

Press Release

28 June 2024

AFRC reminds PIE auditors to be prepared for undertaking PIE engagements

The AFRC today has published an article titled [Reminder to PIE auditors: Be prepared for undertaking PIE engagements](#). It is primarily targeted at registered public interest entity (**PIE**) auditors without PIE engagement and practice units which are considering registration as PIE auditors with the AFRC. The reminder aims to communicate the AFRC's expectations regarding their intention and readiness before undertaking PIE engagements. Our reminder equally applies to those PIE auditors with PIE engagement.

During the assessment of the 2024 renewal applications, the AFRC noted that 15 out of 79 (or 19%) registered PIE auditors had not carried out any PIE engagements for over one year. Concerned about this significant proportion, the AFRC held meetings with selected PIE auditors in January 2024 to gain insights into their operations, intentions, and readiness for performing PIE engagements. During the meetings, we also highlighted our expectations to PIE auditors given the high public interest of PIE engagement.

Ms. Janey Lai, CEO of the AFRC, said, "The AFRC is dedicated to ensuring that PIE engagements are carried out by competent auditors through the AFRC registration and regulatory regime. This entails ensuring that auditors, with or without PIE engagements, are fully aware of their important role in safeguarding public interest by dedicating sufficient resources, and making continuous investments to enhance their readiness for PIE audits. During these meetings with the PIE auditors, we reminded them regarding our expectations of a PIE auditor and the specific areas of improvement they need to address. We summarize our expectations below for the benefit of all PIE auditors in general and those aspiring to register with the AFRC in particular."

In the reminder, the AFRC reiterates its expectations for PIE auditors to:

- demonstrate a genuine intention to undertake PIE engagements;
- understand and comply with the more stringent regulatory requirements for PIE auditors to deliver high-quality audits; and
- allocate sufficient resources to audit engagements, establish an effective system of quality management, and enhance the audit team's competence and capacity through continuing professional development.

Upholding the highest standard of audit quality is the responsibility of PIE auditors who play a vital role in protecting the public interest. The AFRC is committed to supporting the healthy development of the accounting profession and fostering an environment for capable PIE auditors to undertake listed company audits. The AFRC is confident that this reminder will benefit PIE auditors who would leverage on our reminder to enhance their capability to deliver high-quality audits.

End

About the Accounting and Financial Reporting Council

The Accounting and Financial Reporting Council 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 and promotes the healthy development of the accounting profession.

For more information about the statutory functions of the AFRC, please visit www.afrc.org.hk.

For media enquiries:

Chelsy Chan

Senior Officer, Corporate Communications

Tel: +852 2236 6066

Fax: +852 2810 6320

Email: chelsychan@afrc.org.hk