

Approaching A New Era 邁向新紀元



Work Progress and Achievements in 2017

Presented by

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May 2018

Work progress and achievements in 2017

- A very active year again
- 10th Anniversary celebration
- Continue to enhance operational efficiencies
- Collaboration with regulators
- Advocate for auditor regulatory reform

A Decade of Achievements

2007 – 2017	No. of cases
Complaints received and handled	Over 400
Investigations completed	56
Enquiries completed	11
Listed issuers requested to amend financial statements	8
Investigations and complaints referred to HKICPA	69 *
Sanctions resulting from investigations	39

* *In addition, we have referred 101 complaints received in 2017, which appear to have come from the same source and were directed at a single audit firm, to the HKICPA for follow up. We are informed that the HKICPA will consider these in conjunction with their inspection process in 2018.*

Key operations statistics

	2014	2015	2016	2017	1/1/18- 10/5/18
Pursuable complaints received	33	46	118	126	64
Financial statements selected for review	87	75	38	48	0 ¹
Investigations completed	4	9	11	11	4
Enquiries completed	1	0	1	0	0
Staff complement	19	18	22	26	27
% accounting professional staff	53%	50%	55%	58%	59%

Notes: 1. The selection will be made in 2nd half of 2018.

Review of complaints

	1/1/2018 – 10/5/2018	2017	2016
Brought forward	14	14	24
Pursuable complaints received	64	126	118
Initiated investigation and/or enquiry	(4)	(12)	(11)
Referred to specified enforcement agencies	(35)	(104)	(4)
Completed with no follow-up action	(23)	(10)	(113)
In progress at end of period	16	14	14

Investigations

	1/1/2018 – 10/5/2018	2017	2016
Brought forward	40	37	30
Initiated in the period	7	14	18
	47	51	48
Completed	(4)	(11)	(11)
In progress at end of period	43	40	37

Enhancing operational efficiencies

- Comprehensive review of procedures of enquiries and investigations
- Linked every procedure with specific requirements of the relevant legislation in the FRCO
- Ensured quality and effectiveness of our work

Regulatory Collaboration

- Quarterly meetings with SFC, HKEx and HKICPA
- Dialogue with MoF
- Participation in regional regulators meetings
- Dialogue with IFIAR
- UK FRC courtesy visit

Auditor Regulatory Reform

- Support for the Bill
- Accounting and auditing expertise
- Reference to international best practice
– dual recognition by IFIAR and EC
- Outreach and briefings to professional accounting bodies and audit firms

Looking forward

The FRC will continue to :

- uphold fairness, natural justice and act in the public interest
- prepare for the new role as the fully-fledged independent auditor regulator of Hong Kong

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