatement relating to these prepayments.

分析

支付予三個供應商之預付款

支付予三個供應商之預付款於2010年6月30日的結餘重大，對於審計工作有重要影響，故此理應引起核數師對此款項的關注。然而，核數師於2010年審計的計劃階段，只作了波動分析，並認為沒有任何已辨認的重大風險，以及列該等預付款為低風險。分析程序也沒有被妥善執行，以辨認與該等預付款相關的重大錯誤陳述風險。

The auditor also failed to verify the utilisation of these prepayments in order to address the unusual nature of these prepayments identified during the 2010 Audit (eg. these prepayments were not directly paid to the suppliers). The additional audit evidence obtained was substantially limited to management's oral representations.

核數師亦沒有於2010年審計中，核證該等預付款的使用，以回應該等預付款不尋常的性質(例如該等預付款並非直接支付予供應商)。核數師額外取得的審計證據，很大程度只限於管理層的口述聲明。

Prepayments to the major customer

The prepayments to the major customer at 30 June 2009 were a significant line item and there were material movements in this item between the years ended 30 June 2009 and 30 June 2010, which should have given rise to a heightened awareness by the auditor as to its audit significance. However, the auditor failed to properly perform the analytical procedures and the risk assessment procedures to identify the risk of material misstatement relating to these prepayments in the 2009 Audit and the 2010 Audit.

支付予主要客戶之預付款

支付予主要客戶的預付款於2009年6月30日的結餘重大，並於2009年6月30日至2010年6月30日期間有重大變動，對於審計工作有重要影響，故此理應引起核數師的關注。然而，核數師沒有於2009年審計及2010年審計中，妥善執行分析程序和風險評估程序，以辨認與該等預付款相關的重大錯誤陳述風險。



During the 2010 Audit, the auditor discovered unusual transactions in relation to these prepayments. However, they failed to update and change their original planning decision which did not identify any significant risks. In addition, the auditor failed to test the reasonableness of the amortisation of prepayments and the subsequent utilisation of the prepayments in the 2009 Audit and the 2010 Audit.

Sales to the major customer

Planning

During the 2008 Audit, the 2009 Audit and the 2010 Audit, the auditor failed to properly perform analytical procedures to identify the risk of material misstatement relating to revenue, given the existence of certain risk factors. The auditor continued to view the risk as low in the audit approach.

Consideration of fraud in revenue recognition

The auditor failed to assess the presumed risks of fraud in revenue recognition in the 2008 Audit, the 2009 Audit and the 2010 Audit.

Tests of controls

The auditor planned to rely on the controls over revenue recognition. However, they failed to test whether the controls on the recognition of sales of goods to the major customer were operating effectively during the years ended 30 June 2008 and 2009.

In addition, the auditor had identified certain deviations in the application of the internal controls in the 2010 Audit. However, they did not perform any alternative audit procedures to address these deviations and failed to evaluate how these deviations affected the risk assessment.

Substantive procedures

During the 2008 Audit, the 2009 Audit and the 2010 Audit, the auditor failed to test the revenue recognition of the sales of goods to the major customer and the related trade receivables, and properly perform the analytical review as an overall review of the relevant financial statements at the completion stage to identify the unusual sales transactions with the major customer.

Conclusion

The above auditing irregularities and the investigation reports have been referred to the HKICPA to determine any follow-up action.

核數師於2010年審計中，發現該等預付款涉及不尋常交易。然而，核數師沒有更新及更改原本審計計劃中，認為沒有已辨認的重大風險的決定。此外，核數師亦沒有於2009年審計及2010年審計中，測試該等預付款的分期攤銷是否合理，以及查核該等預付款隨後的使用。

銷售予主要客戶

計劃

雖然於2008年審計、2009年審計及2010年審計時，已存在若干風險因素，但核數師卻未能妥善執行分析程序和風險評估程序，以辨認與銷售相關的重大錯誤陳述風險，因而視有關風險為低。

對銷售確認之舞弊考慮

核數師未能於2008年審計、2009年審計及2010年審計中，評估有關銷售舞弊的假定存在風險。

控制測試

核數師計劃依賴對銷售確認的控制。然而，核數師未有測試確認銷售貨物予主要客戶之控制，於截至2008年6月30日及2009年6月30日止年度的運作是否有效。

此外，核數師已於2010年審計中，識別了若干內部控制的誤差。然而，核數師未有執行任何替代審計程序，以回應此等誤差，亦沒有評估此等誤差如何影響風險評估。

實質性程序

核數師沒有於2008年審計、2009年審計及2010年審計中，測試銷售貨物予主要客戶及相關應收款項的確認，亦沒有於審計完成階段，適當地執行分析程序作為對相關財務報表的整體性覆核，以辨認與主要客戶之間的不尋常銷售交易。

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Impairment assessments and income recognition	減值測試及確認收益
<p>Background</p> <p>There were possible non-compliances with accounting requirements in the listed entity's consolidated financial statements. These possible non-compliances related to impairment assessments of assets and the accounting for certain sales and purchase transactions relating to trading operations.</p>	<p>背景</p> <p>上市實體的綜合財務報表可能存在不遵從會計規定事宜，當中涉及資產減值測試及若干與貿易業務有關的買賣交易之會計處理。</p>
<p>Issues</p> <p>Whether the auditor had performed adequate audit procedures to obtain sufficient appropriate audit evidence to support their unmodified audit opinions on the financial statements.</p>	<p>問題</p> <p>核數師有否執行足夠審計程序，以獲取充分適當的審計證據，支持其於財務報表發表的無保留審計意見。</p>
<p>Analysis</p> <p>The investigation discovered the following auditing irregularities:</p>	<p>分析</p> <p>調查發現以下審計不當行為：</p>
<p>(a) Impairment assessments of intangible assets</p> <p>The auditor placed reliance on external valuations as audit evidence but failed to assess the reasonableness of the assumptions and discount rate applied in the cash flows projection and the appropriateness in allocating goodwill to relevant cash-generating units for the purpose of impairment assessment.</p>	<p>(a) 無形資產的減值測試</p> <p>核數師依賴外部估值師的報告作為審計證據，但沒有評估於減值測試中的現金流預測所採用的貼現率和其他假設，以及把商譽分配至現金產生單位的合理性和適當性。</p>
<p>(b) Impairment assessments of available-for-sale financial assets</p> <p>The auditor only relied on unaudited financial information and did not perform other procedures to obtain sufficient appropriate audit evidence to ensure that the available-for-sale financial assets were carried at their fair values and not impaired at the end of the reporting period.</p>	<p>(b) 可供出售金融資產的減值測試</p> <p>核數師只依賴未經審計之財務資料，而沒有執行其他審計程序以獲取充分適當的審計證據，以確保於結算日的可供出售金融資產沒有減值，而且是以其公允價值計量。</p>
<p>(c) Impairment assessments of other receivables</p> <p>The auditor failed to obtain sufficient appropriate audit evidence to ascertain the status of the proposed investment and the recoverability of the deposit paid.</p>	<p>(c) 其他應收賬款的減值測試</p> <p>核數師沒有獲取充分適當的審計證據，以確定建議投資項目的狀況及其訂金的可回收性。</p>
<p>(d) Impairment assessments of promissory notes</p> <p>Subsidiaries of the listed entity held significant amounts of promissory notes with identical terms. The auditor failed to evaluate the related risks and any relationship with the issuers. The auditor also did not adequately test the related cash flows and understand the rationale of the transactions and any risk management policies that had been applied.</p>	<p>(d) 承兌票據的減值測試</p> <p>上市實體的子公司持有大量條款相同的承兌票據，核數師沒有評估相關的風險及前上市實體子公司與發行人的關係。核數師亦沒有充分測試相關的現金流，了解交易的理據及任何已採用的風險管理政策。</p>



(e) Sales and purchase transactions

The auditor did not evaluate whether the trading subsidiaries were acting as agent or principal in the relevant transactions and failed to consider whether recognising the gross amount of the relevant transactions was compliant with the relevant accounting standard. The auditor also failed to obtain adequate third party evidence to corroborate the existence/genuineness of the relevant transactions.

Conclusion

The above auditing irregularities and the investigation reports have been referred to the HKICPA to determine any follow-up action.

(e) 買賣交易

核數師沒有評估前上市實體從事貿易業務的子公司於相關買賣中是擔任代理或是委託人，同時亦沒有考慮以相關交易的總額入賬是否遵從會計準則的做法。此外，核數師亦沒有獲取充分的第三方證據，以確證相關交易存在或其真確性。

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Reporting and auditing irregularities

財務匯報及審計方面的不當行為

Background

There were possible reporting and auditing irregularities in relation to the audit of a listing applicant's financial information as included in the prospectus (the Financial Information) and the listed entity's first set of financial statements after listing (the Relevant Financial Statements).

背景

上市實體於上市申請時刊載於招股書的財務資料（相關財務資料）及上市後首份財務報表（相關財務報表），可能存在匯報或審計方面的不當行為。

Issues

Following the collapse of the company and accusations of fraudulent behaviour within the company, there was a question as to whether the reporting accountant/auditor had performed adequate procedures to obtain sufficient appropriate audit evidence on the Financial Information and the Relevant Financial Statements particularly in respect of turnover, operating costs and major assets.

問題

在該上市實體倒閉、並被指控其內部存有欺詐行為後，令人質疑匯報會計師／核數師有否執行足夠的審計程序，尤其是就相關財務資料及財務報表中的營業額、經營開支及主要資產取得充分適當的審計證據。

Analysis

The investigation revealed that the reporting accountant/auditor including the engagement leader failed to

分析

調查發現匯報會計師／核數師（包括審計項目合伙人）沒有：

- (a) maintain a questioning mind in assessing the validity and/or reliability of documents and other information obtained from management that were used as audit evidence; and consider risks of material misstatement due to fraud;
- (b) adequately evaluate the reliability of confirmations received when there were concerns as to the source of the responses;
- (c) perform additional procedures to obtain adequate explanations and appropriate corroborative evidence to dispel matters of concern arising from results of company searches on customers and suppliers and other audit procedures;
- (d) design and perform appropriate audit procedures that are responsive to their testing objectives and related audit assertions; and

- (a) 質疑管理層所提供的文件及其他資料的真確性或可靠性，而用作審計證據；亦沒有考慮由舞弊引致重大錯報的風險；
- (b) 充份評估所收到的證明是否可靠，尤其當回應的來源令人有所顧慮；
- (c) 執行額外的審計程序，以取得充分的解釋及確實的證據，從而釋除由查閱客戶和供應商及其他審計程序所產生的疑慮；
- (d) 針對其測試目的及相關審計確認程序，設計及執行適當的審計程序；及

(e) prepare sufficient and appropriate audit documentation.

(e) 編製充分及適當的審計記錄。

Conclusion

The above relevant irregularities and the investigation report have been referred to the HKICPA to determine any appropriate follow-up action.

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Multiple auditing irregularities

多項審計不當行為

Background

There were possible non-compliances with accounting requirements in a listed entity's consolidated financial statements relating to a business combination. These possible non-compliances related to (a) the fair value measurement of the convertible bonds issued; (b) the recognition and measurement of certain identifiable assets acquired and liabilities assumed and the related goodwill at the acquisition date; and (c) the impairment assessment of the relevant goodwill at the end of the reporting period.

背景

於上市實體的綜合財務報表中，與業務合併相關的事項可能存在不遵從會計規定事宜，當中涉及：(a) 已發行的可換股債券的公允價值的計量；(b) 於收購日，已收購的若干可識別資產和已承擔負債及相關商譽的確認和計量；及(c) 報告期末的商譽減值測試事項。

Issues

- (1) A convertible bond issued as contingent consideration was not accounted for as a financial liability.
- (2) Whether the auditor had performed adequate audit procedures to identify the possible accounting errors and to challenge management's assumptions.

問題

- (1) 沒有將作為或然代價的可換股債券計入為財務負債。
- (2) 核數師有否執行充足的審計程序，以識別可能存在的審計錯誤，以及質疑管理層所作出的假設。

Analysis

The investigation uncovered the following auditing irregularities:

分析

調查發現以下審計不當行為：

- (a) In respect of the convertible bonds issued in a business combination, the auditor failed to identify that part of the convertible bonds were issued as contingent consideration and should be accounted for as a financial liability. The auditor also failed to perform procedures in respect of the initial and subsequent fair value measurement of the convertible bonds.
- (b) In respect of the recognition and measurement of identifiable assets acquired and liabilities assumed and the related goodwill at the date of the acquisition, the auditor's procedures were mainly limited to relying on the acquiree's accounts and their client's management representations. Adequate procedures should have been performed to challenge the assumptions and accounting measurement principles established by management.
- (c) In respect of the impairment assessment of the goodwill, the auditor failed to challenge management on the appropriateness of the measurement basis used in the valuations of different cash-generating units in which goodwill was allocated in accordance with the relevant accounting requirements.

- (a) 對於業務合併中發行的可換股債券，核數師沒有識別出部分可換股債券是作為或然代價，並應計入為財務負債。核數師亦沒有對計量可換股債券的初始和後續公允價值的計量執行情序。
- (b) 對於在收購日期，已收購的若干可識別資產和已承擔負債及相關商譽的確認和計量，核數師的審計程序主要局限於被收購公司的帳戶資料及客戶管理層的聲明。核數師應執行充足的審計程序，以質疑管理層所作出的假設和所設定的會計計算準則。
- (c) 對於商譽減值測試，核數師沒有質疑管理層用作估算不同現金產生單位的估值的計量基準(當中已把商譽按照相關會計要求而作出分配)的適當性。



Conclusion

The above auditing irregularities and the investigation report have been referred to the HKICPA to determine any appropriate follow-up action.

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Using the work of experts

使用專家的工作

Background

The auditor engaged an independent valuer as an expert (the Auditor's Expert) to assist in evaluating the work of the management's experts to value a mining right and a mining business. There was a possible auditing irregularity in respect of the use of the work of the Auditor's Expert during the audit.

背景

核數師聘用了一位獨立的估值師作為專家(核數師專家)，協助其評估管理層專家對採礦權及採礦業務的估值工作。核數師在審計時就使用核數師專家的工作中可能存在審計不當行為。

Issues

Whether the auditor had appropriately followed the relevant auditing standards in evaluating the work of the management's experts and the Auditor's Expert.

問題

核數師有否適當地根據相關審計準則，評估管理層專家及核數師專家的的工作。

Analysis

Using the work of the experts

There was no evidence indicating that a proper evaluation on the work of the Auditor's Expert was made by the auditor under Hong Kong Standard on Auditing (HKSA) 620 *Using the Work of an Auditor's Expert*.

分析

使用專家的工作

沒有證據顯示核數師已按照Hong Kong Standard on Auditing (HKSA) 620 *Using the Work of an Auditor's Expert*的要求，適當地評估核數師專家的的工作。

The audit documentation indicated that in evaluating the management's experts, the auditor had applied HKSA 620. However, HKSA 620 deals with the auditor's responsibilities relating to the work of an auditor's expert and consequently the work performed was inadequate in respect of evaluating management's experts whose work should have been evaluated under HKSA 500 Audit Evidence.

審計工作底稿顯示，核數師在評估管理層專家的的工作時，是按照HKSA 620的要求。然而，HKSA 620只關於核數師對其專家工作的責任，因此核數師執行關於評估管理層專家的的工作並不適當。核數師按照HKSA 500 Audit Evidence的要求，對管理層專家的的工作行評估。

Inconsistencies in audit evidence

The auditor stated that they were advised by the Auditor's Expert as to the expected value of the mining right and the mining business and that there was no matter arising. However, this was inconsistent with the opinions expressed by the Auditor's Expert that no conclusion had been reached on the reasonableness and acceptability of the valuations issued by the management's experts. The auditor did not address this inconsistency.

前後矛盾的審計證據

核數師表示，核數師專家已評估了採礦權及採礦業務的預期價值，並且沒有發現任何問題。然而，根據核數師專家發表的意見，他們並沒有就管理層專家的估值的合理性及可接受性作出結論。就此，核數師並沒有處理這方面的前後矛盾。

Inadequate evaluation of significant assumptions and source data used in valuations

The auditor failed to assess the relevance, reasonableness and appropriateness of the key assumptions applied in the valuations.

對於估值所用的重大假設及資料來源評估不足

核數師沒有就估值中的主要假設項目的相關性、合理性及適合性作出評估。

Insufficient audit documentation

The auditor failed to record the audit procedures performed in a reconciliation between the estimated iron resources and the estimated production of iron used in the valuations. This reconciliation was an important piece of audit evidence which should have been documented in the audit working papers.

Conclusion

The above auditing irregularities and the investigation report have been referred to the HKICPA to determine any follow-up action.

審計工作底稿不足

核數師沒有記錄其對估值中採用的鐵資源及鐵產量的差異調節所執行的審計程序。該等程序是重要的審計憑證，應該記錄在審計工作底稿內。

結論

我們已將以上審計不當行為及調查報告轉介香港會計師公會跟進。

Letters of Advice

When evaluating complaints the FRC may decide that while the complaint does not warrant being taken further to an investigation or enquiry, it is appropriate to issue a “letter of advice” as an educational reminder to the company and the auditor so that the company’s financial reporting can be improved in future and the auditor learns from our process. Examples of this situation are:

Example 1:

In its 2013 financial statements, in valuing the fair value of certain plots of land in China, a listed company used a “direct comparison” method whereby reference was made to land price indexes in China. However the company disclosed in its financial statements that it had used the “residual approach” method.

In its 2014 financial statements the company changed its valuation method from the direct comparison method to the residual value method. The company did not disclose the fact that a change in valuation method had been made and also did not disclose the reason for the change.

The above are required disclosures and both the company and the auditor were reminded of this.

致上市實體及其核數師的意見函

在評估投訴時，財務匯報局可決定不展開調查或查訊，代之而是向上市實體及／或其核數師發出具有教育意義的意見函，希望上市實體改善未來的財務報表，而核數師亦能從中學學習。以下為本局發出意見函的例子：

例子一：

一家上市公司於其2013年財務報表中，使用直接比較法及參考中國城市地價指數，以計量若干土地的公允價值。然而，該公司在財務報表中披露，他們採用的估值方法是剩餘法。

該公司在2014年財務報表中，把估值方法由直接比較法改為剩餘法。甲公司沒有披露估值方法已經更改，以及當中的原因。

以上各項均為需要披露的資料，故此本局已向該上市公司及其核數師發出意見函，以作提醒。



Example 2:

The directors of a listed company occupied the majority seats in the board of a company in which the listed company held 50% equity interest. There was a concern as to whether the investee should be accounted for as a subsidiary instead of an associate of the listed company.

Based on the arrangements between the listed company and the other shareholder of the investee, a number of business decisions, including dividend policy, required both shareholders' consent. Therefore, the listed company did not have control over the investee. The investee should be accounted for as a joint venture in accordance with HKFRS 11 as it is a joint control arrangement.

In this case, the listed company was advised that it should classify the investment as a joint venture in accordance with HKFRS 11.

例子二：

在一家上市公司擁有50%權益的另一家公司的董事會中，該上市公司的董事佔了大部分席位，這令人關注該投資對象應否計入為該上市公司的附屬公司，而非聯營公司。

根據該上市公司與投資對象的另一位股東的安排，投資對象的若干業務決策，包括股息政策等，均須獲得雙方公司的股東同意。故此，該上市公司對投資對象並沒有控制權。由於這是合營控制的安排，該上市公司應按照HKFRS 11把投資對象計入為合營企業。

故此，本局建議該上市公司按照HKFRS 11的要求，把投資對象計入為合營企業。

Example 3:

A listed company issued its financial statements under Chinese Accounting Standards for Business Enterprises ("ASBEs") and in doing so failed to disclose adequate information about (i) the separation of embedded derivatives from the host contract and (ii) the nature of income earned from its suppliers.

Both management and auditors of companies using ASBEs are reminded that they need to observe the specific disclosure requirements of ASBEs in finalising their financial statements.

例子三：

一家上市公司按照中國企業會計準則(ASBE)編製財務報表，但沒有清晰披露(i)關於嵌入衍生工具與主債務合同的會計處理及(ii)來自供應商的收入性質。

本局提醒採用ASBE的上市公司管理層及核數師，在編製財務報表時，應留意ASBE的特定披露要求。

Example 4:

Another listed company using ASBEs failed to disclose information about the terms and conditions of certain financial investments. The company was reminded to follow the disclosures in ASBE 22 in future.

例子四：

另一家採用ASBE的上市沒有披露若干金融投資的重要條款和條件。本局提醒該公司日後應留意ASBE 22的要求。

Example 5:

One of the notes to the accountants' report and the financial statements disclosed that the trade receivables related to a wide range of customers. However, another note to the accountants' report and the financial statements disclosed that over 90% of trade receivables were due from the five largest customers. Inconsistent disclosures relating to trade receivables were noted. A letter of advice was issued reminding the company to have regard to such inconsistencies in future and, as such information is important, to assist readers of the financial statements to evaluate the relevant risks in trade receivables.

例子五：

一家上市公司在會計師報告及財務報表的其中一個附注中，披露了貿易應收款項與大量客戶有關。然而，於會計師報告及財務報表的另一個附注中，則披露了貿易應收款項當中超過90%來自公司的五大客戶。因此，有關貿易應收款項的披露並不一致。本局已向該上市公司發出意見函，以提醒該公司日後應留意財務報表的資料是否一致，而由於相關貿易應收款項的資料十分重要，該公司應該協助財務報表的讀者評估有關風險。

MEMBERSHIP OF BOARD AND PANELS

委員會及委員團成員

Honorary Advisory Panel

名譽顧問團

The Honorary Advisory Panel is established to assist the FRC in discharging its functions and responsibilities arising from or in relation to the Financial Reporting Council Ordinance (Cap 588). The function of the Honorary Advisors is to advise the FRC, including its committees and staff, with respect to any matter referred to the Honorary Advisors by the FRC.

名譽顧問團的成立目的是協助財務匯報局履行有關《財務匯報局條例》(第588章)規定的職能及責任。名譽顧問負責就任何由財務匯報局轉介的事項，向財務匯報局(包括其委員會及員工)提供意見。

Panel Members During 2016

2016年顧問團成員



Mr Nicholas Allen
聶雅倫先生

Mr Allen is a former partner of PricewaterhouseCoopers in Hong Kong; and currently acts as the Chairman of Link Asset Management Limited; an Independent Non-Executive director of Lenovo Group Limited; and CLP Holdings Limited.

聶雅倫先生曾任香港羅兵咸永道會計師事務所合夥人，現為領展資產管理有限公司主席，以及聯想集團有限公司和中電控股有限公司的獨立非執行董事。



Mr Roger Best, JP
路沛翹先生，太平紳士

Mr Best was a partner of Deloitte Touche Tohmatsu and is a former president of the Hong Kong Institute of Certified Public Accountants (HKICPA). He has chaired the HKICPA Financial Reporting Standards Committee and has also been a member of the IFRS Advisory Council.

路沛翹先生曾任德勤·關黃陳方會計師行的合夥人，並且是前香港會計師公會會長，曾擔任其財務報告準則委員會主席，亦曾任國際財務報告準則顧問委員會的成員。



Mr Clement Chan
陳錦榮先生

Mr Chan is the Managing Director – Assurance of BDO Limited and is a former president of the Hong Kong Institute of Certified Public Accountants (HKICPA). He has actively participated in standard setting and governance activities of the Institute.

陳先生為香港立信德豪會計師事務所有限公司審計部董事總經理。他同時為前香港會計師公會會長，並積極參與公會的制定準則及管治活動。



Dr Moses Cheng, GBM, GBS, OBE, JP
鄭慕智博士，大紫荊勳章，金紫荊星章，英帝國官佐勳章，太平紳士

Dr Cheng is currently the Chairman of the Independent Insurance Authority. He is also a consultant of PC Woo & Co. after serving as its Senior Partner for 21 years. He has extensive experience in listing matters.

鄭博士是獨立保險業監管局主席及胡百全律師事務所的顧問律師。他曾任該所的首席合夥人共二十一年，並在上市事務上擁有豐富的經驗。



Mr Chew Fook Aun
周福安先生

Mr Chew has over 30 years of experience in accounting, auditing and finance in the United Kingdom and Hong Kong. He is currently the deputy chairman and executive director of Lai Sun Garment (International) Limited and Lai Sun Development Company Limited, the executive director of eSun Holdings Limited, and the chairman and executive director of Lai Fung Holdings Limited.

周先生在英國和香港擁有逾30年的會計、審計及金融經驗，現為麗新製衣國際有限公司及麗新發展有限公司的副主席兼執行董事、豐德麗控股有限公司的執行董事及麗豐控股有限公司的主席兼執行董事。



Mr Eugene Fung, SC
馮庭碩先生，資深大律師

Mr Fung is a barrister in private practice. He is experienced in the fields of commercial law, trusts and probate, tax, property litigation, and company and insolvency law.

馮先生是一名私人執業資深大律師。他在商業法、信託法、遺囑認證、稅務法、物業訴訟，以及公司法及破產法方面擁有豐富經驗。



Dr PM Kam
甘博文博士

Dr Kam is a certified public accountant. He is a former CEO of the FRC. Prior to joining the FRC, he was the group financial controller of Jardine Matheson Limited.

甘博士是一名會計師。他曾任財務匯報局的行政總裁。於加入財務匯報局之前，他曾任怡和管理有限公司集團財務總監。



Mr Edward Kwan, MH
關百忠先生，榮譽勳章

Mr Kwan was formerly the chief executive officer of HSBC Broking Services (Asia) Limited

關先生曾任滙豐金融服務(亞洲)有限公司行政總裁。



Mr Anders Lau
劉偉良先生

Mr Lau is a certified public accountant. He was a partner with Ernst & Young since 1997 and retired in June 2016.

劉先生是一名會計師。他於1997年成為安永會計事務所的合夥人，至2016年6月30日退休。



Mr Albert Li
李國基先生

Mr Li was formerly a partner of KPMG Hong Kong and his main responsibilities were technical advisory and audit.

李先生曾任香港畢馬威會計師事務所合夥人，主要工作範疇為執業技術及審計。

MEMBERSHIP OF BOARD AND PANELS (continued)

委員會及委員團成員 (續)



Dr Eric Li, GBS, JP
李家祥博士，金紫荊星章，
太平紳士

Dr Li is a senior partner of Li, Tang, Chen & Co, Certified Public Accountants and an independent non-executive director of a number of listed companies in Hong Kong. He is also a member of the 12th National Committee of the Chinese People's Political Consultative Conference.

李博士為李湯陳會計師事務所首席合夥人，亦是香港多家上市公司的獨立非執行董事。他也是中國人民政治協商會議第12屆全國委員會委員。



Mr Tim Lui, BBS, JP
雷添良先生，銅紫荊星章，太平
紳士

Mr Lui is a senior advisor of PwC Hong Kong and a deputy of The National People's Congress of the People's Republic of China.

雷先生是羅兵咸永道會計師事務所的高級顧問，現任全國人大代表。



Ms Teresa Ma
馬嘉明女士

Ms Ma is an experienced lawyer and a mediator. She was a partner and a member of the International Board of Linklaters.

馬女士為資深律師及認可調解員。她曾是年利達律師事務所的合夥人及其國際監治會成員。



Mr Stephen Mercer
麥尚雅先生

Mr Mercer is a partner with KPMG in Hong Kong.

麥尚雅先生是畢馬威香港合夥人。



Mr Kenneth Morrison
文禮信先生

Mr Morrison is a Practising Director of Mazars Hong Kong. He has served on several committees of the Hong Kong Institute of Certified Public Accountants (HKICPA) including Accounting Standards, Practice Review and Ethics. Mr Morrison is also a council member of the Institute of Chartered Accountants of Scotland (ICAS).

文禮信先生現任瑪澤會計師事務所香港執業董事。他曾參與多個香港會計師公會小組包括會計準則、執業審核及專業操守委員會等。文禮信先生也是蘇格蘭特許會計師公會的理事會成員。



Mr Michael Scales
施米高先生

Mr Scales was previously Corporation Secretary of The Hongkong and Shanghai Banking Corporation Limited. He also served as a member of the Standing Committee on Company Law Reform, SFC Share Registrars Disciplinary Committee and SFC Dual Filing Advisory Group.

施米高先生曾任香港上海滙豐銀行有限公司的公司秘書。他也曾出任公司法改革常務委員會、證券及期貨事務監察委員會股份登記機構紀律委員會和證券及期貨事務監察委員會雙重存檔事宜顧問小組成員。



Mr John E Strickland, GBS, JP¹
施德論先生，金紫荊星章，
太平紳士¹

Mr Strickland is a former chairman of Octopus Holdings Limited and the non-executive director of Esquel Holdings Inc. He has and continues to be a director or council member or trustee of a range of not-for-profit organizations.

施德論先生曾任八達通控股有限公司主席，現為 Esquel Holdings Inc 非執行董事。他是多家非牟利機構的董事、理事會成員或理事。



Mr Stephen Taylor
Stephen Taylor 先生

Mr Taylor is senior partner in national audit and assurance technical department of Deloitte China and head of the Deloitte Asia Pacific IFRS centre of excellence based in Hong Kong. He is currently chairman of The Hong Kong Stock Exchange Listing Committee and a member of the International Accounting Standards Board IFRS Advisory Council.

Stephen Taylor 先生為德勤中國全國審計和監證業務專業技術部資深合夥人，同時兼任德勤亞太區國際財務報告準則卓越中心駐香港主管。他也是香港聯合交易所上市委員會的主席，以及國際會計準則理事會國際財務報告準則顧問委員會的成員。



Mr Paul F. Winkelmann²
衛皓民先生²

Mr Winkelmann has rich experience in the accounting profession. He was the partner-in-charge of PricewaterhouseCoopers' Risk Management and Quality team in Greater China and is a former president of the Hong Kong Institute of Certified Public Accountants (HKICPA).

衛皓民先生是財務匯報局行政總裁。他在會計專業方面具豐富的經驗。他曾任羅兵咸永道會計師事務所大中華區風險管理及質素的主管合夥人，並為前香港會計師公會會長。



Mr Huen Wong, BBS, JP
王桂壘先生，銅紫荊星章，太平紳士

Mr Wong is the Principal of Fried Frank, Hong Kong and Shanghai offices. Mr Wong is currently the President of the Inter-Pacific Bar Association and a former president of the Law Society of Hong Kong.

王先生是法朗克律師行香港及上海分行主理人。王先生是現任泛太平洋律師會會長，亦是前任香港國際仲裁中心主席及前香港律師會會長。

1. Term expired on 14 January 2017.
2. Resigned with effect from 31 March 2016 on being appointed as CEO.

1. 任期於 2017 年 1 月 14 日屆滿。
2. 於 2016 年 3 月 31 日獲委任為行政總裁後辭任名譽顧問之職位。

Panel Members Appointed with Effect from 15 January 2017 於 2017 年 1 月 15 日獲委任的顧問團成員



Mr Clement Kwok
郭敬文先生

Mr Kwok is the Managing Director and Chief Executive Officer of the Hongkong and Shanghai Hotels, Limited. He has served on the Stock Exchange Listing Committee, the Takeovers and Mergers Panel, the Securities and Futures Appeals Tribunal, the Hang Seng Index Advisory Committee and the Harbourfront Commission, as well as the Interpretations Committee of the International Accounting Standards Board in London.

郭先生為香港上海大酒店有限公司之董事總經理兼行政總裁。他曾任聯交所的上市委員會、收購及合併委員會、證券及期貨事務上訴審裁處、恆生指數顧問委員會、海濱事務委員會，以及位於倫敦的國際會計準則理事會的闡釋委員會。



Mr David Wu
吳衛軍先生

Mr Wu is the Government and Regulatory Affairs Leader of PwC China. He has in-depth understanding of China's economic and regulatory landscape, as well as the latest developments in China's accounting profession.

吳先生為普華永道中國公共政策與監管事務主管，了解中國的經濟狀況及監管環境，並熟悉中國會計業的最新發展。

MEMBERSHIP OF BOARD AND PANELS (continued)

委員會及委員團成員 (續)

Financial Reporting Review Panel

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Mr Eugene Fung, SC ¹
Mr Robert Gazzi
Dr PM Kam ¹
Mr Carmelo Lee, JP ¹
Mr Andrew Mak, BBS, JP
Ms Catherine Morley
Ms Edith Shih
Dr Kelvin Wong, JP ²
Prof Wong Tak Jun

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Prof Gary Biddle
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Ms Anna Wong
Mr Wong Kim Man
Ms Priscilla Wong, BBS, JP
Mr Stephen Wong

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Robert Gazzi 先生
甘博文博士¹
李嘉士先生，太平紳士¹
麥業成先生，銅紫荊星章，太平紳士
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黃天祐博士，太平紳士²
黃德尊教授

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王德文先生



Mr Thomas Wong
Ms Wendy Yuen
Ms Wendy Yung
Prof Zhang Guo Chang

¹ Appointed with effect from 16 July 2016.

² Term expired on 15 July 2016.

黃汝霖先生
袁妙齡女士
容韻儀女士
張國昌教授

¹ 於2016年7月16日獲委任。

² 任期於2016年7月15日屆滿。

Audit Investigation Board during 2016

Chairman

Mr Paul F. Winkelmann (ex-officio)

Members

Mr TS Chan
Ms Wincey Lam
Ms Anna Lau
Ms Florence Wong
Ms Joyce Woo

Process Review Panel

Chairman

Mr Anthony Chow, SBS, JP

Members

Ms Florence Chan
Mr Vincent Kwan
Prof Low Chee Keong
Mr Tse Kam Keung
Dr John Poon, BBS, JP (ex-officio)

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衛浩民先生(當然主席)

成員

陳德成先生
林穎志女士
劉惠玲女士
王蕙湄女士
胡珮茵女士

程序覆檢委員會

主席

周永健先生，銀紫荊星章，太平紳士

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謝錦強先生
潘祖明博士，銅紫荊星章，太平紳士(當然成員)

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