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Chief Executive Officer's Message 行政總裁的話



Mark Dickens Chief Executive Officer | 狄勤思 行政總裁

Our special September edition of the eNews outlined the FRC's response to the Government's consultation paper on proposals to reform Hong Kong's auditor regulatory regime (**the Consultation Paper**). On 18 September, Dr John Poon, our Chairman, Ms Wincey Lam, our Deputy Chief Executive Officer and I hosted a press briefing for over 20 representatives of media organizations. The Chairman summarised and commented on the FRC's key recommendations, as well as laying out our blueprint for the FRC's future operations in matters such as governance and funding. He also responded to questions about the proposed maximum penalty under the new regime and its likely impact on audit firms; the proposed mechanism for ensuring impartiality in the discipline of auditors; and the circumstances under which the FRC could issue directions to the Hong Kong Institute of Certified Public Accountants (**HKICPA**).

Our website (www.frc.org.hk) contains details of the FRC's key recommendations, along with our full submission. Although we believe that the Government's objectives for reform can be met in different ways, the FRC broadly supports the proposals in the Consultation Paper, subject to the recommendations made in our submission. The outcome of the consultation exercise will represent a carefully planned strategy for enhancing the independence of Hong Kong's auditor regulatory regime, benchmarking it against international standards and practices while ensuring that it continues to be appropriate to the local context. There will be a number of important consequences of this regulatory reform: they will include better protection for investors, the recognition of Hong Kong auditors in other capital markets, and the consolidation of Hong Kong's status as an international financial centre.

財務匯報局於九月出版的電子簡訊(號外),刊登我們對政府就改革香港核數師監管制度的建議推出的諮詢文件(諮詢文件)提交的建議。本局主席潘祖明博士、副行政總裁林穎志女士及本人於9月18日召開傳媒簡介會,獲得逾20間傳媒機構派員出席。本局主席於簡介會上概述本局的主要建議,展示財務匯報局日後在機構管治和資金來源等方面的運作藍圖。本局主席積極回應傳媒提問,包括新制度建議的最高罰則及其對會計師事務所的影響,在對核數師行使紀律處分權力時確保公平的建議機制,以及會引致財務匯報局向香港會計師公會發出指示的情況。

財務匯報局對諮詢文件的主要建議及意見書全文,已載於本局網站(www.frc.org.hk)。本局相信有不同方法可達致改革目標,除了於意見書提出的建議外,本局支持諮詢文件的建議。這次諮詢將會達到一套經審慎規劃的策略,加強香港核數師監管制度的獨立性,使其符合國際標準和做法,並繼續符合本地情況需要。我們預期監管改革將帶來重要成果,包括為投資者提供更佳保障、加強香港核數師在其他資本市場的認受性及鞏固香港的國際金融中心地位。



FRC held a press briefing on 18 September on our submission to the Consultation Paper.
財務匯報局於9月18日就諮詢文件提交意見書召開傳媒簡介會。



(From left to right) Ms Wincey Lam, Deputy Chief Executive Officer, Dr John Poon, Chairman and Mr Mark Dickens, Chief Executive Officer hosted the press briefing on the FRC's submission to the Consultation Paper on 18 September.

(由左至右) 副行政總裁林穎志女士、主席潘祖明博士及行政總裁狄勤思先生於9月18日就諮詢文件提交意見書主持傳媒簡介會。

Collaborating with other regulators

The FRC maintains ongoing dialogues with local regulators, professional bodies and the Government which have proved valuable channels for sharing views on the auditor regulatory landscape and facilitating cooperation. On 1 August, for example, Mr TS Chan, our Senior Director, met with the Supervision and Inspection Department of the Ministry of Finance in Shenzhen to share the findings of the review of the financial statements of H-share companies. In October, Dr John Poon, our Chairman, Ms Wincey Lam, our Deputy Chief Executive Officer and Mr TS Chan, our Senior Director had meetings with representatives of the Ministry of Finance and the China Securities Regulatory Commission, where cross-border cooperation initiatives were discussed.

Participation in events and conferences

The FRC is an active participant in seminars and conferences. Recent highlights have included a presentation about the FRC to the State-owned Assets Supervision and Administration Commission of the State Council on 17 October by Ms Wincey Lam, our Deputy CEO, and a presentation to Deloitte by Dr John Poon, our Chairman, on auditor regulatory reform.

In November, FRC representatives attended the eighth International Auditor Regulatory Institute in Washington DC, hosted by the Public Company Accounting Oversight Board. There were more than 60 representatives from auditor oversight bodies and government agencies from 30 countries and territories. The event delivered a rich array of sessions on auditor oversight issues, covering important topics such as new developments in audit oversight (including internal controls on financial reporting), audit reforms in Europe, and the use of audit to combat global corruption.

On 19 November 2014, the FRC, the HKICPA and Hong Kong Exchanges and Clearing Limited held their annual joint financial reporting forum, attended by over 300 senior executives and auditors. As always, this was an ideal opportunity for sharing views on the compliance of listed entities with financial reporting standards and listing rules.

A new year is fast approaching. This is a time when we are all taking stock and looking ahead to the opportunities and challenges of the year ahead. It is also a time for festive celebrations, and I would like to extend my warmest wishes to all our readers and their families for a happy and healthy holiday season.

Mark Dickens
Chief Executive Officer

與其他監管機構的合作

財務匯報局與香港其他監管機構、專業團體及政府繼續保持溝通，這些寶貴的溝通渠道有助各機構分享核數師監管的意見及促進合作。本局高級調查總監陳德成先生於八月前往深圳與中國財政部監督檢查局會面，討論有關審閱香港H股上市公司財務報表的結果。本局主席潘祖明博士、副行政總裁林穎志女士及高級調查總監陳德成先生於十月與中國財政部及中國證券監督管理委員會的官員會晤，討論跨境合作事宜。

參與活動及會議

財務匯報局積極參加研討會及會議。本局副行政總裁林穎志女士於10月17日在國務院國有資產監督管理委員會的調研會議上介紹本局的工作，而本局主席潘祖明博士亦向德勤會計師事務所簡介有關核數師監管改革的事宜。

財務匯報局上月派員出席美國上市公司會計監督委員會於華盛頓舉行的第八屆國際核數師監管研討會。是次研討會共有超過60名、來自全球30個國家或地區的審計監管機構及政府機關的代表出席。研討會包括多個有關核數師監管的環節，其中包括審計監管最新發展（包括財務匯報的內部監控）、歐洲審計監管改革，以及如何透過審計打擊國際貪污罪行。

於2014年11月19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年度財務匯報聯合論壇，吸引超過300名公司高級行政人員及核數師出席。聯合論壇一如以往提供一個理想平台，讓三家機構向參加者分享有關財務匯報及上市規則的合規事宜。

新一年即將來臨，現在既是回顧過去一年及展望來年的機遇與挑戰的時候。在這個慶祝節日的時節，我衷心祝願各位讀者及其家人能夠歡度一個愉快和健康的佳節！

狄勤思
行政總裁

Accounting for embedded derivatives and subsequent measurement of available-for-sale financial assets

嵌入衍生工具的會計處理以及可供出售金融資產的其後計量

Background

The company had investments in the convertible bonds which were accounted for as available-for-sale financial assets with changes in fair value recognized in other comprehensive income.

The convertible bonds were measured at fair value upon initial recognition but they were not measured at fair value at the end of the reporting period.

The convertible bonds contained embedded call options granting the company the right to convert the bonds into the shares of the issuers at any time before the maturity date. Notwithstanding the fact that the economic characteristics and risks of the conversion options of the convertible bonds were not closely related to the host debt contract, the company did not separate the conversion options from the host contract and account for them as derivatives which should be presented as financial assets at fair value through profit or loss.

Issue

Whether the auditor had properly evaluated the accounting of the available-for-sale financial assets was in accordance with the applicable financial reporting framework.

Analysis

The auditor failed to:

- (a) critically evaluate whether the management of the company had appropriately applied the requirements of the applicable financial reporting framework;
- (b) perform additional audit procedures to resolve the inconsistencies in the audit evidence obtained from different sources; and
- (c) evaluate or sufficiently evaluate the accuracy of certain source data and the reasonableness of certain significant assumptions used in determining the fair value of the available-for-sale financial assets upon initial recognition.

The engagement quality control reviewer did not properly perform the engagement quality control review as he failed to identify the above deficiencies during his review of the audit working papers.

Both the engagement partner and the engagement quality control reviewer failed to act diligently according to the applicable technical and professional standards when providing professional services in the audit.

背景

公司投資可換股債券，將其列入可供出售金融資產，其公允價值變動於其他綜合收益中確認。

可換股債券於初始確認時按公值計量，於報告期末並沒有以公允值計量。

可換股債券包括嵌入看漲期權，授予公司於到期日前把債券轉換成發行人股份的權利。可換股債券的可轉換期權的經濟特徵及風險與主債務合約並非密切相關，唯公司沒有將可轉換期權列入衍生工具，與主債務合約分開進行會計處理。公司應將可轉換期權列入以公允值計量且其變動計入損益的金融資產。

問題

核數師是否已妥善評估可供出售金融資產已遵從適用的財務匯報框架進行會計處理。

分析

核數師沒有：

- (a) 批判性地評價公司管理層有否應用適用的財務匯報框架；
- (b) 執行額外的審計程序，以解決由不同來源獲取的審計證據存在之矛盾；及
- (c) 評價或充分評價可供出售金融資產之初始公允值所依據的若干原始數據之準確性和假設之合理性。

審計質量控制覆核人員於覆核審計工作底稿時，未能發現上述審計不足事宜，因此審計質量控制覆核人員沒有妥善執行審計質量控制覆核工作。

審計項目合伙人及審計質量控制覆核人員，沒有根據適用的技術及專業準則的要求盡職地提供審計專業服務。

Decision

There were auditing irregularities and the report has been referred to the HKICPA for follow-up.

Reminders

Auditors should critically evaluate whether the management of the company had appropriately applied the requirements of the applicable financial reporting framework and determine what modifications or additions to audit procedures are necessary to resolve any inconsistencies in the audit evidence obtained from different sources.

When using the work of the management's expert as audit evidence, auditors should also evaluate the accuracy of the source data and the reasonableness of significant assumptions involved.

結論

由於有審計不當行為，我們已將調查報告轉介香港會計師公會跟進。

提醒

核數師應批判性地評價公司管理層是否已妥善遵從適用財務匯報框架的要求，以及釐定應修改或新增的審計程序，以解決由不同來源獲取的審計證據存在之矛盾。

核數師使用由管理層聘用的專業人士的工作作為審計證據時，應評價原始數據的準確性和重大假設之合理性。

Using the work of valuation expert as audit evidence 使用估值專家的估值作為審計證據

Background

The company engaged an independent professional valuer to assess the fair values of its mining rights at the end of the reporting period for impairment review. As a result, the company had written back part of the previously recognized impairment losses. The auditor had placed reliance on the valuations, used the valuation results as audit evidence and concurred with the management on the carrying amounts of the mining rights.

Issue

Whether the auditor had sufficiently evaluated the appropriateness of the assumptions and source data used in the valuations.

Analysis

The investigation revealed that the auditor failed to evaluate the appropriateness of the valuer's work as audit evidence. Specifically, the auditor did not obtain sufficient appropriate audit evidence on evaluation of (a) the relevance and reasonableness of the assumptions and method used; and (b) the relevance, completeness, and accuracy of the source data used in the valuations. The auditor also failed to document or to document sufficiently the details of their discussions with the company's management and other audit procedures performed regarding the significant assumptions used in the valuations.

背景

公司聘用獨立專業估值師評估採礦權於報告期末的公允價值以進行減值審查。據此，公司撥回部分之前已確認的減值損失。核數師依賴該等估值，以估值結果作為審計證據，並認同管理層採納的採礦權賬面值。

問題

核數師是否就估值所採用的假設及原始數據的恰當性作出充分評估。

分析

調查發現核數師沒有評估估值師的工作是否適合用作為審計證據。核數師沒有取得充分適當的審計證據，以評估估值時所採用的(a)假設及方法的相關性及合理性；及(b)原始數據的相關性、完整性及準確性。核數師亦沒有記錄或充分記錄彼等與管理層就估值的重大假設所進行的討論及其他已執行的審計程序。

The engagement partner and the engagement quality control reviewer failed to maintain professional knowledge and skills, and act diligently according to the applicable technical and professional standards during that audit.

Decision

There were auditing irregularities and the report has been referred to the HKICPA for follow-up.

Reminders

The auditor should

- perform audit procedures to evaluate the appropriateness of an expert's work as audit evidence for the relevant assertion;
- prepare sufficient audit documentation that enable an experienced auditor, having no previous connection with the audit, to understand the results of the audit procedures performed, the audit evidence obtained and the conclusion reached; and
- document discussions of significant matters with management, those charged with governance, and others, including the nature of the significant matters discussed and when and with whom the discussions took place.

審計項目合伙人及審計質量控制覆核人員沒有根據適用的技術及專業準則的要求，保持所需的專業知識和技術，以及盡職地執行審計工作。

結論

由於有審計不當行為，我們已將調查報告轉介香港會計師公會跟進。

提醒

核數師應

- 執行審計程序以評估專業人員的工作是否適合用作相關證明；
- 編製充分的審計記錄，讓一位未曾接觸該項審計及有經驗的核數師能夠了解已進行的審計及程序的結果、已取得的審計證據及結論；及
- 記錄曾與管理層、負責管治及其他的人士討論過的重大事項，包括該等事項的性質、討論時間及參與討論人士的資料。

Engagement quality control review

審計質量控制覆核

Background

An investigation relating to the recognition and measurement of the employee share options in a company's financial statements for the years ended 31 December 2007, 2008 and 2009 was completed in 2012. It was found that (i) the company did not recognize and measure these share options in accordance with the applicable accounting standard; and (ii) the auditor did not properly evaluate the fair value measurement of these share options and accordingly, failed to obtain sufficient appropriate audit evidence to support the fair value measurement.

Issue

Whether the engagement quality control reviewers for the audits of the relevant financial statements had properly performed their engagement quality control reviews in order to identify the abovementioned accounting non-compliance.

Analysis

1. The engagement partner failed to appoint engagement quality control reviewers for the audits of the company's financial statements for the years ended 31 December 2007 and 2008.

背景

一宗有關公司截至2007年、2008年及2009年12月31日止三個年度的財務報表的員工購股權的確認和計量的調查已於2012年完成。本局發現(i)公司沒有根據適用的會計準則確認和計算該等購股權；及(ii)核數師沒有妥善評估該等購股權的公允價值，因此沒有就此取得充分適當的審計證據以支持公允價值的計量。

問題

相關財務報表的審計質量控制覆核人員是否已妥善進行審計控制覆核工作，以識別上述的不遵從會計規定事宜。

分析

1. 審計項目合伙人沒有為公司截至2007年及2008年12月31日止兩個年度的財務報表審計項目委任審計質量控制覆核人員。

2. The engagement quality control reviewer appointed for the audit of the company's financial statements for the year ended 31 December 2009 failed to identify that the employee share options were not measured in accordance with the applicable accounting standard at initial recognition during his engagement quality control review. Therefore, he failed to properly perform the engagement quality control review and act diligently in accordance with the applicable technical and professional standards during that audit.

Decision

There were auditing irregularities and the report has been referred to the HKICPA for follow-up.

Reminders

1. Engagement partners should appoint engagement quality control reviewers for the audits of the financial statements of listed companies.
2. Engagement quality control reviewers should perform an objective evaluation of the significant judgments that the engagement team made and the conclusions reached, and be satisfied that the conclusions reached are appropriate and in accordance with the applicable technical and professional standards.

2. 被委任為該公司截至2009年12月31日止年度的財務報表審計項目委任的審計質量控制覆核人員，於執行其審計質量控制覆核工作時，沒有識別到公司於初次確認員工購股權時，並沒有遵從適用會計準則進行計量。因此，該人員沒有妥善進行質量控制覆核工作，以及沒有根據適用的技術及專業準則盡職地執行該審計工作。

結論

由於有審計不當行為，我們已將調查報告轉介香港會計師公會跟進。

提醒

1. 審計項目合伙人應就上市公司的財務報表審計項目委任審計質量控制覆核人員。
2. 審計質量控制覆核人員應客觀地評估審計項目小組的重大判斷及所達成的結論，以及應滿意審計項目小組所達成的結論屬恰當的，並已遵從適用的技術及專業準則。

Disclosure on business combinations

業務合併的資料披露

Issue

Inadequate disclosures on business combinations in the 2011 Financial Statements.

Analysis

The company acquired several subsidiaries during the reporting period. For each business combination, the company only disclosed part of the information required in paragraph B64 of the HKFRS 3 (Revised) in the 2011 Financial Statements. Specifically, the company failed to describe factors that make up the recognized goodwill and the details of the contingent consideration arrangements relating to the business combinations. Although certain related information were included in the Chairman's Statement and Management Discussion and Analysis section of the company's annual report, they were not part and parcel of the relevant financial statements and were not covered by the financial reporting standards.

涉及問題

公司於2011年度財務報表有關業務合併的資料披露不足。

分析

公司於報告期內收購若干附屬公司。於其2011年度財務報表，公司只根據《香港財務報告準則第3號》(經修訂)第B64段，就各宗業務合併作出部分要求的披露。具體而言，公司沒有披露已確認商譽的構成因素以及有關業務合併或然代價的會計安排。雖然公司已於年報的主席報告和管理層討論與分析部分披露若干相關資料，但該等披露不屬於有關財務報表的重要組成部分及財務報告準則所涵蓋的範圍。

Decision

The company failed to fully comply with the disclosure requirements of HKFRS 3 (Revised) in the preparation of the 2011 Financial Statements. We wrote to the company to highlight the disclosure deficiencies.

Reminders

Management of listed entities should observe the disclosure requirements of HKFRS 3 (Revised) and ensure that the required disclosures were included in the financial statements to assist readers to understand the relevant transactions.

決策

公司於編製2011年度財務報表時，沒有完全遵從《香港財務報告準則第3號》(經修訂)的披露要求。我們已向公司發出意見函指出有關披露不足之處。

提醒

上市實體管理層應留意《香港財務報告準則第3號》(經修訂)的披露要求，確保已在財務報表內按規定作出披露，讓讀者了解有關交易。

Apportionment of initial public offering (IPO) expenses 招股上市開支的分配

Issue

Classification of listing expenditures as equity or expense.

Analysis

At the relevant time, there was considerable diversity of practice in the market place regarding the recognition of listing costs in profit and loss or equity. The diversity mainly appears when professional judgment needs to be applied on interpreting the definitions of certain terms used in paragraphs 37 and 38 of HKAS 32, including the definitions of “equity transaction”, “incremental” and “directly attributable” as stated in paragraph 37 of HKAS 32. There is also divergent opinion on the allocation basis of the transaction costs that relate jointly to the listing of shares and the share offer as mentioned in paragraph 38 of HKAS 32.

The issues have been previously raised to the International Financial Reporting Interpretations Committee but it declined to provide additional clarification beyond guidance that already existed in HKAS 32. At least two of the three key questions remain unanswered and continue to be subject to professional judgement and interpretation.

The FRSC held a number of meetings to discuss this issue and the HKICPA published an article offering guidance on this issue in the June 2014 edition of APlus magazine.

Decision

No further action was taken against the parties as there was considerable diversity of practice in the market at the relevant time.

涉及問題

公司將上市開支分類為股本或支出。

分析

於相關期間，市場對於如何在損益表確認上市成本的做法存在重大差異，主要是於詮釋《香港會計準則第32號》第37段及第38段若干字眼的釋義時，涉及專業判斷。該等字眼包括於《香港會計準則第32號》第37段的「股權交易」、「增加」及「直接歸屬」，以及就《香港會計準則第32號》第38段所述與股份上市及股份發售相關的交易成本的分配基準，存有不同意見。

國際財務報告準則解釋委員會曾收到上述疑問，但委員會拒絕進一步釐清已列於《香港會計準則第32號》的指引。在三條疑問當中，有兩條問題未獲委員會回覆，繼續受專業判斷及詮釋影響。

財務報告準則委員會已召開多次會議討論上述問題，香港會計師公會於其2014年6月份的Aplus雜誌刊登文章提供有關指引。

決策

由於在相關期間的市場做法存在重大差異，本局沒有採取進一步行動。

Reminders

Reporting accountants involved in potential listings are reminded to note the abovementioned article, which sets out examples of costs that are typically incurred in an IPO, and analyses whether these costs could be regarded as:

- (a) “incremental costs directly attributable” to the issuance of new shares during the IPO and thus be deducted from equity;
- (b) relating solely to listing or other activities undertaken at the same time as the share issue which should be expensed; or
- (c) costs that relate jointly to both the issuance of new shares and the listing of existing shares which should be allocated in accordance with paragraph 38 of HKAS 32.

提醒

有參與可能上市項目的匯報會計師必須留意上述文章的指引。該文章載列招股上市項目常見的成本例子，以及分析該等成本是否應視作：

- (a) 在招股上市期間發行新股份的「直接歸屬增加成本」，因此會從股權扣減；
- (b) 僅與上市相關或與股份發行同時間發生的其他項目相關而應列作開支；及
- (c) 與發行新股及現有股份上市相關的成本，應根據《香港會計準則第32號》第38段的規定作出分配。

Key operations statistics 主要運作統計數字

	Jan – Nov 2014 2014年1月至11月	Jan – Nov 2013 2013年1月至11月
Pursuable complaints received 接獲可跟進的投訴	31	20
Modified auditors’ reports screened 已檢閱的非無保留意見核數師報告	170	164
Investigations completed 完成調查的個案	4	5
Enquiries completed 完成查訊的個案	1	2

Note : detailed operations statistics are available in the “[Operations Statistics](#)” of our website.
附註：詳細的主要運作統計數字載於我們的網站「[運作統計數字](#)」一節。

Contact us 聯絡我們

If you have any enquiries or comments, please feel free to contact us.
如有任何查詢或意見，歡迎與我們聯絡。

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