

Chief Executive Officer's Message

行政總裁的話

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

Concerns have deepened in recent months about the European sovereign debt crisis, while on the other side of the Atlantic, the US economy has failed to deliver much good news. For Hong Kong, during this time of global economic uncertainty, boosting investor confidence in financial reporting is an important role of the FRC. As one of the regulators of Hong Kong's financial markets, we strive to enhance the quality of financial reporting and corporate governance among the many listed companies here. This has the direct effect of maintaining investor confidence in Hong Kong. We would take this opportunity to remind auditors that they should remain alert in their audit risk assessment and perform a robust assessment on management's judgement in relation to accounting estimates, asset impairment assessment, fair value measurement as well as the appropriateness of the going concern assumption.

In this second issue of our eNews, we continue to update readers on the investigation and enquiry cases we have recently completed. We also add some useful advice to those who prepare financial statements to avoid the same issues of non-compliance with accounting requirements.

As announced in our inaugural issue of eNews, here at the FRC we have begun to review financial statements more comprehensively under the new risk-based financial statements review programme. In our feature article, we talk in detail about some of the common issues we have observed since the new programme began. For anyone involved in preparing financial statements, the article should provide many useful tips.

Already, the end of the year is approaching fast, and we are nearing the time to begin preparing for new opportunities and challenges in the new year. I would like to take this opportunity to wish all our readers and their families a happy Christmas and a healthy and very prosperous New Year. I look forward to catching up with you again in 2012.

近月，市場對歐洲主權債務危機的憂慮日漸加深，而位於大西洋另一端的美國，其經濟狀況持續未見起色。在全球經濟充滿不明朗因素的環境下，提升投資者對財務匯報的信心更為重要。我們作為監管香港金融市場的一份子，一直致力提升香港上市公司的財務匯報及企業管治的質素，對加強投資者對香港的信心起正面作用。我們希望藉此機會提醒核數師應對審計風險的評估保持警覺，並且對管理層就會計估計、資產減值評估、公允價值計量以及持續經營假設作出的判斷進行全面評估。

於今期的電子簡訊，我們會繼續剖析近月完成的調查及查訊個案，並且為財務報表編製者提供有助避免出現不遵從會計規定事宜的建議。

正如創刊號曾提及，財務匯報局在根據風險抽查財務報表的審閱計劃下，對財務報表展開更全面的審閱。我們會在今期的專題報導中，詳盡探討自新計劃推出起至今所觀察到的一些常見問題，相信可為財務報表編製者提供實用的提示。

二零一一年將步入尾聲，為迎接未來新一年的機遇及挑戰，是時候作好準備。我在此預祝各位讀者及其家人有一個愉快的聖誕及健康豐盛的新年！我期待來年再與大家見面！

Summaries of completed investigations and enquiries

已完成的調查及查訊個案摘要

From July to November 2011, the FRC adopted two investigations completed by the Audit Investigation Board, and two enquiries completed by the Financial Reporting Review Committees. Press releases on completed cases and enquiry reports are available from the [“Publications”](#) section of the FRC website. In one investigation case, no evidence suggesting an auditing irregularity was found; the other investigation case with identified auditing irregularities had been referred to the Hong Kong Institute of Certified Public Accountants to determine if any disciplinary actions are warranted. We have also asked the companies involved in the enquiry cases to remove any non-compliance with accounting requirements that has been identified.

於二零一一年七月至十一月期間，財務匯報局採納了審計調查委員會完成的兩宗調查，及財務匯報檢討委員會的兩宗查訊。已完成個案的新聞稿及查訊報告，均可於財務匯報局網站內 [「刊物」](#) 一欄下載。其中一宗已完成的調查個案並無證據證明有審計不當行為，而另外一宗識別到審計不當行為的調查個案，已轉交了香港會計師公會跟進，考慮是否採取紀律處分。此外，我們亦要求接受查訊的上市公司糾正已識別的不遵從會計規定事宜。

Case 個案 1

Insufficient audit evidence 審計證據不足

Background 背景資料

The auditor did not gather sufficient appropriate audit evidence for drawing reasonable conclusions about an entity’s recognition and measurement of certain land, transactions recorded in a purported bank account were properly reflected in the financial statements, and the scope of a valuer’s work was adequate for audit purposes. The auditor also did not properly document how it obtained the necessary level of assurance.

FRC Advice 財務匯報局的建議

This case is a strong reminder that auditors are responsible for obtaining sufficient appropriate audit evidence to support the audit opinion they express in financial statements. Furthermore, auditor must also prepare sufficient documentation to show that the audit was planned and performed in accordance with auditing standards and applicable legal and regulatory requirements.

核數師就公司對某些土地的確認及計量、財務報表上反映一個被聲稱為銀行帳戶內所記錄的交易和估值師為審計需要的工作範圍所作出合理結論時，並沒有搜集充份適當的審計證據。此外，核數師並無恰當地記錄如何獲得所需的保證。

核數師應獲取充份適當的審計證據，以支持於財務報表所發表的意見。此外，核數師亦應就審計作出充份的記錄，證明其已按照審計準則及適用法規計劃及進行審計工作。

Case 2 個案

Non-recognition of deferred tax liabilities in respect of fair value gains 未就公允價值收益確認遞延稅項負債

Background 背景資料

Deferred tax liabilities, which related to fair value gains on the exploitation rights obtained from two acquisitions recognized in the 2008 and 2009 financial statements, were not recognized in the financial statements of an energy company for 2008 and 2009. This non-recognition had a consequential impact on the 2010 financial statements.

FRC Advice 財務匯報局的建議

We would like to remind preparers of financial statements of the need to identify whether any taxable temporary difference may arise from the fair value adjustment of identifiable assets acquired (or liabilities assumed) in a business combination. This may require recognition of deferred tax.

一家能源公司分別於二零零八年度及二零零九年度財務報表中未有就兩項收購中所產生的開採權公允價值收益（分別於二零零八年度及二零零九年度的財務報表確認），確認有關的遞延稅項負債，這亦對二零一零年度的財務報表構成影響。

我們希望提醒財務報表的編製者，於企業合併時應就可辨認的收購資產和負債承擔的公允價值調整，確定是否存有應課稅暫記差異，並或須就此確認遞延稅項。

Case 3 個案

Measurement of the value of consideration shares 代價股份的價值計量

Background 背景資料

The FRC conducted an enquiry into the way a company measured the value of the consideration shares it issued upon acquiring a new subsidiary in its 2008 financial statements. In this case, the company did not use the published share price on the date of exchange to determine the fair value of the consideration shares, but instead used a different valuation method.

FRC Advice 財務匯報局的建議

We found that judgement is required to determine whether the published price on the acquisition date is an unreliable indicator of fair value, and in rare circumstances, it was not unreasonable for the management to use a different valuation method, so non-compliance was not an issue. However, in this case, we considered that the related disclosure was inadequate. This case provides a timely reminder for all preparers of financial statements to make proper disclosures in relation to business combinations in their financial statements.

財務匯報局進行了一項查訊，涉及一家上市公司於二零零八年財務報表就收購子公司而發行代價股份的價值計量。於此個案，該上市公司以其他估值方法而非交易日的標價計量代價股份的公允價值。

我們認為，以交易日的標價作為釐定公允價值的指標是否屬於不可靠，當中涉及判斷。在某些非常見的情況下，管理層採用其他估值方法並非不合理，亦沒有不遵從會計規定事宜。然而，於此個案，我們認為有關的披露並不足夠。我們希望透過此個案提醒財務報表編製者，必須於財務報表就企業合併作出適當披露。

Observations on the review of financial statements under the risk-based financial statements review programme

於根據風險抽查財務報表的審閱計劃下，審閱財務報表的觀察所得

Following our introduction of a risk-based financial statements review programme at the beginning of 2011, we have widened the scope of our reviews of the financial statements of listed entities. For the current year, we have selected the pharmaceutical business as our industry theme, and business combinations as our accounting focus.

The new risk-based financial statements review programme has now been in operation for eleven months. In this period, we have not encountered any significant non-compliance with accounting requirements. We have, however, noted some areas for improvements, and we would like to take this opportunity to summarize these below.

自二零一一年年初，本局推出根據風險抽查財務報表的審閱計劃後，擴大了審閱上市公司財務報表的範圍。今年的行業及會計主題分別是藥業及企業合併。

這套計劃運作了十一個月，期內並未發現嚴重不遵從會計規定事宜。然而，我們注意到一些可作改善的情況，以下為各位綜合一些重點：

Business combinations and consolidated financial statements 企業合併及綜合財務報表

It is important to differentiate transactions that are business combinations from transactions that are acquisitions of assets. There are many differences and consequential effects in accounting, which include areas such as measurement of assets and liabilities, recognition of goodwill and deferred tax, treatment for acquisition-related costs and share-based payment, and extent of required disclosures.

To account for a business combination transaction, the acquirer must recognize and measure all identifiable assets acquired and liabilities assumed at acquisition-date fair value. In addition, the fair value measurement might give rise to temporary differences that require the recognition of deferred taxation.

All forms of consideration transferred must be measured at fair value; this includes assets transferred, liabilities incurred by the acquirer and equity interests issued by the acquirer.

When there are transactions that change the ownership interests in a subsidiary but without losing of control, the cash flows arising from these transactions must be classified as 'cash flow from financing activities' in the statement of cash flows.

由於企業合併和資產購置兩者存在不少差別及對交易後的會計處理亦有不同的影響，因此區別交易為企業合併或資產購置是重要的。不同之處包括：資產及負債的計量方式、商譽及遞延稅項的確認、收購相關成本和股份支付的處理方法，及所要求的披露程度。

就企業合併交易會計處理上，收購者須確認所有能識別的收購資產及承擔債務並以收購日的公允價值計量。此外，因公允價值計量而產生的暫記差異須確認遞延稅項。

任何形式的轉讓代價必須以公允價值計算，包括收購者轉讓的資產、承擔的債務及由收購者發行的權益。

若交易使擁有附屬公司的權益產生變動但無失去控制權，該等交易產生的現金流應在現金流量表中分類為「因融資活動產生的現金流」一項。

Presentation of financial statements 財務報表的呈列

To enhance the relevance, reliability and understandability of the information reported in financial statements, entities must disclose:

- Critical accounting judgements that have been made in applying accounting policies.
- Key sources of estimation uncertainties that could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.
- Qualitative and quantitative information about the entity's objectives, policies and processes for managing capital and any externally imposed capital requirements.

為加強財務報表的資料的關聯性、可信性及可理解性，公司須披露：

- 對於採用會計政策過程中所作的關鍵性判斷。
- 對引起於下一個財政年度內資產及負債帳面值重大調整的不確定性估計的主要來源的信息。
- 有關公司的資本管理目標、政策及處理方式的質化及量化資料，以及外部強加的資本要求。

Earnings per share 每股盈利

An entity must retrospectively adjust the basic and diluted earnings per share for all periods presented where there is a change in the number of ordinary or potential ordinary shares outstanding after the end of the reporting period but before the financial statements are authorized for issue, but without a change in resources (such as in a capitalization issue, bonus issue or share split or reverse share split).

於結算日後及財務報表發表前，若普通股或潛在已發行普通股的數量有所改變，但不影響所有者權益的(如資本化發行、紅股發行、股票拆細或併股等)，公司必須就每股基本及攤薄盈利作追溯調整。

Impairment of assets 資產減值

For the purpose of impairment testing, the cash generating unit to which goodwill is allocated must not be larger than an operating segment as defined by HKFRS 8 before aggregation.

Further disclosure is required if the budget period is longer than five years or the growth rate used for the projection exceeds the average long-term growth rate for similar products, industries or countries.

Future cash flows must be estimated based on the current condition of assets, and must exclude cash flows from financing activities, income tax, and financial assets and recognized liabilities.

Occasionally omitted or inadequate disclosures include events and circumstances that lead to recognition or reversal of an impairment loss; the amount of the impairment loss recognized or reversed in each reportable segment; and the assumptions and approaches used to determine recoverable amounts.

為了能準確評估減值虧損，獲分配商譽的現金產出單元不得大於根據香港財務報告準則第8號所訂在營運分部聚集前的上限。

倘若預算期長於五年或用作預測的增長率高於同類產品、行業或國家的平均長期增長率，必須作進一步披露。

未來現金流的預測必須根據資產現行狀況作出評估，亦不包括融資活動產生的現金流、入息稅、財務資產及已確認債務。

偶爾發生的披露遺漏或不足事項包括導致確認或撥回減值虧損的事項或情況、於各分部報告確認或撥回的減值虧損，以及用作釐定可收回金額的假設及方法。

Because inputs used to determine fair value of financial instruments under Level 3 of the fair value measurement hierarchy are not based on observable market data, these types of financial instruments require additional disclosures such as reconciliation of beginning and ending balance, recognized gains or losses relating to those financial instruments held at the end of the reporting period, and sensitivity analysis.

As granting financial guarantees causes credit and liquidity risks, the maximum exposure to credit risk includes the amount an entity would have to pay if the guarantee was called on. The maximum amount of issued financial guarantee contracts should be allocated to the earliest period in which the guarantee could be called in a contractual maturity analysis of financial liabilities.

Other disclosures that are occasionally omitted include:

- Maturity analysis for financial assets, which enables an entity's liquidity risk to be evaluated.
- Methods and assumptions applied for determining fair values when a valuation technique is used.
- Objectives, policies and processes for managing credit risk, and the methods used to measure credit risk.
- Key terms of financial instruments, the entity's exposure to risks arising from financial instruments, and information about its plans for managing such risks.

由於第三層公允價值計量是由包含以不可觀察市場數據為依據所得出的公允價值計量，因此需要額外的披露。其中包括期初及期末餘額調節分析、與期末金融工具相關的已確認收入或損失及敏感度分析等。

由於授予財務擔保可帶來信用及資金流動性風險，公司的最高信用風險應包括公司於有關擔保被召回時須付款項。在金融負債合約到期分析中，已發出財務擔保合約的最高金額，應計入擔保最早可被召回的期內。

其他偶爾遺漏的披露事項包括：

- 有助評估公司資金流動性風險的金融資產到期分析。
- 以估值釐定公允價值時所採納的方法及假設。
- 控制信用風險的目標、政策和處理方式及量度信用風險的方法。
- 金融工具的主要條款、公司因金融工具產生的潛在風險以及如何控制風險的方法。

Joint Financial Reporting Forum 財務匯報聯合論壇

On 26 October 2011, the FRC, the Hong Kong Institute of Certified Public Accountants and Hong Kong Exchanges and Clearing Limited jointly organized a financial reporting forum, which was attended by over 300 corporate senior executives and auditors. The forum was an ideal opportunity for representatives from the three organizations to share their views and findings on issues of compliance with financial reporting standards and listing rules on the part of listed entities.

二零一一年十月二十六日，財務匯報局聯同香港會計師公會及香港交易及結算所有限公司舉辦了一個有關財務匯報的論壇，吸引超過三百多位公司高級行政人員及核數師出席。三間主辦機構的代表趁此良機，分享就審閱上市公司財務報表有關遵從財務報告準則及上市規則問題上的觀點及審閱結果。

PCAOB – The 5th International Auditor Regulatory Institute (“IARI”)

美國上市公司會計監督委員會舉辦之第五屆國際核數師監管研討會

One of our directors, investigation and compliance attended the 5th Annual IARI held in Washington D.C. from 31 October to 2 November 2011. Over 70 representatives from auditor oversight bodies and government agencies in 36 countries participated in the IARI to exchange views on issues relating to the oversight of auditors. The conference provided participants with opportunities to discuss and learn more about the operations of the PCAOB and its international activities, international inspection issues, and a range of issues relating to enforcement and standard-setting. The event also included a panel discussion at which regulators from the United Kingdom, Germany, France, the Netherlands, Canada, Switzerland, Singapore and Japan discussed key audit oversight issues and the challenges facing them.

財務匯報局其中一名調查總監於二零一一年十月三十一日至十一月二日期間，出席了今年在美國華盛頓舉行之「第五屆國際核數師監管研討會」。今年，共有超過七十位、來自全球三十六個國家的核數師監管機構及政府機構代表出席這次研討會，於會上就核數師監管的發展交換意見。研討會亦為與會者就美國上市公司會計監督委員會之運作、旗下的國際活動、國際檢查問題及一系列與執行和準則制定相關的事宜，提供了不少共同探討及學習的機會。於是次研討會的討論環節上，來自英國、德國、法國、荷蘭、加拿大、瑞士、新加坡及日本的監管機構代表聚首一堂，熱烈討論有關核數師監管的關鍵問題及挑戰。

Investigations and Enquiries 調查及查訊個案

	Investigations 調查	Enquiries 查訊
1 January 2011 於二零一一年一月一日	7	2
Initiated in the period 本期展開	6	1
Completed in the period 本期完成	(4)	(2)
In progress as at 30 November 2011 於二零一一年十一月三十日仍在進行中	9	1

Complaints 投訴個案

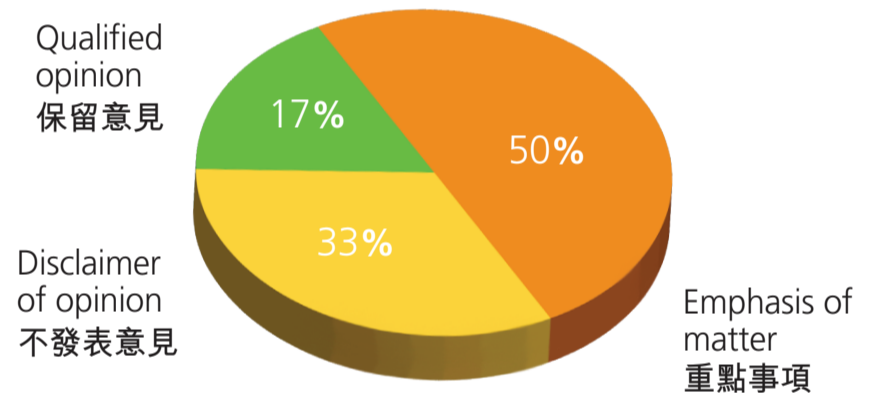
For the first 11 months of 2011, we received seven complaints, with one lodged by the public and six lodged by government bodies and specified enforcement agencies. We completed assessing five complaints, of which three were turned into investigations/enquiries.

於二零一一年首十一個月，我們接獲七宗投訴，當中有一宗由公眾提出，而另外六宗則由政府部門及指明執行機構提出。此外，我們完成了五宗投訴的評估，當中有三宗需展開調查/查訊。

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

We screened all 70 modified auditor's reports other than those relating to emphasis of matter published in the first 11 months of 2011 and identified three cases of potential non-compliance with accounting requirements, which warranted comprehensive reviews under the risk-based financial statements review programme.

我們審閱了合共七十份於二零一一年首十一個月發表除有關重點事項外的非無保留意見核數師報告，從中識別了三宗可能涉及不遵從會計規定的個案，並已歸納於根據風險抽查財務報表的審閱計劃作出全面審閱。

Types of modification
非無保留意見核數師報告的種類

Review of entire set of financial statements 審閱整份財務報表

	Numbers of financial statements 財務報表數目
1 January 2011 於二零一一年一月一日	-
Initiated based on review of modified auditors' reports 因審閱非無保留意見核數師報告而展開的個案	3
Initiated based on other selection criteria 因其他甄選條件而展開的個案	65
Reviewers' reports received 已收到的審閱報告	(32)
Review in progress as at 30 November 2011 於二零一一年十一月三十日仍在審閱中的個案	36

Contact Us 聯絡我們