

## Press Release

22 December 2022

### Audit Focus for 2022 year-end audit

To ensure high audit quality, the Accounting and Financial Reporting Council (**AFRC**) today issues [Audit Focus](#) to remind auditors on the key audit issues and areas they should take into consideration and pay particular attention to when performing 2022 audit work.

Ms Janey Lai, Head of Inspection, emphasized, “Auditors should have by now completed or are in the progress of conducting audit planning to ensure a successful and smooth audit. They should commence the audit planning as early as practicable and attain an in-depth understanding of their clients and their businesses, and communicate with clients to understand whether there are any significant changes in their operations or if any risk-reassessment is required.”

Under the current volatile economic environment, auditors should remain alert on how the current interest rate hike and the inflationary pressure could impact impairment assessment, revenue recognition, going concern assessment, and potential fraud risk.

Ms Lai reiterated, “As the economic environment changes from time to time, auditors should regularly re-assess the audit risk and revise the audit strategy when appropriate to ensure audit quality.”

End

## About the Accounting and Financial Reporting Council

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

For more information about the statutory functions of the AFRC, please visit [www.afrc.org.hk](http://www.afrc.org.hk).

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