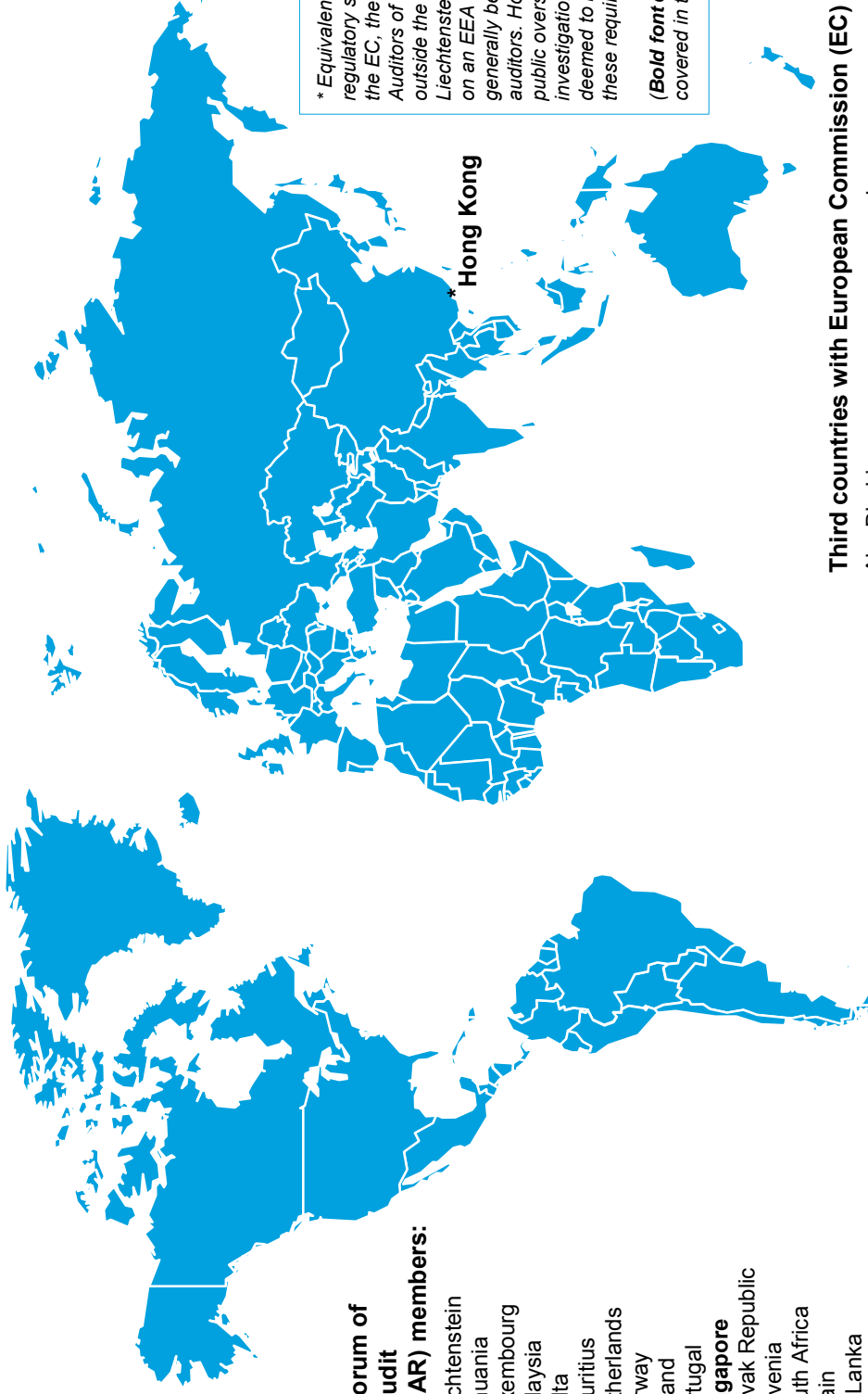


Report  
on  
independent audit oversight

# The global picture



*\* Equivalence of third countries' regulatory systems is determined by the EC, the executive body of the EU. Auditors of an entity incorporated outside the EEA (the EU plus Norway, Liechtenstein and Iceland) but listed on an EEA regulated market must generally be registered as third country auditors. However, if the systems of public oversight, quality assurance, investigations and penalties are deemed to be equivalent by the EC, these requirements may be dispensed. (Bold font denotes the jurisdictions covered in this study)*

## International Forum of Independent Audit Regulators (IFIAR) members:

- Abu Dhabi
- Albania
- Australia**
- Austria
- Belgium
- Brazil
- Bulgaria
- Canada**
- Croatia
- Denmark
- Dubai
- Egypt
- Finland
- France
- Germany
- Gibraltar
- Greece
- Hungary
- Indonesia
- Ireland
- Italy
- Japan
- Korea
- Liechtenstein
- Lithuania
- Luxembourg
- Malaysia
- Malta
- Mauritius
- Netherlands
- Norway
- Poland
- Portugal
- Singapore**
- Slovak Republic
- Slovenia
- South Africa
- Spain
- Germany
- Gibraltar
- Greece
- Hungary
- Indonesia
- Ireland
- Italy
- Japan
- Korea
- Switzerland
- Chinese Taipei
- Thailand
- Turkey
- UK**
- USA**

## European Union (EU) member states:

- Austria
- Belgium
- Bulgaria
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- UK**

## Third countries with European Commission (EC) equivalence\* status:

- Abu Dhabi
- Australia**
- Brazil
- Canada**
- China
- Croatia
- Dubai International Finance Centre
- Guernsey
- Indonesia
- Isle of Man
- Japan
- Jersey
- Malaysia
- Singapore**
- South Africa
- South Korea
- Switzerland
- Taiwan
- Thailand
- USA**



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Dear Mr Poon,

**Independent consultancy services for the Financial Reporting Council: Independent audit oversight**

We are delighted to present our study of independent audit oversight, based on information available to June 2013.

This study was conducted to investigate how other jurisdictions meet the EC equivalence requirements and those required for IFIAR membership and the additional features of their systems, and to identify the gaps in Hong Kong's current system of auditor oversight, with a view to it achieving EC equivalence / IFIAR membership.

The data for the six jurisdictions covered by the study (EU, UK, US, Canada, Australia and Singapore) was gathered using a question set provided to Deloitte by the FRC. This comparative study includes gap analyses, firstly of Hong Kong against the IFIAR-EC requirements and secondly of Hong Kong against the jurisdictions listed above. It also considers both possible approaches to auditor oversight and thematic comparisons.

As set out in the study, in order to obtain EC equivalence and membership of IFIAR, independent audit regulators are required to have ultimate oversight responsibility for registration, inspection, investigation, enforcement, standard setting and continuing professional education. In each of the jurisdictions under review, these requirements were met. As permitted by both the EC equivalence requirements and IFIAR Principles, delegation to a relevant authority is adopted in some jurisdictions, provided that there is oversight by the independent regulator. It is clear from the study that the international standard practised by major jurisdictions is for regulatory oversight of at least registration, inspection, investigation, enforcement, standard setting and continuing professional education to be vested in an independent statutory regulator.

Yours sincerely,

**David Barnes**  
Deloitte LLP

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# 1. Executive Summary

# 1.1 Executive Summary: Hong Kong gap analyses

## Analysis of Hong Kong compared with IFIAR and EC requirements

- Hong Kong does not currently meet the requirements for membership of the International Forum of Independent Audit Regulators (IFIAR).
- In June 2013 we learnt that the European Commission had amended Decision 2011/30/EU. This granted a further 10 countries EC equivalence (adding to the existing 10 - see 'the global picture' at the front of this study for the full list); it extended the transitional status granted to seven countries (Bermuda, Cayman Islands, Egypt, Mauritius, New Zealand, Russia and Turkey); it did not extend the transitional period granted to Hong Kong, India and Israel. The equivalence (and adequacy) decisions for the United States were renewed. Hong Kong's transitional status therefore expired for audit reports on financial years beginning on or after 1 August 2012.
- Based on the detailed analysis set out in section 2, Deloitte considers that the main gaps are focused around:
  - **The governance structure of the HKICPA** (Hong Kong Institute of Certified Public Accountants) (items 3.4 and 3.9) - membership of the Council of the HKICPA currently consists of approximately one third (8 out of 22 total non-executives) practising Certified Public Accountants (CPA). The remaining members are not current practitioners but the constitution of the HKICPA Council does not require that the 'non-practising' Council members have not within the past three years, carried out statutory audits, held voting rights in an audit firm, been a member of the administrative or management body of an audit firm or been employed by, or otherwise associated with, an audit firm. This means that, whilst at any one time the HKICPA Council may in fact comprise a majority of 'non-practitioners', a change in the membership of the Council may result in it ceasing to meet this requirement (i.e. composition of a majority of non-practitioners) – for example, if a recently retired audit partner was appointed to the Council. This gap is particularly relevant given: (a) the EU requirement that the system of public oversight shall be mainly governed by non-practitioners; and (b) IFIAR's requirement that the audit regulator should be operationally independent from external political interference and from commercial or other sectoral interests in the exercise of its functions and powers, including not being controlled in its governance by audit practitioners. It should also be noted that if the EU reforms were to take place as proposed by the EC, no practitioners could be involved in the governance of the oversight system.
  - **Source of funding of the HKICPA** (items 1.2, 3.4 and 3.8) – there is a gap in relation to the funding of the HKICPA, which does not appear to meet the IFIAR and EC criteria of being completely free from any possible undue influence by auditors and audit firms as required.

# 1.1 Executive Summary: Hong Kong gap analyses (cont'd)

## Analysis of Hong Kong compared with IFIAR and EC requirements (cont'd)

- **The composition of the Practice Review Committee (PRC)** (items 3.4 and 3.9) - Committee membership mainly comprises practising members, drawn from the full spectrum of audit firms. The Quality Assurance Department (and its reviewers who are full-time employees of the HKICPA) carry out practice reviews following the Committee's instructions and in turn report to the Committee. This creates a gap (both EC and IFIAR) in relation to the (perceived) objectivity and independence of the quality assurance programme.
- **The frequency of reviews** (item 1.7) – auditors of listed entities (including those listed in the EEA) are reviewed every three years, meeting the EC equivalence criteria. However, the system does not ensure that all audit practices are reviewed on a regular basis or at least in a minimum cycle, which is required for IFIAR membership (Principle 8).
- **The disciplinary mechanism** (items 1.11 and 2.4) – other than complaints recommended by the PRC and Investigation Committee to the HKICPA Council for disciplinary action, all other complaints against HKICPA members and member practices are reviewed by the Professional Conduct Committee (PCC) which is composed of mainly practising CPAs. The PCC has the power to dismiss complaints considered not pursuable, adjudicate complaints and issue formal letters of disapproval, or recommend the HKICPA Council to refer more serious complaints to the Disciplinary Panels. This presents a gap (both EC and IFIAR) as currently there is no independent public oversight body which has specific oversight of the PCC and the ability to enforce disciplinary actions against the auditors as a result of its investigations.
- Disciplinary actions are determined by the Disciplinary Panel which is composed of three persons from Disciplinary Panel A (appointed by government) and two persons from Disciplinary Panel B (appointed by the HKICPA Council). This creates a gap in relation to the independent oversight of the disciplinary mechanism as members of Disciplinary Panel B (CPAs) are appointed by the HKICPA Council, and matters that can be referred to the Disciplinary Panels are raised by the HKICPA Council only. This gap is particularly relevant given the EC requirement that there should be an independent oversight body which has the right to conduct investigations and enforce penalties (in particular, the sanction of removal of registration has to be within the ultimate responsibility of the independent oversight body). IFIAR Principle 4 goes further; it requires that the audit regulator itself should have the right to investigate and impose sanctions.
- **The system of public oversight** (item 3.5) – EC equivalence requires that the system of public oversight shall have the ultimate responsibility for the oversight of statutory auditors or audit firms with regard to registration; standard setting; continuing education, quality assurance and investigative and disciplinary systems. A gap is identified (in relation to EC equivalence) as currently there is no independent public oversight body in Hong Kong which has the ultimate responsibility for oversight of the above. Note: EC requirements permit the delegation of certain activities (for example the registration of statutory auditors and audit firms; proposing professional standards; organisation of the continuing education programme) to a professional body, provided that this is subject to independent public oversight. In practice this means that the professional body can carry out these functions, with the oversight body receiving a report and/or doing a performance check on the discharge of these functions so that it can monitor how delegation is operating and retaining a reserve right to act itself (or compel the professional body to act in accordance with its directions) in the (rare) event that the public oversight body does not think that the professional body is acting appropriately.

# 1.1 Executive Summary: Hong Kong gap analyses (cont'd)

## Analysis of Hong Kong compared with the regimes in the UK, US, Canada, Australia and Singapore

We understand that the minimum requirements for any new system of regulation in Hong Kong are:

- IFIAR membership; and
- recognition as EC equivalent – i.e. the standard needed such that Hong Kong auditors will not necessarily need to be separately regulated by EEA audit regulators in order to audit companies incorporated outside the EEA (e.g. in Hong Kong) with securities admitted to trading on an EEA regulated market.

Implementing additional changes to align with European Union requirements, over and above those mandated for EC equivalence, may improve the standard of audit regulation in Hong Kong. It will not, however, lessen the burden on a Hong Kong auditor wishing to audit a company incorporated or listed in Europe. Equally, EEA regulators cannot insist on implementation of additional requirements over and above the minimum for EC Equivalence before accepting an overseas auditor's report on an overseas entity. Other jurisdictions are similar – for example, the Public Company Accounting Oversight Board (PCAOB) has no equivalence regime and registration with the PCAOB would always be required for a Hong Kong auditor of a Securities Exchange Commission (SEC) registrant.

The key additional gaps identified in the Hong Kong regime versus other jurisdictions are:

- Registration – the UK and US require registration of the auditors of a range of other types of entity, over and above 'statutory audits'.
- Inspection – many regimes impose shorter inspection cycles – typically 12-18 months for the largest firms, to three years for smaller firms.
- Enforcement – all regimes have more detailed sanction regimes. Most include fines, censure and removal or restriction of audit registration. The UK, Canada and Singapore also allow removal or restriction of the wider right to practice as an accountant. The UK, Australia and US make clear that the conditions on registration that might be imposed might include not serving certain types of client / additional internal or external quality control reviews.
- Standard-setting – The UK, Australia and Singapore all feature some form of joined-up standard-setting between accounting and auditing. The UK and US have joined-up auditing and ethical standard-setting. All of these regimes have more specific funding regimes designed to address the IFIAR principle that the funding shall be free of influence by the audit profession.



# 1.2 Executive Summary: possible future changes

## Possible future change in IFIAR and EC requirements

- The auditing profession and its oversight arrangements are under close scrutiny at present. This is particularly the case in both the UK (Competition Commission) and at the level of the EU. In the EU discussions, the scrutiny has a political angle as well as drivers around market concentration, choice and quality. We are closely engaged in these various discussions, and have consistently emphasised our commitment to measures that preserve and enhance audit quality and, subject to that point, which increase competition and choice.
- In relation to our assessment of Hong Kong's current status against the IFIAR-EC requirements (section 2), we are conscious that there may be changes to those requirements, notably in light of the ongoing scrutiny of the audit profession and its regulation worldwide.
- We include detail on audit regulatory reform in the UK and at EU level in section 6 (which also features additional information on other jurisdictions, notably in relation to mandatory rotation/tendering), and with the following key points relevant:
  - Our assessment is that it is unrealistic to conclude definitively on what is 'likely', as there is a high degree of uncertainty around proposals, particularly in Europe. However, we are well placed to make an informed assessment as to the possible changes currently under discussion.
  - Accordingly, whilst we caveat our commentary with a clear message that there is limited visibility as to what is 'likely', we have given an analysis of what is currently under discussion – this is provided in section 6. The principal themes are threefold: (1) Quality, (2) Market churn and (3) Investor engagement.
  - The points set out in section 6 cover the potential for: increasingly transparent and robust auditor inspections; measures to prompt churn in the marketplace (such as mandatory tendering and rotation of audit firms, over and above rotation of audit partners); closer links between auditors and audit committees/shareholders (for example the Audit Committee (comprising independent non-executives) to appoint the auditor, rather than the Board); extended auditor reporting to shareholders (as proposed in the International Auditing and Assurance Standards Board (IAASB)'s June 2012 Invitation to Comment: Auditor Reporting); excluding the professional bodies and practitioners from the oversight system.
- Also, the European Securities and Markets Authority may take on the role of the European Group of Auditor Oversight Bodies (EAOB), or the EAOB may be adapted and strengthened, which would result in a more formalised way of co-ordinating the way in which transnational audit networks are regulated. These proposals will not directly affect EC Equivalence.

# 1.3 Executive Summary: consideration points

## Some points of detail to consider

- **Registration**

- The consensus approach amongst the jurisdictions reviewed is to distinguish between public interest companies (entities) (PIEs) and private companies. The focus of the independent regulators is on the former, with most jurisdictions covering all listed companies (equity and debt issuers), significant financial institutions and in some cases, a wider class of PIEs, with the professional bodies focusing on the remaining population of statutory audits. This allows a balance of resource and focus, recognising the need to demonstrate benefits in support of the cost of independent regulation.

- **Inspection**

- The importance of independent challenge to the audit firms is evident from each of the jurisdictions considered. Whilst the mechanics vary, there is a trend towards transparency as well as rigour and independence. The UK practice of publishing annual reports for the largest firms, and providing a copy of individual inspection reports to the entity audit committee, is of particular note. The US, in contrast, issues individual firm inspection reports as well as summarised reports (under PCAOB Rule 4010). These practices demonstrate different approaches to striking a balance between fostering improvement and transparency of findings.

- **Investigation and Enforcement**

- The need for disciplinary process and potential sanctions is evident from each of the jurisdictions reviewed. Processes vary in their focus on and interpretation of 'public interest', but there is an operational consensus that high profile listed companies are of public interest, as is confidence in the largest audit firms. The jurisdictions under consideration generally adopt a quasi-legal approach to disciplinary processes, with a recognition of the right to a fair hearing and to appeal.
- The range of sanctions is generally wide, ranging from reprimand, to fine, to some form of exclusion from practice. In certain circumstances, the fines can be unlimited and one jurisdiction allows for imprisonment as a sanction for non-compliance with a notice. Publicity is typically part of the sanction, and anonymity is granted only in exceptional cases.

- **Standard setting**

- The regulatory bodies are typically responsible for implementing applicable auditing standards, and will normally conduct their deliberations in public. With an increasingly global regulatory agenda, in most cases the bodies are implementing international standards rather than drafting entirely new ones for local use only.

- **Funding**

- In most cases, the regulator's funding is obtained from a combination of direct levies on companies, levies on the professional bodies of which the audit firms are members, and levies on the audit firms themselves. The level of funding from government is, with one exception, usually minimal; the regulator is intended to be independent and self-funding.

# 1.3 Executive Summary: consideration points (cont'd)

## Points of principle for reform of auditor oversight

- The journey to amend the audit oversight system in Hong Kong, and to move away from the previous system of self-regulation, has begun. We trust that this comparative study provides valuable information to guide and signpost that journey.
- Preserving an open and constructive relationship with the regulated market is an important consideration in developing an effective audit quality framework. However, it is essential that the regulator construct is seen as robust and independent, and balancing these two elements requires careful judgement.
- It is also critical that the regulator gives careful consideration to the nature of the relationship it ultimately wishes to have with the auditing profession. Those considerations can then inform the judgements and decisions taken around how best to implement its new role, drawing on the lessons from other regulatory systems.
- We understand that the level of administration is another consideration in terms of approach and roll-out; we therefore include information on funding models.
- The spectrum of possible regulatory approaches can be seen as extending from 'collegial' to 'legalistic', and a key consideration is ensuring that any structure is proportionate, and acts as a visible and transparent challenge without stifling competitiveness and innovation.
- Conceptual, cultural and other considerations are also important, and should be borne in mind along with the balance outlined in the second bullet point above.

## 2. Hong Kong - IFIAR-EC gap analysis

## 2. Hong Kong - IFIAR-EC gap analysis

### Analysis of Hong Kong audit oversight system versus the requirements for gaining both regulatory equivalence of the EC and membership of IFIAR

	EC Equivalence requirements (Article 29 of Statutory Audit Directive (SAD))	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	<p>Quality assurance systems (Article 29 of Statutory Audit Directive (SAD))</p> <p>1. Each Member State shall ensure that all statutory auditors and audit firms are subject to a system of quality assurance which meets at least the following criteria:</p> <p>(a) the quality assurance system shall be organised in such a manner that it is independent of the reviewed statutory auditors and audit firms and subject to public oversight as provided for in Chapter VIII;</p> <p>Chapter VIII of the SAD includes Article 32: Principles of public oversight (see below) and Articles 33 to 36 which set out requirements for cooperation at community level, mutual recognition between member states, designation of competent authorities and professional secrecy and regulatory cooperation between member states.</p>			
1.1		<p><b>IFIAR Principle 4:</b> Audit regulators should have comprehensive enforcement powers which include the capability to ensure that their inspection findings or recommendations are appropriately addressed; these enforcement powers should include the ability to impose a range of sanctions including, for example, fines and the removal of an audit licence and/or registration.</p> <p><b>IFIAR Principle 4 explanatory material:</b> Audit regulators should at a minimum be responsible for the system and conduct of recurring inspection of audit firms undertaking audits of public interest entities.</p>	<p>The Hong Kong Institute of Certified Public Accountants (HKICPA) is incorporated by the Professional Accountants Ordinance (PAO) which sets out its statutory obligations. It is the only statutory licensing body of accountants in Hong Kong responsible for professional training, development and regulation of the accountancy profession.</p> <p>In 1992, the HKICPA introduced a Practice Review programme under the authority and powers granted by the PAO with the objective of enhancing the quality of work of the HKICPA members engaged in audit and related assurance activities.</p> <p>The Practice Review programme forms an important element in the overall scheme of audit regulation in Hong Kong. The practice review covers the provision of audit and other related assurance services in Hong Kong by firms, corporate practices and individual practising certificate holders (i.e. practice units). The programme aims to assess whether a practice unit has an adequate system of quality control to ensure work quality is maintained in every assurance and related service engagement. The Practice Review programme was revised in 2006 in light of international developments and increasing expectations of regulation and monitoring of auditors. The revised programme places greater emphasis on addressing areas of significant public interest, such as audits of public listed companies and the review process has been revised to focus on risk – in the selection of practice units and specific audit engagements for review. The practice reviews focus on practice units that are engaged in auditing public interest entities of a higher profile, predominantly listed entities.</p>	<p>Neither EC nor IFIAR</p> <p>The practice reviews are conducted by the full-time employees of the Quality Assurance Department of the HKICPA following the instructions of the Practice Review Committee (PRC) and in turn report to the Committee. Also, the results of the practice reviews are reported to the PRC. The composition of the PRC which comprises mainly practising members presents a gap in relation to the (perceived) objectivity and independence of the quality assurance programme that are basic principles for an independent public oversight body, in terms of both EC and IFIAR requirements (see 3.4 and 3.9 for details).</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	Quality assurance systems			
1.1			<p>The practice reviews are conducted under the responsibility of the full-time employees of the Quality Assurance Department (QAD) of the HKICPA which report to the Practice Review Committee (PRC). The PRC is the committee responsible for exercising the powers and duties given to the HKICPA as the regulator of auditors in Hong Kong under Sections 32A to 32I of the PAO. The QAD is headed by a Director who is supported by professional and administrative review staff. Under Section 32D of PAO, the PRC may determine the practice and procedure to be observed in relation to practice reviews; issue instructions to any reviewer on any matter relating to practice reviews or a particular practice review, or perform any other thing as considered necessary. The PRC has also prepared for reviewers a reviewer's manual which determines the procedures reviewers should adopt with respect to practice reviews.</p> <p>The results of the practice reviews carried out on practice units by the QAD are reported to the PRC. The HKICPA's practice review programme identifies deficiencies in quality control and audit work of the practice subject to review. Where deficiencies are identified, the practice will be required to produce an action plan or specific remedial action to address the deficiencies. If a deficiency is sufficiently serious or remedial action is not taken or is not effective, disciplinary action may be taken against the practice. The power of exercising disciplinary actions by the HKICPA against members or member practices is set out in the PAO.</p> <p>For details of the practice review process, refer to 1.5 below.</p>	
1.2	<p>(b) the funding for the quality assurance system shall be secure and free from any possible undue influence by statutory auditors or audit firms;</p>	<p><b>IFIAR Charter:</b> Funding should be free of undue influence by the profession.</p> <p><b>IFIAR Principle 2 explanatory material:</b> The audit regulator should have a stable source of funding, which is secure and free from influence by auditors and audit firms and sufficient to execute its powers and responsibilities.</p>	<p>The funding of HKICPA is sourced from the subscription fees from members and students, registration fees, and income from examination and continuing professional development (CPD) fees.</p>	<p>Neither EC nor IFIAR</p> <p>The funding of the operation of the HKICPA is mainly dependent on its members and students, and the amount of subscription fees is determined by the Council. The Council members are voted by the members and about one third of the Council members are practising CPAs (see 3.4 for governance structure of HKICPA). Therefore it does not appear to meet the IFIAR and EC equivalence criteria of being completely free from any possible undue influence by auditors and audit firms as required.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	<p><b>Quality assurance systems</b></p> <p>(c) the quality assurance system shall have adequate resources;</p>	<p><b>IFIAR Principle 5 explanatory material:</b> In order for audit regulators to be effective, it is a prerequisite that there is sufficient staff of appropriate competence. This also means that adequate arrangements for consultation and discussion amongst inspectors are in place.</p>	<p>There is a team of full-time reviewers reporting to the Director of QAD. The time allocated for reviews varies depending on the nature and size of the practice and its client base.</p> <p>Details of arrangements for on-site inspection, findings and recommendations coming out from the practice reviews are discussed amongst the team of reviewers and the Director of QAD.</p>	<p>Yes *</p> <p>The HKICPA has a full team of reviewers who conduct the practice reviews.</p>
1.4	<p>(d) the persons who carry out quality assurance reviews shall have appropriate professional education and relevant experience in statutory audit and financial reporting combined with specific training on quality assurance reviews;</p>	<p><b>IFIAR Principle 5 explanatory material:</b> The persons carrying out the reviews of quality assurance systems of audit firms should have appropriate professional training and relevant experience in auditing and financial reporting, and training in regulatory quality assurance reviews. This also means that adequate arrangements for consultation and discussion amongst inspectors are in place. New inspectors should be subject to proper supervision and appropriate training.</p>	<p>All the reviewers of the QAD are qualified accountants with experience in auditing and are required to undergo regular technical training and updates. The reviewers have an audit background and have been engaged in learning and development activities to keep them up to date with professional standards and to enhance their skills in dealing with practices in a fair and sensitive manner.</p>	<p>Yes *</p> <p>All reviewers are qualified CPAs with a background in auditing and regular professional training and updates are required.</p>

\* To note: if the HKICPA were independent, it would be compliant with the requirements.

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	<p><b>Quality assurance systems</b></p> <p>(e) the selection of reviewers for specific quality assurance review assignments shall be effected in accordance with an objective procedure designed to ensure that there are no conflicts of interest between the reviewers and the statutory auditor or audit firm under review;</p>	<p><b>IFIAR Principle 8:</b> Audit regulators should, as a minimum, conduct recurring inspections of audit firms undertaking audits of public interest entities in order to assess compliance with applicable professional standards, independence requirements and other laws, rules and regulations.</p> <p><b>IFIAR Principle 8 explanatory material:</b> The recurring inspections should be conducted pursuant to a process comprising the selection of the audit firms to inspect, appointment of inspection teams with appropriate expertise and competence, notification to the audit firm, advance documentation request, notification of selection of audit engagements for review, meetings with management, and on-site inspection arrangements.</p> <p>The inspection process should be subject to appropriate internal quality control within the audit regulator to ensure high quality and consistency.</p>	<p>The reviewers of QAD have a cooling off period whereby they will not perform a review of the firm where they were employed by before joining the HKICPA.</p> <p>The practice reviews include the following major processes:</p> <p>(i) Selection of practice for practice review visit</p> <p>All the practice units defined in the PAO below are subject to the Practice Review by the HKICPA unless they are not carrying out audit or assurance work:</p> <p>a) A firm of (practising) certified public accountants, practising accountancy pursuant to the PAO;</p> <p>b) A (practising) certified public accountant, practising accountancy on its own account pursuant to the PAO; or</p> <p>c) A corporate practice pursuant under the PAO.</p> <p>The QAD selects the practices for review primarily based on risk factors including the public interest profile of audit clients. The selection of practices is identified from a desktop review of practices' responses in the practice review self-assessment questionnaire<sup>(1)</sup> and other relevant information. Practices with regulated or significant public interest entity clients (but not listed entities) are given priority for site visit reviews. A number of practices are selected for site visit reviews on a random basis to ensure that all practices will have a reasonable chance of being selected. For details of frequency of review of different practices, please refer to 1.7 and 1.9 below.</p> <p>ii) Notification to audit firms</p> <p>Practices selected for practice review visits are normally advised of the proposed visit date several weeks in advance. The QAD will agree the visit date with the practice before the issue of formal notification and request for key documents. The site visit will normally be scheduled for six weeks after the formal notification.</p> <p>(iii) Preliminary assessment of submitted key documents</p> <p>Practices will be requested to provide certain information and a client list for preliminary assessment by the reviewers. The reviewers will carry out preliminary assessment on the key documents and notify the audit firm of the list of audit engagements selected for the on-site review.</p>	<p>Yes * (see page 14)</p> <p>The reviewers should be independent of the audit practices and there is a cooling off period before a practitioner can act as an HKICPA reviewer for the firm he/she left.</p> <p>The HKICPA is authorised by the PAO to conduct practice reviews of the audit practices (including firms undertaking audits of listed entities) in order to assess compliance with applicable professional standards, independence requirements and other laws, rules and regulations.</p>

(1) As stipulated in paragraph 3 of the Appendix of Statement in 1.401 (March 2006) Practice Review – Review and Conduct of Members, all practice units are required to complete the practice review self-assessment questionnaire on an annual basis. The questionnaire will collect three main categories of information about a practice unit: i) organisation and management of the practice unit; ii) quality control policies and procedures established by the practice unit; and iii) client profile of the practice unit.



## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	Quality assurance systems		<p>(iv) <u>Scope of review</u></p> <p>The scope of practice review includes: (a) obtaining an understanding of the practice's system of quality control; (b) assessing the effectiveness of the system of quality control in achieving compliance with Hong Kong Standard on Quality Control 1 (HKSQC 1); and (c) assessing compliance with professional standards in the operation of quality control procedures and the conduct of audit work.</p> <p>The detail and extent of review that the reviewers will need to carry out varies from practice to practice depending on a number of factors including the size of the practice and the nature of the client bases. However, the work typically carried out during the on-site visit includes:</p> <ul style="list-style-type: none"> <li>(a) interviewing different levels of personnel to assess the practice's culture and commitment to quality;</li> <li>(b) reviewing the documented quality control procedures and checking how they are applied in practice;</li> <li>(c) reviewing audit methodology and procedures to ensure they are up to date and include reference to current professional standards and relevant application guidance for staff;</li> <li>(d) reviewing selected engagement files to evaluate the application of audit procedures, the design and selection of audit working response to assessed risk; the basis for key audit judgements and conclusions, and the adequacy of audit evidence and documentation;</li> <li>(e) communication of findings from the practice review to the practice; and</li> <li>(f) providing practical advice to the practice on possible improvements in efficiency of the audit process and to address weaknesses that have been identified by the reviewers.</li> </ul> <p>Opening and exit meetings will be held among the practice review reviewers and the representatives of the practice.</p>	

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	Quality assurance systems			Yes * (see page 14)
1.6	<p>(f) the scope of the quality assurance review, supported by adequate testing of selected audit files, shall include an assessment of compliance with applicable auditing standards and independence requirements, of the quantity and quality of resources spent, of the audit fees charged and of the internal quality control system of the audit firm;</p>	<p><b>IFIAR Principle 8:</b> Audit regulators should as a minimum, conduct recurring inspections of audit firms undertaking audits of public interest entities in order to assess compliance with applicable professional standards, independence requirements and other laws, rules and regulations.</p> <p><b>IFIAR Principle 10:</b> Audit regulators should ensure that inspections include effective procedures for both firm-wide and file reviews.</p> <p><b>IFIAR Principle 10 explanatory material:</b> The risk-based inspection approach should also be reflected in both firm-wide and audit file inspection procedures. The firm-wide procedures should address the audit firm's quality control system as reflected in the firm's organisation, policies and procedures. ISQC 1 or similar benchmark in performing firm-wide procedures. The inspection process should also include adequate testing of selected audit files in order both to determine the effectiveness of the firm's quality control system and to assess compliance with applicable laws, rules and professional standards.</p>	<p>The scope of practice review includes obtaining an understanding of the practice's system of quality control, assessing compliance of policies and procedures with HKSQC 1 and reviewing the conduct of audit work. See details in 1.5 above.</p> <p>HKSQC 1 requires the practice to establish a system of quality control designed to provide it with reasonable assurance that the practice and its personnel comply with professional standards, and regulatory and legal requirements (including ethical and independence requirements), and that reports issued by the practice or engagement partner are appropriate in the circumstances.</p> <p>HKSQC 1 also requires the practices to assess the integrity of a client during the process of acceptance and continuance of client relationships and specific engagements by considering whether the client is aggressively concerned with maintaining the firm's fees as low as possible. In addition, HKSQC 1 requires the practice to establish policies and procedures to monitor workload and availability of resources to enable the individuals to have sufficient time to adequately discharge their responsibilities.</p> <p>The current revamped practice review programme places greater emphasis on addressing areas of significant public interest, such as audits of public listed companies, and other public interest entities such as banks, insurance companies, securities brokers, insurance brokers, entities receiving government subvention, solicitors and schools. The review process has been revised to focus on risk – in the selection of practice units and specific audit engagements for review. The practice review focuses on inspecting practice units that are engaged in auditing higher profile, public interest, predominately listed entities and adopts risk-based inspection procedures.</p>	<p>The scope of HKICPA's practice reviews includes the review of firm's policies and procedures of internal quality controls according to HKSQC1 (which also covers the review of audit fees and time spent on the engagement) as well as the quality of audit engagements.</p> <p>The practice reviews are conducted on a risk-based approach.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	Quality assurance systems			
1.7	<p><b>No direct equivalent in SAD</b></p>	<p><b>IFIAR Principle 9:</b> Audit regulators should ensure that a risk-based inspections programme is in place.</p> <p><b>IFIAR Principle 9 explanatory material:</b> Audit regulators should have a process for assessing risks in the audit environment and audit risks in individual regulated firms and their audit engagements. Audit regulators should have a process for taking into account their risk assessment in allocating their inspection resources and in the inspection approaches they adopt. These processes should be commensurate with the size and complexity of the audit firms and their clients. Audit regulators should have an established minimum cycle regarding the frequency of inspections.</p>	<p>The selection of a practice for practice review is based on their risk profiles, primarily from information obtained from the electronic self-assessment questionnaire and other relevant sources. Apart from listed companies, practices with other public interest clients, for example, banks, insurance companies, securities brokers, insurance brokers, entities receiving government subvention, solicitors and schools, are given priority for reviews.</p> <p>The frequency of review varies from different practices:</p> <ul style="list-style-type: none"> <li>(i) Big Four firms – subject to practice review annually. It recognises the predominance of listed and other public interest entities in Big Four client portfolios.</li> <li>(ii) Practices with a significant number of listed clients – subject to a full review at least once every three years and an interim review during the three-year cycle. From 2011, practices with more than 20 listed clients will receive an additional interim review. The interim reviews focus on key changes in systems and procedures, action taken following the previous practice review, current auditing and accounting issues, and review of completed listed company audit engagements.</li> <li>(iii) Other practices with listed clients – subject to review at least once every three years.</li> <li>(iv) Other practices – the frequency of review is based on risk profiles and random selection.</li> </ul> <p>The reviews focus on the practice's own quality control procedures and how the practice ensures the quality of its own work. The reviews place emphasis on risk areas and key judgements in audit assignment reviews.</p> <p>The detail and extent of review work to be carried out varies from practice to practice depending on the size of the practice and the nature of the client base.</p>	<p>No – IFIAR</p> <p><i>In respect of the frequency of inspections, the HKICPA has established a minimum cycle regarding the frequency of inspections of CPA firms that audit listed entities (i.e. at least every three years; and annually for Big Four firms). This is considered compliant for EC equivalence, which only requires auditors that audit listed entities in EEA regulated markets to be reviewed at least every six years (please refer to 1.9 below).</i></p> <p><i>However according to the current HKICPA practice review system, there is no clear minimum cycle regarding the frequency of inspection of audit firms that do not audit listed entities – the frequency of review is based on risk profiles and random selection, therefore not all the audit practices are regularly inspected.</i></p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	<p><b>Quality assurance systems</b></p> <p>(g) the quality assurance review shall be the subject of a report which shall contain the main conclusions of the quality assurance review;</p>	<p><b>IFIAR Principle 11:</b> Audit regulators should have a mechanism for reporting inspections findings to the audit firm and ensuring remediation of findings with the audit firm.</p> <p><b>IFIAR Principle 11 explanatory material:</b> Audit regulators should have a process that ensures that criticisms or potential defects in an audit firm's quality control systems and issues related to an audit firm's performance of audits that are identified during an inspection are reported to the audit firm.</p> <p>Audit regulators' reporting processes should include the preparation and issuance of a draft inspection report, a process for the audit firm to respond, and the preparation and issuance of a final inspection report.</p>	<p>Matters identified during the practice reviews are fully discussed with the practices. Subsequent to the on-site review, HKICPA will issue a draft report summarising findings and recommendations in relation to the review to the practice. The practice is asked to provide a formal written response to matters raised in the draft report. The response from the practice will be reviewed and submitted together with the reviewer's report to the PRC for consideration. The QAD is responsible for drawing conclusions on the review and making recommendations to the PRC for consideration. The PRC, having regard to the report and any response by the practice to the matters raised in the report, may act under the power given by the PAO to:</p> <p>(a) conclude a practice review with no follow-up action required;</p> <p>(b) make recommendations and specific requests to a practice (e.g. submission of a status report) to ensure appropriate follow-up action is taken to address weaknesses and shortcomings that have been identified by the review;</p> <p>(c) instruct that another visit is required; or</p> <p>(d) make a complaint to initiate a disciplinary action.</p> <p>The PRC sends each practice a formal notification of its decision. A final report will be issued to each audit firm upon completion of the review. The QAD monitors the progress of follow-up action undertaken by the practices at the direction of the PRC.</p>	<p>Yes * (see page 14)</p> <p>The HKICPA establishes a reporting mechanism to ensure matters identified from the practice reviews are communicated with the practices and appropriate steps have been taken in addressing the matters being raised.</p>
1.8				

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	Quality assurance systems			
1.9	(h) quality assurance reviews shall take place at least every six years;	<p><b>No direct equivalent in IFIAR principles</b></p>	<p>As mentioned in 1.7 above, the frequency of review varies from different practices as follows:</p> <ul style="list-style-type: none"> <li>(i) Big Four firms – subject to practice review annually. It recognises the predominance of listed and other public interest entities in Big Four client portfolios.</li> <li>(ii) Practices with a significant number of listed clients – subject to a full review at least once every three years and an interim review during the three-year cycle. From 2011, practices with more than 20 listed clients will receive an additional interim review. The interim reviews focus on key changes in systems and procedures, action taken following the previous practice review, current auditing and accounting issues, and review of completed listed company audit engagements.</li> <li>(iii) Other practices with listed clients – subject to review at least once every three years.</li> <li>(iv) Other practices – the frequency of review is based on risk profiles and random selection.</li> </ul>	<p>Yes * (see page 14)</p> <p>See Note below</p> <p>In order to meet the EC equivalence requirement, the quality assurance review for CPA firms that audit entities listed on the EEA regulated markets shall take place at least every six years.</p> <p>The HKICPA carries out practice reviews of CPA firms with listed clients (including clients listed on EEA regulated markets) at least every three years (and annually for Big Four firms) – so in terms of the frequency of review of listed entities audits, the EC equivalence requirement should be met.</p> <p><u>Note:</u></p> <p>Whilst the current HKICPA frequency of review cycle meets the EC equivalence requirement, it does not appear to meet with the IFIAR requirement which requires that all audit firms (whether they audit listed or non-listed entities) shall be reviewed on a regular basis. Currently, the audit practices that do not audit listed entities are only reviewed on a risk and random selection basis. A gap is identified. Please refer to 1.7 for details.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	<p><b>Quality assurance systems</b></p>			
1.10	<p>(i) the overall results of the quality assurance system shall be published annually;</p>	<p><b>IFIAR Principle 3 explanatory material:</b> Transparency should include the publication of annual work plans and activity reports, including the outcome of inspections either in the aggregate or on a firm-by-firm basis.</p>	<p>The overall results of the practice review are provided to the individual practices which are generally not publicly disclosed. However, there is an annual report issued by the QAD of HKICPA which summarises the activities and findings of the practice review programme which is made public on the HKICPA website.</p> <p>The common issues found under the practice review programme are also communicated through the following channels:</p> <ul style="list-style-type: none"> <li>• Forums hosted by the QAD which go through the quality assurance annual report and discuss common issues identified from the practice review.</li> <li>• Key findings identified from reviews of practices with listed clients are reported in the HKICPA Financial and Auditing Alert.</li> <li>• Findings from the practice review had been used by HKICPA's technical team in providing relevant support for HKICPA's members through ongoing training sessions.</li> </ul> <p>In addition, the HKICPA's activities are made public in HKICPA's monthly newsletter, technical update, monthly magazine and annual report.</p>	<p>Yes * (see page 14)</p> <p>The activities and outcomes of the HKICPA practice reviews are published annually on its website and common issues are communicated via other public channels.</p>
1.11	<p>(i) recommendations of quality reviews shall be followed up by the statutory auditor or audit firm within a reasonable period. If the recommendations referred to in point (j) are not followed up, the statutory auditor or audit firm shall, if applicable, be subject to the system of disciplinary actions or penalties referred to in Article 30.</p>	<p><b>IFIAR Principle 4:</b> Audit regulators should have comprehensive enforcement powers which include the capability to ensure that their inspection findings or recommendations are appropriately addressed; these enforcement powers should include the ability to impose a range of sanctions including, for example, fines and the removal of an audit licence and/or registration.</p>	<p>The results of practice reviews carried out on practice units by the QAD are reported to the PRC which is the committee responsible for exercising the powers given to the HKICPA by the PAO. Where deficiencies in quality control and audit work of practices are identified, the practice will be required to produce an action plan to address the deficiencies. In addition to proposed action plans, the practice may be required to take specific remedial action.</p> <p>The PRC, having regard to the report and any response by the practice to the matters raised in the report, may act under the power given by the PAO to:</p> <ol style="list-style-type: none"> <li>conclude a practice review with no follow-up action required;</li> <li>make recommendations and specific requests to a practice (e.g. submission of a status report) to ensure appropriate follow-up action is taken to address weaknesses and shortcomings that have been identified by the review;</li> <li>instruct that another visit is required; or</li> <li>make a complaint to initiate a disciplinary action.</li> </ol>	<p>Neither EC nor IFIAR</p> <p>A mechanism is established to ensure the practice review results and recommendations are communicated to the practices and appropriate steps are taken to address the matters raised.</p> <p>The enforcement powers as a result of the practice reviews are given to the PRC (which reports to the HKICPA Council) and the Disciplinary Committee of the HKICPA, subject to the fact that the composition of the PRC presents a gap to meet the EC/IFIAR criteria in relation to the (perceived) objectivity and independence of the quality assurance programme (see 3.4).</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

1	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1.11	Quality assurance systems	<p><b>IFIAR Principle 4 explanatory material:</b> Audit regulators should at a minimum be responsible for the system and conduct of recurring inspection of audit firms undertaking audits of public interest entities. Audit regulators should have the authority and ability to enforce inspection findings and recommendations. The audit regulator should have comprehensive enforcement arrangements such as fines, suspensions and the removal of an auditor's or audit firm's licence or registration.</p> <p><b>IFIAR Principle 11 explanatory material:</b> In addition, audit regulators should have a process for ensuring that audit firms satisfactorily address inspection findings that were reported to the audit firm by the audit regulator.</p>	<p>The effectiveness of remedial action will be assessed by the QAD of HKICPA, by review of submitted information or further site visit. If a deficiency is sufficiently serious or remedial action is not taken or is not effective, the PRC could raise a complaint to the HKICPA Council which shall determine whether to refer the complaint to the Disciplinary Panels to consider taking disciplinary actions against the practice.</p> <p>Section 33 of the PAO requires the set up of two Disciplinary Panels:</p> <ul style="list-style-type: none"> <li>Disciplinary Panel A consists of not fewer than 18 lay persons appointed by the Chief Executive of the HKSAR government of whom one is appointed by the Chief Executive to be the Disciplinary Committee Convenor and another to his alternate.</li> <li>Disciplinary Panel B consists of not fewer than 12 certified public accountants appointed by the HKICPA's Council of whom not fewer than six are holders of practising certificates.</li> </ul> <p>When a complaint is referred to the Disciplinary Panels, a Disciplinary Committee will be constituted to deal with the complaint by directing the Disciplinary Committee Convenor to appoint five independent persons selected from the two panels as follows:</p> <ul style="list-style-type: none"> <li>one person appointed by the Disciplinary Committee Convenor from Disciplinary Panel A to be the chairman of the Disciplinary Committee;</li> <li>two persons appointed by the Disciplinary Committee Convenor from Disciplinary Panel A; and</li> <li>two persons from Disciplinary Panel B of whom one is holder of a practising certificate.</li> </ul> <p>The Disciplinary Committee Convenor shall not be appointed as a member of a Disciplinary Committee.</p> <p>A Disciplinary Committee is set up to deal with formal complaints concerning allegations of misconduct by members, member practices or registered students pursuant to section 34 of the PAO and by-law 34 of the Professional Accountants By-laws. The proceedings of the Disciplinary Committee are governed by Part V of the PAO and the Disciplinary Committee Proceedings Rules.</p>	<p>The EC/IFIAR requirements state that the disciplinary mechanism must have independent oversight. Article 32(5) of EC Directive 2006/43/EC requires that the system of public oversight shall have the right, where necessary, to conduct investigations in relation to statutory auditors and audit firms, and the right to take appropriate action. IFIAR Principle 4 goes further, and requires that the audit regulator should have the right to investigate and impose sanctions.</p> <p>A gap is identified in the current disciplinary mechanism in relation to the independent oversight, since complaints against the HKICPA's members or member practices are made either by the PRC as a result of practice review findings or by the Professional Conduct Committee (PCC) which is mainly composed of practising CPAs and has the power to dismiss complaints it considers not pursuable, to adjudicate complaints and to issue formal letters of disapproval, or to recommend that the HKICPA Council refer more serious complaints to the Disciplinary Panels (see 2.4). There is currently no independent public oversight body which has specific oversight of the PCC and the ability to enforce disciplinary actions against the auditors. Also, the members of Disciplinary Panel B are selected by the HKICPA Council, and 2 out of 5 persons of each Disciplinary Panel to be constituted are from Disciplinary Panel B. In addition, matters can be referred to the Disciplinary Panel by the HKICPA Council only.</p> <p>In order to be EC/IFIAR compliant, whilst certain investigation and enforcement activities could be carried out by the professional body, an independent oversight body must have the ultimate right to investigate, and the right to enforce sanctions (in practice, this means that the sanction of removal of registration has to be within the ultimate responsibility of the independent oversight body).</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	Quality assurance systems		<p>The Disciplinary Committee considers whether a prima facie case is established against the member, member practice or registered student, and, if so, whether a hearing of the complaint is necessary. A hearing may not be necessary if the complaints are admitted or the Disciplinary Committee considers the matter can be disposed of by consent order. Disciplinary hearings are normally conducted in public unless the Disciplinary Committee determines that, in the interests of justice, a hearing or any part of it shall be held in private.</p> <p>If the Disciplinary Committee is satisfied that a complaint referred to it under Section 34 of the PAO (including, without reasonable excuse, failure or neglect to comply with any direction with which the practice was required by the Practice Review Committee to comply) is proved, the Disciplinary Committee may in its discretion make the following orders according to the disciplinary powers of the Disciplinary Committee set out in Section 35 of the PAO:</p>	<p>It is a matter of judgement as to whether these penalties are effective, proportionate and dissuasive. The low number of enforcement actions (in relation to the number of registered auditors and audits) suggests that they are dissuasive, and the fact that an auditor can be removed from the register or have their ability to practice removed is effective at removing a threat to systemic audit quality.</p>
1.11			<ul style="list-style-type: none"> <li>• an order that the name of the certified public accountant be removed from the register, either permanently or for such period as it may think fit;</li> <li>• an order that the certified public accountant be reprimanded;</li> <li>• an order that the certified public accountant pay a penalty not exceeding HK\$500,000 to the HKICPA;</li> <li>• an order that the certified public accountant pay the costs and expenses of proceedings;</li> <li>• an order that the practising certificate issued to the certified public accountant be cancelled; and</li> <li>• an order that a practising certificate shall not be issued to the certified public accountant either permanently or for such period as the Disciplinary Committee may think fit.</li> </ul> <p>The order of the Disciplinary Committee is published in (1) the HKICPA journal – "APLUS"; (2) a press release; (3) the HKSAR Gazette (removal orders only); and on (4) the HKICPA website.</p>	



## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
1	<p><b>Quality assurance systems</b></p>			
1.12	<p>2. The Commission may, in accordance with the procedure referred to in Article 48(2), adopt implementing measures in order to enhance public confidence in the audit function and to ensure uniform application of points (a), (b) and (e) to (j) of paragraph 1. Those measures, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 48(2a). None have been adopted to date.</p>	<p><b>No direct equivalent in IFIAR principles</b></p>		
2	<p><b>Systems of investigations and penalties</b></p> <p><b>Article 30 of SAD</b></p>			
2.1	<p>1. Member States shall ensure that there are effective systems of investigations and penalties to detect, correct and prevent inadequate execution of the statutory audit.</p>	<p><b>IFIAR Principle 4</b></p> <p><b>explanatory material:</b> Audit regulators should have comprehensive enforcement powers which include the capability to ensure that their inspection findings or recommendations are appropriately addressed; these enforcement powers should include the ability to impose a range of sanctions including, for example, fines and the removal of an audit licence and/or registration.</p>	<p><u>Investigations by the Financial Reporting Council (FRC)</u></p> <p>In 2007, the HKSAR Government set up the FRC which is an independent statutory body established under the Financial Reporting Council Ordinance (FRCO). FRC is a body totally independent of the HKICPA that mainly conducts independent investigations into possible auditing and reporting irregularities in relation to listed entities in Hong Kong, and to enquire into possible non-compliances with accounting requirements on the part of listed entities.<sup>(2)</sup></p> <p>Investigation and enquiry may be initiated by complaints from the public or referrals from other regulators such as the Securities and Futures Commission (SFC) or the Stock Exchange of Hong Kong (SEHK), or the FRC may initiate investigations or enquiries of complaints on its own initiative. Investigation of potential "relevant irregularities" may be initiated if the FRC believes that there are "circumstances suggesting" or "reasonable cause to believe" that there is or may be an irregularity committed by (i) an auditor in respect of an audit; or (ii) a reporting accountant in respect of the preparation of an accountant's report. The FRC has two operating arms, the Audit Investigation Board (AIB) and the Financial Reporting Review Committee (FRRRC) to conduct investigations or enquiries.</p>	<p>Yes * (see page 14)</p> <p>The FRC and HKICPA have established effective systems of investigations of audit practices.</p> <p>The HKICPA is authorised to enforce a range of disciplinary actions on the practices if a deficiency identified from the practice review is sufficiently serious, or remedial action is not satisfactorily taken or is not effective, or misconduct of the member or member practices is identified.</p>

<sup>(2)</sup> Prior to establishing the FRC, powers of investigation vested with a number of different parties who were often hampered by their inability to require assistance from all necessary sources. The HKICPA could only exercise its investigatory powers over its own members - its membership does not include listed entities or the majority of individuals (non-accountants) serving on their boards of directors. The Stock Exchange of Hong Kong Limited (SEHK) and the Securities and Futures Commission (SFC) could only deal with listed entities and directors, but not their auditors. Establishing the FRC with statutory powers of investigation over all relevant parties was seen as an important step in addressing the problem.

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC//FIAR requirements?
2	Systems of investigations and penalties			
2.1			<p>According to Sections 25 to 28 of the FRCO, the AIB may compel any party it considers it has relevant information to cooperate with its investigations by issuing a "requirement". Typically, auditors are required to produce the audit working papers in relation to a listed entity if that audit is being investigated.</p> <p>Upon completion of an enquiry or an investigation, a report is prepared and adopted by the Council of the FRC. The Council of FRC may decide to publish the entire report or a part of it. A report will not be published if the case is referred to other regulators for disciplinary actions (e.g. HKICPA). However, upon the completion of disciplinary proceedings by other regulators, the FRC may still decide to publish an enquiry or investigation report if it considers that the publication is in the interests of the investing public or in the public interest.</p> <p>Any auditing or reporting irregularities identified by the FRC will be referred to the HKICPA for follow-up action under HKICPA's disciplinary process. Any non-compliance relevant to the Listing Rules will be referred to the SFC or the SEHK for follow-up action. The FRC may require listed entities to remove any non-compliance identified or revise its financial statements to correct such compliance, however, is not empowered to discipline or prosecute.</p> <p>The FRC's investigatory and enquiry power is confined to the listed sector because of the broader public interest associated with such cases. The investigation of possible irregularities of auditors and accountants outside this scope continues to be undertaken by the HKICPA under the PAO.</p> <p>The FRC is not empowered to discipline or prosecute. Such power remains with the appropriate relevant regulatory body, for example, the HKICPA for professional accountants, and the SEHK/SFC for listed entities and their directors.</p> <p><u>Investigations into misconduct of members or member practices by the HKICPA</u></p> <p>The investigation proceedings of HKICPA are governed by Part VA of the PAO.</p> <ul style="list-style-type: none"> <li><u>Investigation Panel A</u> shall consist of not fewer than 18 lay persons appointed by the Chief Executive of HKSAR Government of whom one shall be appointed by the Chief Executive to be the Investigation Committee Convenor and another to be his alternate;</li> </ul>	

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
2	Systems of investigations and penalties			
2.1			<ul style="list-style-type: none"> <li>Investigation Panel B shall consist of not fewer than 12 certified public accountants appointed by the Council of whom not fewer than six shall be holders of practising certificates.</li> </ul> <p>The Council of HKICPA will consider constituting an Investigation Committee when it becomes aware of a matter which gives the Council a reasonable suspicion or belief that a member or member practice has not followed professional standards issued by the HKICPA or has committed other improper acts and the powers of an Investigation Committee are required to facilitate the consideration by the Council of whether to make a referral to the Disciplinary Panels.</p> <p>An Investigation Committee investigates the conduct of a member or member practice of the HKICPA and reports to the Council whether, in its opinion, were a complaint that the member or practice has not followed professional standards issued by the Institute or has committed other improper acts made under section 34(1) of the PAO, the member or member practice would have a case to answer.<sup>(3)</sup></p> <p>The investigation process is as follows:</p> <ol style="list-style-type: none"> <li>An Investigation Committee comprises five independent persons: three members including the chairman from Investigation Panel A, which comprises no fewer than 18 lay persons appointed by Government; and two members (at least one of whom must hold a practising certificate) from Investigation Panel B, which comprises no fewer than 12 members of the Institute appointed by the Council.</li> <li>The Investigation Committee conducts its investigation and reports to the Council.</li> <li>The Council considers the report of the Investigation Committee and decides whether to refer the matter to the Disciplinary Panels or take other appropriate actions.</li> </ol> <p>For the power and types of disciplinary actions on members or member practices of the HKICPA, please refer to 1.11 above.</p>	

<sup>(3)</sup> Following the commencement of operations by the FRC in July 2007, the responsibility for investigation of matters involving listed entities has been assumed by the FRC. Accordingly, the HKICPA is only responsible for investigations of non-listed entities and those involving listed entities which commenced before July 2007.

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
<b>2</b>	<b>Systems of investigations and penalties</b>			
2.2	<p>2. Without prejudice to Member States' civil liability regimes, Member States shall provide for effective, proportionate and dissuasive penalties in respect of statutory auditors and audit firms, where statutory audits are not carried out in conformity with the provisions adopted in the implementation of this Directive.</p>	<p><b>No direct equivalent in IFIAR principles</b></p>	<p>Based on the practice reviews, where corrective action is required to be taken, the PRC has a range of options available that will ensure the follow-up action requested is relevant, appropriate and proportionate to the issues involved and the size and nature of the practice unit.</p> <p>The order of penalties is at the discretion of the Disciplinary Committee in accordance with Section 35 of the PAO. For details, please refer to 1. 11 above.</p>	<p>Yes * (see page 14)</p> <p>Any disciplinary action or penalties imposed on the practices (and the practising CPAs) have undergone a process of fact finding, evaluation and hearing (if necessary), subject to the fact that the current disciplinary mechanism in Hong Kong is not EC compliant. See 1. 11 for details.</p> <p>The form of penalties taken will be assessed dependent on the gravity of violations or deficiencies.</p>
2.3	<p>3. Member States shall provide that measures taken and penalties imposed on statutory auditors and audit firms are appropriately disclosed to the public. Penalties shall include the possibility of the withdrawal of approval.</p>	<p><b>No direct equivalent in IFIAR principles</b></p>	<p>Disciplinary actions against the audit firms and individual practising CPAs are publicised in HKICPA magazine and on the HKICPA website. Disciplinary hearings are also open to the public.</p> <p>The range of disciplinary actions is set out in Section 35 of the PAO. Please refer to 1. 11 above for details.</p>	<p>Yes * (see page 14)</p> <p>Disciplinary actions imposed on the practices and the practising CPAs are disclosed to the public.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
2	Systems of investigations and penalties			
2.4	<p><b>No direct equivalent in SAD</b></p> <p><b>IFIAR Principle 4</b>  <b>explanatory material:</b> Audit regulators should have adequate and appropriate mechanisms for enabling information to be brought to their attention by third parties and for then dealing with such information, such as through complaints procedures or through whistle blowing arrangements. These mechanisms should act in a timely and effective manner and their results followed up through an appropriate system of investigations and penalties in relation to cases of inadequate or noncompliant execution of an audit.</p>		<p>The HKICPA is responsible for regulating the conduct of its members. Accordingly, it deals with complaints concerning the ethical and professional conduct of members, member practices and registered students. Such complaints may arise from matters brought to the attention of the HKICPA by external parties, such as the FRC, Market Misconduct Tribunal, Office of the Commissioner of Insurance, Official Receiver and the SFC. They may also come from members, clients of members, the public or be matters which originate within the HKICPA itself.</p> <p>The HKICPA has no authority to deal with complaints against a person, firm, or body corporate which is not a HKICPA member or a HKICPA registered student. Complaints must be in writing and be adequately supported by adequate evidence indicating that a member, member practice, or registered student of HKICPA has not followed professional standards issued by the HKICPA or has committed other improper acts.</p> <p>The complaints against HKICPA members, member practices and registered students are dealt with by the Professional Conduct Committee of the HKICPA (PCC) supported by the HKICPA's compliance department. The PCC comprises both certified public accountants and lay members.</p> <p>Investigation of complaints concerning possible auditing and reporting irregularities or non-compliances with financial reporting requirements relating to listed entities is outside the jurisdiction of the HKICPA as all such investigations are handled by the FRC. For details of FRC's investigation power, please refer to 2.1 above.</p> <p>The HKICPA's investigation process of complaints is as follows:</p> <ol style="list-style-type: none"> <li>1. The HKICPA carries out an initial assessment of the adequacy of the supporting evidence to determine whether its member, member practice or registered student has failed to follow professional standards issued by the HKICPA or has committed other improper acts.</li> <li>2. On the conclusion of HKICPA enquiries, the compliance department will submit a report on its findings and conclusions to the PCC for its consideration of whether to: <ol style="list-style-type: none"> <li>a. dismiss complaints where the matter is outside the HKICPA's jurisdiction or where there is inadequate evidence to show a prima facie case of an alleged offence;</li> <li>b. issue formal letters of disapproval (Disapproval Letters) to adjudicate minor complaints; or</li> <li>c. Refer more serious complaints to the HKICPA Council for its consideration of whether to refer the matter to the Disciplinary Panels.</li> </ol> </li> </ol>	<p>Neither EC nor IFIAR</p> <p><i>The mechanism of complaints and system of investigations and penalties are established.</i></p> <p><i>However the PCC's role represents a gap as there is no independent public oversight body which has specific oversight of the PCC and the ability to enforce disciplinary actions against the auditors (see 1.11).</i></p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
2	Systems of investigations and penalties			
2.4			<p>3. The PCC may request information and explanations relating to any complaint from any party, where necessary and may direct any other course of action in relation to dismissed or minor complaints as it may think fit.</p> <p>4. The HKICPA will inform all parties to a complaint as to the dismissal or adjudication of the complaint by the PCC and as to the procedure for lodging an appeal against the decision of the PCC.</p> <p>5. The time required for completing a complaint varies among cases and is affected by factors such as the complexity of the issues involved and the extent of correspondence with the relevant parties in the enquiry process.</p> <p>Where the Council of HKICPA concludes that a complaint is sufficiently serious to warrant the referral of the matter to the Disciplinary Panels, a Disciplinary Committee will be constituted to deal with the complaints. For details, please refer to 1.11 above.</p>	
3	Principles of public oversight (Article 32 of SAD)			
3.1	Article 32 SAD	<p><b>IFIAR Principle 1:</b> The responsibilities and powers of audit regulators should serve the public interest and be clearly and objectively stated in legislation.</p>	<p>The HKICPA is incorporated by the Professional Accountants Ordinance. It is the only statutory licensing body of accountants in Hong Kong responsible for professional training, development and regulation of the accountancy profession.</p> <p>The HKICPA's duties on public oversight of auditors are as follows:</p> <ol style="list-style-type: none"> <li>i. registering accountants and issuing practising certificates to professional accountants who have satisfied the professional qualification requirements under the PAO;</li> <li>ii. setting codes of ethics and standards of accounting and auditing;</li> <li>iii. regulating the quality of entry to the profession through its qualification programme and related courses;</li> <li>iv. providing continuing education and other services to members;</li> <li>v. conducting audit quality reviews (or practice reviews);</li> <li>vi. oversight of remedial action taken by audit firms for deficiencies identified during audit quality reviews;</li> <li>vii. conducting investigation and remedial/disciplinary actions for complaints against or misconduct of its members; and</li> <li>viii. promoting the accountancy profession both in Hong Kong and overseas.</li> </ol> <p>Sections 7 and 8 of the PAO sets out the objects and the powers of the HKICPA.</p>	<p>Yes * (see page 14)</p> <p>The responsibilities and powers of the HKICPA are clearly set out in the PAO.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
<b>3</b>	<b>Principles of public oversight</b>			
3.2	<p>1. Member States shall organise an effective system of public oversight for statutory auditors and audit firms based on the principles set out in paragraphs 2 to 7.</p>	<p><b>IFIAR Principle 1 explanatory material:</b> The legal framework for audit oversight should set forth the audit regulator's mandate and responsibilities, and provide the regulator with adequate powers and authority that enable the regulator to perform its audit oversight duties, including powers to address, through inspection and enforcement, compliance with the requirements for the authorisation/registration of auditors/audit firms and compliance with applicable auditing, professional and independence standards.</p>	<p>The PAO provides the statutory power to the HKICPA to exercise its authorities and duties for audit oversight. Specifically,</p> <ul style="list-style-type: none"> <li>Sections 7 and 8 of the PAO sets out the objects and the powers of the HKICPA.</li> <li>Sections 22 to 28F of the PAO set out the authority of the HKICPA for registration of auditor/audit firms and Sections 29 to 30 set out the requirements for issuing a practising certificate to professional accountants who have satisfied the professional qualification requirements under the PAO.</li> <li>Sections 32A to 32I of the PAO set out the statutory powers and duties given to the HKICPA as the regulator of auditors in Hong Kong to implement the practice review programme of the practice units and to ensure the auditors/audit practices are in compliance with applicable auditing, professional and independence standards.</li> <li>Sections 33 to 38 of the PAO and By-law 34, and 35 of the Professional Accountants By-laws set out the powers of the HKICPA to deal with complaints concerning allegations of misconduct of members, member practices or registered students and enforce disciplinary sanctions that the Disciplinary Committee considers appropriate to the circumstances. Disciplinary proceedings are governed by Part V of the PAO and the Disciplinary Committee Proceedings Rules.</li> </ul>	<p>Neither EC nor IFIAR, in terms of the funding model and the governance structure of the HKICPA.</p> <p>See 3.4 and 3.8 below.</p>
3.3	<p>2. All statutory auditors and audit firms shall be subject to public oversight.</p>	<p><b>IFIAR Principle 1 explanatory material:</b> Audit regulators should have a mandate to work in the public interest and protect investors by seeking to improve audit quality. The responsibilities and powers of audit regulators should, at a minimum, require independent oversight of the audits of public interest entities.</p>	<p>The HKICPA is incorporated by the PAO and works in public interest. Sections 7 and 8 of the PAO set out the objects and the powers of HKICPA.</p> <p>All the practice units defined in the PAO below are subject to practice review by the HKICPA unless they are not carrying out audit or assurance work:</p> <ol style="list-style-type: none"> <li>A firm of certified public accountants (practising) practising accountancy pursuant to the PAO;</li> <li>A certified public accountant (practising) practising accountancy on its own account pursuant to the PAO; or</li> <li>A corporate practice pursuant under the PAO.</li> </ol> <p>The Big Four firms are reviewed annually due to the degree of public interest that there is a predominance of listed and other public interest entities in their client portfolios. Apart from listed companies, practices with other public interest entities, such as banks, insurance companies, securities brokers, insurance brokers, entities receiving government subvention, solicitors and schools, are given priority for review. Please refer to 1.7 for details.</p>	<p>Neither EC nor IFIAR</p> <p>All the practice units defined in the PAO are subject to practice review by the HKICPA. However, on the basis that the current governance structure and funding model of the HKICPA do not appear to satisfy the EC/IFIAR requirements (see 3.4, 3.8, 3.9), the statutory auditors and audit firms are not subject to independent public oversight as required by EC and IFIAR.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
3	Principles of public oversight			
3.3				<p>In the EU, all statutory auditors must be subject to public oversight regardless of whether or not they are performing listed entity audits. The SAD does not mandate that the actual inspectors cannot be from a professional body or indeed seconded from audit firms, provided that they are under the oversight of the independent oversight body.</p> <p>Of the 28 EEA states who have notified their inspection systems to the EC:</p> <ul style="list-style-type: none"> <li>Nine - inspection by independent oversight body</li> <li>Eleven - some inspection by independent oversight body, some by professional bodies under independent oversight body supervision</li> <li>Eight - all inspection by professional bodies under independent oversight body supervision.</li> </ul>



## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
3	<b>Principles of public oversight</b>			
3.4	<p>3. The system of public oversight shall be governed by nonpractitioners who are knowledgeable in the areas relevant to statutory audit. Member States may, however, allow a minority of practitioners to be involved in the governance of the public oversight system. Persons involved in the governance of the public oversight system shall be selected in accordance with an independent and transparent nomination procedure.</p>	<p><b>IFIAR Charter:</b></p> <p>Member must be independent of the profession, and engaged in audit regulatory functions in the public interest.</p> <p><b>IFIAR Principle 2: Audit</b> regulators should be operationally independent.</p> <p><b>IFIAR Principle 2 explanatory material:</b> Independence means the ability to undertake regulatory activity and to take and enforce decisions without external interference by those regulated. The audit regulator should be operationally independent from external political interference and from commercial, or other sectoral interests, in the exercise of its functions and powers, including not being controlled in its governance by audit practitioners. The audit regulator should have a stable source of funding, which is secure and free from influence by auditors and audit firms and sufficient to execute its powers and responsibilities.</p> <p><b>IFIAR Principle 5: Audit</b> regulators should ensure that their staff is independent from the profession and should have sufficient staff of appropriate competence.</p>	<p><u>Governing structure of the HKICPA</u></p> <p>The governing body is the Council of the HKICPA which is responsible for making decisions on overall strategy, policy and direction and oversight of the HKICPA's operation and governance. It is also the decision-making body on matters stipulated in the PAO. Sections 17 to 18B of the PAO set out the powers of the Council.</p> <p>The Council currently consists of 22 non-executives who are volunteers and not compensated. The combination of these members are from within and outside the accounting profession as follows:</p> <ul style="list-style-type: none"> <li>• 14 certified public accountants directly elected by the HKICPA's membership including the immediate past president who sits on the Council to allow for continuity.</li> <li>• Two certified public accountants co-opted by the Council to round out skills.</li> <li>• Two ex-officio member from HKSAR Government.</li> <li>• Four lay members who are prominent business leaders appointed by the HKSAR Government to provide independent views and advice.</li> </ul> <p>The Council applies strict rules to prohibit a Council or committee member from taking part in any discussion or decisions on matters in which he or she has a real or apparent conflict of interest.</p> <p><u>Funding source</u></p> <p>The funding of HKICPA is sourced from the subscription fees from members and students, registration fees and income from examination and continuing professional development (CPD) fees.</p> <p>Regarding the funding source of the FRC, please refer to 3.8 below.</p> <p><u>Inspection staff member</u></p> <p>The practice reviews are conducted under the responsibility of the QAD headed by a Director who is supported by professional and administrative review staff. All reviewers of the QAD are employed by the HKICPA working solely in QAD. They are all qualified accountants and are required to undergo regular technical training and updates. To ensure independence, the reviewers have a cooling off period whereby they will not perform a review of the firm where they were employed before joining the HKICPA.</p>	<p>Neither EC nor IFIAR</p> <p><b>Governing structure of the HKICPA:</b> EC Directive 2006/43/EC defines 'non-practitioner' as follows: "any natural person who, for at least three years before his or her involvement in the governance of the public oversight system, has not carried out statutory audits, has not held voting rights in an audit firm, has not been a member of the administrative or management body of an audit firm and has not been employed by, or otherwise associated with, an audit firm."</p> <p>This creates a gap in relation to the governance of the audit oversight system, given that the membership of the Council of the HKICPA currently consists of approximately one third practising CPAs (8 out of 22 total members are practising CPAs in audit firms). Whilst enough other Council members may from time to time be 'non-practitioners' such that they form a majority, the current constitution of the Council does not guarantee that this will be the case. Any change (for example, replacement of a current 'non-practitioner' member with a recently retired audit partner) could upset this balance.</p> <p>The IFIAR charter requires that membership shall be confined to regulatory agencies that are independent of the profession (including audit firms, professional bodies and bodies or entities associated with the profession), which means, a majority of the relevant governing body should be non-practitioners (with an appropriate cooling off period for former auditors); and the funding should be free of undue influence by the profession. The funding model of the HKICPA does not appear to be free of undue influence by the profession, also the HKICPA, being a professional body, does not satisfy the IFIAR charter which requires that member must be independent of the profession..</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

3	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
3.4	<p><b>Principles of public oversight</b></p> <p><b>IFIAR Principle 5 explanatory material:</b> Audit regulators should have arrangements in place to ensure that inspection staff members are independent of the profession. These arrangements will, as a minimum, include ensuring that staff members should not be practising auditors or employed by or affiliated with an audit firm, and that the arrangements are not controlled in any form by a professional body.</p>	<p><b>Practice Review Committee (PRC)</b></p> <p>Regarding the quality assurance programme of the HKICPA, the results of the practice reviews carried out on the practice units by the QAD are reported to the PRC which is the committee responsible for exercising the powers and duties given to the HKICPA as the regulator of auditors in Hong Kong under Sections 32A to 32I of the PAO. By law, at least two thirds of the Committee must hold practising certificates. The practising members of the Committee are drawn from the full spectrum of audit firms, representing small practices through Big Four firms. Non-practising members are also included in the Committee to bring an additional perspective to Committee decisions on the quality of work carried out by the practices subject to review. The composition of the Committee is reviewed by the Nomination Committee of the HKICPA every year to ensure a balanced composition.</p>	<p>This gap is particularly relevant given: (a) the EC requirement that the system of public oversight shall be mainly governed by non-practitioners; and (b) IFIAR's requirement that the audit regulator should be operationally independent from external political interests and from commercial or other sectoral interests in exercise of its functions and powers, including not being controlled in its governance by audit practitioners.</p> <p><b>Composition of the Practice Review Committee:</b> the Committee membership mainly comprises practising members, drawn from the full spectrum of audit firms. This creates a gap in relation to the (perceived) objectivity and independence of the quality assurance programme, which is operated by the HKICPA's own Quality Assurance Department, which in turn reports to the Committee.</p> <p><b>Source of funding of HKICPA:</b> the funding of HKICPA is dependent on its members and students, and the amount of subscription fees is determined by the Council of which the Council members are voted by the members and about one third of the Council members are practising CPAs (see 3.4 for governance structure of HKICPA). Therefore it does not appear to meet the IFIAR and EC criteria of being completely free from any possible undue influence by auditors and audit firms as required.</p>	

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
<b>3</b>	<b>Principles of public oversight</b>			
3.5	<p>4. The system of public oversight shall have the ultimate responsibility for the oversight of:</p> <ul style="list-style-type: none"> <li>(a) the approval and registration of statutory auditors and audit firms;</li> <li>(b) the adoption of standards on professional ethics, internal quality control of audit firms and auditing; and</li> <li>(c) continuing education, quality assurance and investigative and disciplinary systems.</li> </ul>	<p><b>No direct equivalent in IFIAR principles</b></p>	<p>See 3.1 above for duties of the HKICPA. See 2.1 above for FRC's investigation responsibilities.</p>	<p>No - EC</p> <p>The relevant responsibilities of the HKICPA are set out in the PAO and the FRC's investigation power is set out in the FRC Ordinance. However, given that the HKICPA is not independent under EC/IFIAR, there is currently no independent oversight body in Hong Kong which has the ultimate responsibility for the oversight of these activities.</p> <p>The EC requirements state that certain activities including the administrative maintenance of registration of statutory auditors and audit firms, proposing new - or changes to - professional standards, and organising continuing education can be delegated and taken up by a professional body. This is provided that there is an independent oversight body which has the ultimate right to enforce the decision of the professional body to withdraw an individual and/or firm's registration as a result of sanctions; approve any professional standards proposed by the professional body; enforce the professional body to report on their exercises; direct the professional body, if it does not think that the professional body is acting appropriately.</p>
3.6	<p>5. The system of public oversight shall have the right, where necessary, to conduct investigations in relation to statutory auditors and audit firms and the right to take appropriate action.</p>	<p><b>No direct equivalent in IFIAR principles</b></p>	<p>The HKICPA is empowered under the PAO to conduct investigations when the Council becomes aware of a matter which gives the Council a reasonable suspicion or belief that a member or a member practice has not followed professional standards issued by the HKICPA or has committed other improper acts. Sections 42B to 42E of PAO set out the appointment and powers of the Investigation Committee.</p> <p>In addition, in 2007, the FRC was established by the HKSAR Government which is charged with investigating possible non-compliances with financial reporting standards and audit deficiencies in relation to listed entities in Hong Kong. The investigation and enquiries power of the FRC are set out in the Financial Reporting Council Ordinance.</p> <p>For details, refer to 2.1 above.</p>	<p>Yes * (see page 14)</p> <p>The investigation responsibilities are taken up by both the HKICPA and the FRC.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
<b>3</b>	<b>Principles of public oversight</b>			
3.7	<p>6. The system of public oversight shall be transparent. This shall include the publication of annual work programmes and activity reports.</p>	<p><b>IFIAR Principle 3:</b> Audit regulators should be transparent and accountable.</p> <p><b>IFIAR Principle 3 explanatory material:</b> The audit regulator should have public accountability in the use of its powers and resources to ensure that the audit regulator maintains its integrity and credibility. Further, the decisions and actions of the audit regulator should be subject to appropriate scrutiny and review, including appeal to a higher authority. Transparency should include the publication of annual work plans and activity reports, including the outcome of inspections either in the aggregate or on a firm-by-firm basis.</p>	<p>The overall results of practice review are provided to the individual practices which are generally not publicly disclosed. However, there is an annual report issued by the QAD which summarises the activities and findings of the practice review programme which is made public on the HKICPA website.</p> <p>The common issues found under the practice review programme were also communicated through various channels. For details, please refer to 1.10 above.</p> <p>The final results of practice review are reported to the PRC which reaches its own decisions on practices' compliance with professional standards and the appropriate follow-up action. The activities and operations of the PRC are subject to scrutiny by the Council of HKICPA and the Standards and Quality Accountability Board (SQAB). The SQAB oversees the performance of the HKICPA's practice review programme and ensures that the QAD activities are carried out in accordance with the strategies and policies determined by the Council and in the public interest.</p>	<p>Yes * (see page 14)</p> <p>The activities and outcome of the HKICPA practice reviews are annually published on its website and common issues are communicated via other public channels.</p>
3.8	<p>7. The system of public oversight shall be adequately funded. The funding for the public oversight system shall be secure and free from any undue influence by statutory auditors or audit firms.</p>	<p><b>IFIAR Charter:</b> Funding should be free of undue influence by the profession.</p> <p><b>IFIAR Principle 2 explanatory material:</b> The audit regulator should have a stable source of funding, which is secure and free from influence by auditors and audit firms and sufficient to execute its powers and responsibilities.</p>	<p>The funding of HKICPA is sourced from the subscription fees from members and students, registration fees, and income from examination and continuing professional development (CPD) fees.</p> <p><u>Funding of the FRC</u></p> <p>The operation of the FRC is currently funded jointly and equally by four parties, namely, the Hong Kong Government's Companies Registry Trading Fund, the Securities and Futures Commission (SFC), the Hong Kong Exchanges and Clearing Limited (HKEX) and the HKICPA. The four parties have signed a Memorandum of Understanding under which they have agreed to contribute as follows:</p> <ul style="list-style-type: none"> <li>- HK\$5 million each (a one-off total of HK\$20 million) to establish a Reserve Fund;</li> <li>- HK\$4 million each (a total of HK\$16 million) for recurring expenses of the FRC in 2010;</li> <li>- Contributions for the recurring expenses will be adjusted for inflation from 2011 to 2014.</li> </ul>	<p>Neither EC nor IFIAR</p> <p>The funding of HKICPA is mainly dependent on its members and students, and the amount of subscription fees is determined by the Council of which the Council members are voted by the members and about one third of the Council members are practising CPAs (see 3.4 for governance structure of HKICPA). Therefore it does not appear to meet the IFIAR and EC criteria of being completely free from any possible undue influence by auditors and audit firms as required.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
3	Principles of public oversight			
3.9	[No direct equivalent in SAD]	<p><b>IFIAR Principle 6:</b> Audit regulators should be objective, free from conflicts of interest, and maintain appropriate confidentiality arrangements. Audit regulators should maintain the highest standards of ethical conduct to provide the public with confidence in the objectivity of their decisions. Audit regulators should have in place prohibitions against conflicts of interest by its governing body and staff and ensure that appropriate arrangements are in place to protect confidential information from public dissemination.</p>	<p>The Council is the governing body of the HKICPA and consists wholly of volunteers – non-executive members who are not compensated. The Council is responsible for making decisions on overall strategy, policy and direction and oversight of the HKICPA's operation and governance. It is also the decision-making body on matters stipulated in the PAO. Members of the Council include CPAs elected by the members of HKICPA, ex-officio members from the HKSAR Government and lay members who are prominent business leaders appointed by the government. The combination of these members from within and outside the accounting profession gives the Council a balanced perspective from which to debate the issues it faces. The Council applies strict rules to prohibit a Council or committee member from taking part in any discussions or decision on matters in which he or she has a real or apparent conflict of interest. Regarding the practice review programme led by the QAD, the results of the practice review are required to be reported to the PRC, a committee of the HKICPA with responsibility to the Council for exercising the statutory powers and duties given to the HKICPA as the regulator of auditors in Hong Kong. The PRC is a crucial element in enabling the HKICPA to operate a robust but fair system of audit regulation that meets the expectation of local and international stakeholders. The membership of PRC is made up primarily of practising members. The inclusion of non-practising members could ensure the impartiality of PRC decisions on the quality of work carried out by the practices subject to practice review. The practising members of the PRC are drawn from the full spectrum of audit firms, representing small practices through to the Big Four, ensuring that there is sufficient and relevant knowledge of the audit profession to be drawn on.</p> <p>All PRC members are required to give undertakings regarding confidentiality of information that they have access to during the course of Committee work and there is careful monitoring to ensure any potential conflicts of interest are identified and effectively managed.</p>	<p>No - IFIAR</p> <p>Gaps identified in respect of the governance structure of the Council of the HKICPA and also the composition of the Practice Review Committee. See 3.4 above.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
3	Principles of public oversight			
3.10	<p><b>[No direct equivalent in SAD]</b></p>	<p><b>IFIAR Principle 7:</b> Audit regulators should make appropriate arrangements for cooperation with other audit regulators and, where relevant, other third parties. Taking into account the global nature of the financial markets, where necessary and relevant, cooperation and information sharing with other audit regulators and other third parties, including financial market regulators, is helpful to improve audit quality.</p> <p>Audit regulators should provide timely assistance to each other within reasonable limits.</p> <p>Arrangements should be in place for sharing information between audit regulators and other regulators (or between parts of the audit oversight system if it involves more than one body), and for protecting the confidentiality of such information.</p>	<p>Cooperation with domestic regulatory authorities</p> <p>There is a Memorandum of Understanding (MOU) in place between the FRC and the HKICPA dealing with referrals of matters from the HKICPA to FRC when the HKICPA becomes aware of issues that fall within the remit of the FRC; and the referral of cases from the FRC to HKICPA when an investigation results in a recommendation of disciplinary action.</p> <p>In addition, the FRC has signed a number of MOUs with other regulatory bodies including the HKEx, the SFC, the Hong Kong Monetary Authority and the Insurance Authority. The MOUs establish working arrangements and protocols between the signing parties.</p> <p>In Hong Kong, the HKICPA, the FRC and the HKEx carry out similar programmes of reviews of listed companies financial statements. The regulatory bodies regularly communicate with each other to share observations noted from reviews of listed company financial statements.</p> <p>In addition, Section 12 of the FRCO authorises the FRC to provide assistance and cooperation with the specified authorities under certain circumstances. If the FRC is of the opinion that certain conditions are satisfied, it may refer to or provide assistance to a specified authority on the authority's investigation or enquiry into, or dealing with, any case or complaint concerning a relevant irregularity or non-compliance in relation to a listed entity.</p> <p><u>Cross-border cooperation with overseas regulatory authorities</u></p> <p>We understand that the HKICPA is willing to engage and cooperate with other countries' audit regulators, including exchange of information with other audit regulators to the extent not prohibited the relevant laws and regulations.</p> <p>There are confidentiality and secrecy provisions in the PAO regarding information relating to audit inspections and disciplinary cases. Personal information is protected by Personal Data Privacy Ordinance in Hong Kong, and consent needs to be obtained before release of information. Certain audit entities might be subject to the State Secrets Law or relevant laws and regulations in Mainland China.</p> <p>In 2009, the HKICPA signed a MOU with the Ministry of Finance in the People's Republic of China (China MOF) to facilitate cooperation between both parties in fulfilling their respective regulatory responsibilities.</p>	<p>Yes * (see page 14)</p> <p>There are a number of cooperative MOUs in place with domestic and overseas regulatory authorities.</p> <p>However the FRC cannot enter into MOUs with IFIAR members because it does not have inspection and follow-up powers and HKICPA cannot sign MOUs with IFIAR members because it is not independent of the profession.</p>

## 2. Hong Kong - IFIAR-EC gap analysis (cont'd)

	EC Equivalence requirements	IFIAR	Features of current Hong Kong audit oversight system	Is the existing HK system compliant with the EC/IFIAR requirements?
3	Principles of public oversight		<p>In 2007 and 2011, the HKICPA signed joint declarations with the China Auditing Standards Board and the Chinese Institute of CPAs (CICPA) on the ongoing convergence of Mainland and Hong Kong auditing standards and on the convergence of respective Code of Ethics for Professional Accountants.</p> <p>The HKICPA has also initiated various discussions with the Mainland regulatory authorities and overseas regulatory bodies to discuss standard setting, regulatory reform or cross-border oversight related matters.</p> <p>In 2009, the FRC signed a MOU with China MOF which established a framework for investigative cooperation. The FRC could investigate, through the China MOF, potential auditing irregularities in relation to Mainland auditors of Hong Kong listed companies. Increased interaction with the Mainland authorities with regard to the exchange of views and knowledge is anticipated. Specifically, the FRC has established a system designed to foster cross-border cooperation on cases with the China MOF. The FRC and China MOF have been developing detailed work processes and guidelines to implement that scheme.</p>	
3.10				

### 3. Possible approaches to auditor oversight



# 3. Possible approaches to auditor oversight

## Analysis of possible approaches to auditor oversight

This section includes several key decisions relevant to the system of auditor oversight. In each case, each of the options presented would at least meet the relevant IFIAR principles and/or for recognition of Hong Kong as meeting the standard for EC equivalence. However, adoption of some of the additional requirements imposed in the other jurisdictions in the comparator group may also be of interest, and we include an indication of some of the advantages and disadvantages of each approach.

Abbreviations used in the 'where applied' column are as follows:

- AU - Australia
- CA - Canada
- EC Equivalence - the requirements for a jurisdiction to be judged as 'equivalent' for the purpose of 'third country auditors' under EC law – i.e. applicable to the audits of companies incorporated outside the EEA with securities admitted to trading on an EEA regulated market
- EU - European Union – the requirements for an auditor based within the EEA
- SG - Singapore
- UK - United Kingdom
- US - United States

When comparing the requirements for EC Equivalence and the EU:

- The obligation to register with an EEA regulator as a 'third country auditor' stems from auditing a non-EEA incorporated entity with securities admitted to trading on an EEA regulated market. 'Equivalence' then means that the EEA regulator in question may rely on the third country regulator, rather than regulating the auditor directly.
- The EC Equivalence requirements are a subset of those which apply for EEA based auditors under the SAD. Compliance with the additional EU requirements is not required for a third country auditor.

### 3.1. Focus area: scope of regulation

**Overview:** We understand that the intended scope of the audit oversight brief in Hong Kong would extend to 'public interest listed companies' (see following page with definitions). A decision around the scope of audit regulation will affect both cost and resourcing and the timescale in which changes could be made. In preparing this comparative study, we have identified a number of alternative approaches, and we set out the possible advantages and disadvantages on page 42.

# 3.1 Possible approaches to auditor oversight - spotlight on public interest entity definitions

	EU (requirement)	UK	US	Canada	Australia	Singapore
Is there a definition of public interest entity?	<p>All statutory audits (whether of listed or unlisted companies) are subject to independent oversight (Article 32(2) SAD).</p> <p>SAD definition of PIE: listed companies, banks and insurance companies and other entities designated as PIEs by Member States (2 (13) SAD).</p> <p>Current EC audit reform proposals provide for a wider definition of public interest entities.</p>	<p>Yes. However, all audits are subject to independent oversight, whether of public interest entities or not.</p> <p>The FRC's Scope of Independent Inspection 2013/14 covers, in addition to listed companies: banks, insurers, private companies with &gt;£500m-£1000m turnover, UK investment funds and mutual 'with profits' life insurers with &gt;£1000m assets, private sector pension schemes with &gt;£1000m assets and/or 20,000 members and charities with &gt;£100m income.</p> <p>Source: Statutory Auditors (Transparency) Instrument 2008 issued by the Professional Oversight Board of the FRC under powers conferred by the Companies Act 2006.</p>	<p>No. However, auditor oversight legislation (Sarbanes-Oxley Act (SOX), Dodd-Frank Act) requires that the PCAOB oversee the audits of issuers and broker-dealers.</p>	<p>Yes. PIEs are defined as (i) a Listed Entity; and (ii) an entity (a) defined by regulation or legislation as a public interest entity or (b) for which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed Entities.</p> <p>Source: International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants para 290.25. Reaffirmed in Canadian Institute of Chartered Accountants (CICA) Exposure Draft on Independence.</p>	<p>Yes. PIEs are defined as a listed entity or any entity (a) defined by regulation or legislation as a public interest entity; or (b) for which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator, including an audit regulator.</p> <p>Source: Amendment to the Definition of Public Interest Entity in APES 110 Code of Ethics for Professional Accountants (issued December 2010).</p> <ul style="list-style-type: none"> <li>290.26: firms shall determine whether to treat additional entities, or certain categories of entities, as PIEs because they have a large number and wide range of stakeholders. Factors include a) the nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders, e.g. financial institutions, such as banks and insurance companies and pension funds; b) size; c) number of employees.</li> </ul>	<p>Yes. The Accounting and Corporate Regulatory Authority (ACRA) has clarified that PIEs include: a) companies listed on / in the process of issuing debt or equity instruments for trading on the Singapore Exchange; b) entities in regulated financial industries (e.g. banks, insurance companies, funds, fund managers and securities / brokers / dealers); c) other entities which raise funds from the public (e.g. charities, Institutions of a Public Character and religious organisations).</p> <p>Source: 'Clarification of Public Interest Entities', (see ACRA's online Renewal of Certification of Registration guidance).</p>

# 3.1 Possible approaches to auditor oversight (cont'd)

## 3.1 Focus area: scope of FRC regulation

Possible approach	Where applied	Potential advantages	Potential disadvantages
<p><b>Public interest listed companies only:</b> The HK FRC's stated remit is in respect of those companies listed in Hong Kong that meet certain public interest criteria. <i>NB: EC equivalence only requires regulation of auditors of companies with securities admitted to trading on an EEA regulated market – it does not matter whether auditors of domestically listed companies or other companies are regulated.</i></p>	EC Equivalence	This approach focuses on the principal companies listed on the HK Stock Exchange. This allows the regulator to concentrate their efforts on the listed companies that are of most relevance to major investors and to the markets at large. This represents a proportionate way to oversee the listed securities market and ensure confidence is appropriately maintained.	Does not cover entities with listed debt or large private companies which may be of interest to the public's confidence in auditors and the financial markets. For example, very large private companies, significant public sector entities, charities and pension funds may all be out of scope, yet would be seen by many investors as important to their confidence in the markets and audit profession.
<p><b>All listed companies, all public interest companies:</b> Both IFIAR and the EC requirements applicable within the EEA require coverage of listed companies and a wider class of public interest entities. IFIAR and the EC include significant financial institutions. The UK goes further, applying Financial Reporting Council (FRC) regulation to large private companies, charities and pension funds. The US is in the process of applying the rules to unlisted broker-dealers.</p>	IFIAR, EU, UK, US, SG, AU, CA	This approach gives the regulator a wide remit: over both a wide range of companies and also a range of firms. Many mid-tier firms do not audit the largest listed companies, but would nevertheless benefit from independent regulatory oversight, which might in turn help them penetrate the larger company market. Further, the confidence of market participants is enhanced by the wider range of entities and firms subject to oversight, since the broader base may give a more representative population.	Scale of resource needed. For example, reviews of the audits of smaller investment entities with few investors audited by a small audit firm. The law of diminishing returns may well be seen to apply once the oversight regime moves beyond the larger, listed entities and those (whether listed or not) of public interest entities.
<p><b>'Public interest' companies only:</b> A possible hybrid approach would be to set the regulatory scope by reference to a definition of public interest that captures larger listed companies (in the UK, the FTSE 350 for example) and certain entities that would meet public interest criteria.</p>		This approach is intended to strike a balance between focusing only on the main listed companies, and instead extends this to other entities that have a bearing on investor confidence (in the markets, with regulators and auditors). It recognises that not every entity with listed securities is of interest to investors, but also that the public interest may be triggered by more than simply the nature of the funding model of the company.	An area requiring particular precision will be the definition of 'public interest' for the purposes of this approach. An excessively detailed and technical definition may bring unnecessary complexity and present an additional administrative burden in itself.

## 3.2 Possible approaches to auditor oversight

### 3.2 Focus area: registration: individuals vs. firms

**Overview:** One of the key areas of difference between regulatory regimes is the extent to which regulation reaches individual partners and staff of audit firms, as opposed to the regulation of firms. All of the regimes in the scope of this report have some form of individual registration requirement, but this may well be with a professional body rather than an independent oversight body.

Possible approach	Where applied	Potential advantages	Potential disadvantages
<p><b>Regulation of firm only:</b> The IFIAR principles are not prescriptive as to the approach that must be adopted. Regulation of individuals does not appear to be a requirement, although in practice all regimes have some form of individual regulation.</p>	IFIAR	Simplicity.	Inability to directly discipline individuals and/or prevent individuals who caused sanction of one firm from moving to another firm.
<p><b>Regulation focusing on firms with limited regulation of individuals:</b> Registration as a 'third country auditor' with the EC requires information about some or all partners within the firm.</p>	EC Equivalence	This approach gives the regulator information about those in positions of responsibility for the audit, the ability to discipline those individuals and/or prevent individuals sanctioned for their actions from one firm becoming associated with another firm, but without the need for the regulator to directly police all accountants' compliance with professional obligations. Firms remain responsible for allocating suitably qualified individuals to audits; professional bodies remain responsible for assessing qualification.	A mechanism is needed to track information about individuals associated with firms and to keep that up-to-date, which may require an ongoing compliance regime as partners (and potentially other staff) join and leave firms rather than an annual updating process.
<p><b>Regulation of firms and individuals:</b> Canada requires both firms and individuals to register with the regulator. Most domestic regulatory regimes require details of some or all individuals within the firm (e.g. UK: 'Responsible Individuals' who can sign audit reports, US all partners and managers but not junior staff). Australian registration focuses on individuals.</p>	EU, UK, CA, AU, SG, US	Ability to regulate at a granular level. Direct ability to sanction individuals.	Cost and complexity.

## 3.3 Possible approaches to auditor oversight

### 3.3 Focus area: registration, inspection and enforcement: approach to overseas auditors

**Overview:** Regulation of overseas auditors is a complex area. There are several different aspects to this:

- The conditions necessary for an overseas auditor to audit a listed company within the audit regulator's remit. Different approaches are taken by different regulators. For example, the PCAOB applies exactly the same regime to overseas auditors of SEC registrants as it does to domestic registrants. The EU has a 'third country auditor' regime applicable to auditors of non-EEA incorporated EEA listed entities – either by direct regulation or local regulation under an 'equivalent' audit regime. IFIAR has no particular requirements here as it does not cover the geographic scope of regulation, only the form of regulation once an audit is in scope.
- Co-operation between regulators in respect of group audits. Again, different approaches arise. For example, the EU will allow exchange of work papers and co-operation with an overseas regulator if that overseas regulator will co-operate 'the other way around'; the US requires either that the parent auditor procures co-operation of the subsidiary auditor or registration of the subsidiary auditor; some regimes are silent.
- Recognition of overseas qualifications for partners and staff.

*(Continued on the following page)*

# 3.3 Possible approaches to auditor oversight (cont'd)

## 3.3 Focus area: registration, inspection and enforcement: approach to overseas auditors - registration

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>Regulation of overseas auditors in all cases</b>	US	Greatest ability to supervise overseas auditors of Hong Kong public interest listed companies.	Cost and complexity of regulating all overseas auditors.
<b>Regulation of overseas auditors unless there is an 'equivalent' audit regime:</b> EU allows non-EEA 'third country auditors' to audit non-EEA incorporated but EEA listed companies, but member states may decide not to regulate those that are subject to an 'equivalent' audit regulation regime.	EC Equivalence, EU, UK, CA	The public interest is safeguarded as all audits within the scope of the HK FRC's remit are regulated, but the costs of regulating those that are already regulated elsewhere are avoided.	Reliance on an overseas regulator who may have different standards for disciplinary action and sanctions.
<b>No regulation of overseas auditors:</b> IFIAR only deals with regulation of audits that are in scope; it does not mandate scope. (But note AU's mutual recognition agreement with New Zealand).	IFIAR, AU, SG	Simplicity.	Lack of protection of the public interest where there are significant inbound listings of entities incorporated in other jurisdictions.

EC Equivalence is about the audit of entities listed in the EEA – it does not matter whether the HK FRC regulates non-HK auditors of HK listed entities.

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>Regulation of all component auditors</b>		Greatest ability to inspect and discipline.	Cost and complexity. Overly complex when ISA 600 requires group auditor to take sole responsibility for audit.
<b>Regulation of component auditors unless parent auditor can enforce co-operation</b>	EU (partly), US	The public interest is safeguarded as all audits within the scope of the HK FRC's remit are regulated, but the costs of regulating those that are already regulated elsewhere are avoided.	Cost and complexity. Overly complex when ISA 600 requires group auditor to take sole responsibility for audit.
<b>No regulation of component auditors</b> (although there is a 'reciprocity' requirement to be met for member states to opt to disapply or modify registration requirements, under article 46.1 SAD)	IFIAR, EC Equivalence, UK, CA, SG	Simplicity. ISA 600 makes group auditor solely responsible for quality of the audit, including assessing competence of component auditors. Sanctioning of group auditor for failings of component auditors achieves audit quality.	Legal bars to co-operation (e.g. inability to obtain access to component auditors' working papers due to professional secrecy laws) may reduce effectiveness.

# 3.4 Possible approaches to auditor oversight

## 3.4 Focus area: Inspection – transparency

**Overview:** Most major audit regulatory regimes involve some form of public reporting of the outcome of inspection activity. This varies depending on the degree of granularity – the regime as a whole or individual firms – and whether there are more detailed private reports.

Possible approach	Where applied	Potential advantages	Potential disadvantages
<p><b>Regime as a whole:</b> This is the minimum requirement for both EU auditors and EC equivalence as well as IFIAR membership.</p>	IFIAR, EU, EC Equivalence SG	Stakeholders have an overview of the quality of the audit regime in the jurisdiction.	Audit committees and shareholders have no insight into the quality of individual audit firms.
<p><b>Firm-by-firm reporting:</b> UK publishes a report on each of the larger firms, plus a combined report on smaller firms that carry out the audits of public interest entities. US and Canada publish reports on individual firms – in both cases, weaknesses aren't reported unless they remain unresolved for a period of time (US: a year, Canada: 180 days). AU – consolidated report currently, but note also new provision regarding deficiency reports.</p>	UK, US, CA (in part), AU (new provision)	<p>Audit committees and shareholders have insight into the quality of individual audit firms.</p> <p>Publication of weaknesses (either immediately – UK – or delayed – US/Canada) acts as a deterrent.</p>	<p>Where the number of audits inspected is low, inappropriate conclusions may be drawn from a statistically insignificant population.</p> <p>Publication of details of individual audits can risk information about individual clients' affairs being released as part of inspection reporting.</p>
<p><b>Audit by audit reporting:</b> UK provides private reports on individual audits to audit committees.</p>	UK	Audit committees have insight into the performance of their own audit to help inform their own assessment.	<p>Cost and complexity.</p> <p>Inappropriate conclusions (positive or negative) can be drawn from one-off issues.</p>

# 3.5 Possible approaches to auditor oversight

## 3.5 Focus area: Inspection – delegation to professional bodies and/or staff of other audit firms

**Overview:** The degree of delegation of inspection varies from jurisdiction to jurisdiction. In some cases all inspection staff work for the regulator (e.g. in the UK all inspectors work for the FRC (public interest audit inspection) or a professional body (other audit inspection)); in other cases there is a differential approach (e.g. in the US the PCAOB has its own staff whereas the American Institute of CPAs (AICPA) regime for non-public entity audits relies on peer review). The EU currently allows some of the inspection work to be outsourced to firms under the supervision of inspection staff. The degree to which inspection can be delegated will affect resourcing and the time taken to implement any reforms.

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>No delegation of inspection (or delegation only to overseas inspectors who do not in turn delegate):</b>	US, AU	Highest perception of independence and rigour. Lowest likelihood of conflicts of interest.	Resourcing can be a challenge, particularly where there are peaks and troughs in the inspection cycle.
<b>Delegation by type of audit:</b> e.g. UK and Singapore delegate inspections of non-public interest audits to professional bodies, but without the participation of firms. IFIAR Principles suggest no delegation of public interest audit inspection.	IFIAR, UK, CA, SG	Independence as well as rigour, but quicker to implement than no delegation.	Perceived lower quality and/or independence of delegated inspections.
<b>Delegation of some portions of inspections:</b> e.g. EU law (both for EEA auditors and under EC equivalence regime).	EU, EC Equivalence	Cost-effective. Ability to manage changes in demand over the annual inspection cycle.	Perceived lack of rigour and independence. Increased risk of conflicts of interest.



# 3.6 Possible approaches to auditor oversight

## 3.6 Focus area: Enforcement – type of disciplinary body

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>Separate panel or tribunal</b>	AU (via Companies Auditors and Liquidators Disciplinary Board (CALDB)), UK (FRC but separate Conduct Committee and Disciplinary Tribunal), SG (Public Accountants Oversight Committee (PAOC) appoints a Complaints and Disciplinary panel, but is ultimately under ACRA)	Less susceptible to judicial review / appeal. Independence is both inherent and perceived. Concept of 'natural justice' – the regulator is not both the prosecutor and the jury.	Can take longer to resolve.
<b>Regulator itself</b>	AU (via Australian Securities and Investments Commission (ASIC)'s enforceable undertakings), CA (Canadian Public Accountability Board (CPAB)), US (PCAOB)	Simple to administer and possibly lower cost. Potentially speedier.	Although it may well actually be equally independent, there is not the same level of <i>perceived</i> independence. Greater possibility of appeal / judicial review.

*EC equivalence: the system of public oversight shall have the right, where necessary, to conduct investigations in relation to statutory auditors and audit firms (as defined in Article 45 'Third Country Auditors' - essentially those providing an audit report concerning the annual or consolidated accounts of a company incorporated outside the EEA whose transferable securities are admitted to trading on a regulated market of that Member State) and the right to take appropriate action. EU SAD: Member States will designate one or more competent authorities for the purposes of the tasks provided for in the SAD.*

## 3.6 Focus area: Enforcement – nature of penalty regimes

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>Fines, censure and registration suspended/removed</b>	All	Simple and easily understood by all concerned and the market at large.	While dissuasive, these can have unintended and adverse consequences, notably disruption to the audit market. Potential lack of granularity to the penalty; it could be perceived - and act - as a 'catch all' mechanism.
<b>In addition, the ability to impose tailored restrictions</b> e.g. need to undergo training or independent monitoring	All to greater or lesser extent. UK and US appear to have most stated options regarding tailored solutions; SG - accounting firm and AU – individual required to give specific undertaking; CA – firm given direction on remedial action	Granular, tailored approach. Less risk of market disruption.	Adds some complexity. Requires more follow-up inspection / monitoring.

*Note: EU / EC equivalence not specified, just that penalties must be 'effective, proportionate, dissuasive'.*

# 3.7 Possible approaches to auditor oversight

## 3.7 Focus area: Standard setting – international convergence

**Overview:** All regimes have some form of independent standard setting and/or oversight of the standard-setting process. In many cases (with the notable exception of the US) the starting point for standards are internationally agreed standards.

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>Use of international standards:</b> IFIAR, EU (once powers used). EC equivalence will always accept, but does not necessarily require.	IFIAR, EU, EC Equivalence, UK (accounting) CA (accounting)	Global acceptance. Ease of application across group audits.	Lack of tailoring to respond to local needs.
<b>Use of international standards with supplementation</b>	UK (auditing and ethics), CA (auditing), US (private company audits), AU (accounting and auditing), SG	Global acceptance. Ease of application across group audits.	Need to communicate additional requirements to other group auditors.
<b>Development of own standards</b>	US public company audits	Ability to tailor to respond to local needs e.g. US standards relating to the audit of internal control under s404 SOX.	Complexity of group audits when referring work to component auditors in other jurisdictions.

## 3.8 Possible approaches to auditor oversight

### 3.8 Focus area: Funding models

**Overview:** There is no one generally accepted funding model. Models include one or a mix of:

- a levy on listed companies;
- a levy on professional bodies; and
- a levy directly on audit firms.

Costs of disciplinary investigations tend to be borne by the firm if it is sanctioned. Neither the EU/EC for domestic auditors/equivalence, nor the IFIAR principles, mandate any one funding model; rather, the funding model should be such that the oversight regime is sufficiently resourced and independent of the firms being regulated.

*(Continued on the following page)*

# 3.8 Possible approaches to auditor oversight (cont'd)

## 3.8 Focus area: Funding models

Possible approach	Where applied	Potential advantages	Potential disadvantages
<b>Levy on companies whose audits are regulated or a subset thereof</b>	US (in part), UK (in part)	<p>Easy to collect where there are other levies charged to such companies (e.g. a securities regulator levy or charge for accounting standard-setting).</p> <p>Independent of auditors who have little or no interest in the quantum of such fees.</p> <p>Ability to levy on parts of the population e.g. listed companies and public interest entities.</p>	<p>If there is no pre-existing collection mechanism, it may be costly to develop one.</p> <p>Larger population of payees (more audited entities than auditors) may increase collection costs.</p>
<b>Levy on professional bodies</b>	UK (in part)	<p>Professional bodies tend to already have a mechanism to charge fees to member firms and individual practitioners, so no new collection mechanism is necessary.</p>	<p>Perceived influence of professional bodies on scale and scope of regulation.</p>
<b>Levy on individual firms or practitioners</b>	US (in part), CA, SG	<p>Ease of collection – non-payment results in immediate forfeiture of audit registration.</p>	<p>If there is no pre-existing collection mechanism, it may be costly to develop one.</p> <p>Larger population of payees may increase collection costs.</p> <p>Perceived influence of firms or members on scale and scope of regulation.</p>
<b>Government subsidy</b>	UK (small element), AU	<p>Certainty – not dependent on (say) market capitalisation of audited entities or number of audit firms which tend to be used as basis to set levy based funding.</p> <p>Fully independent of influence by audited entities and auditors.</p>	<p>Costs borne by the wider public purse rather than (directly or indirectly) those entities benefiting from audits.</p>

## 3.9 Possible approaches to auditor oversight

### 3.9 Focus area: Continuing Professional Education

The requirements for audit partners and professional staff to undertake continuing professional education (CPE) are broadly similar across each of the jurisdictions. In Canada and Singapore the oversight bodies (CPAB and ACRA respectively) directly oversee CPE. In the UK it is delegated to the professional bodies subject to UK FRC oversight (the UK FRC inspects the professional bodies' own activity in this area). In Australia and the US professional bodies monitor CPE compliance.

## 4. Comparisons per jurisdiction, per function

# Spotlight on the role of oversight bodies and delegated functions

Oversight Body: Function:	EU requirements	IFIAR	UK (FRG)	US (PCAOB)	Canada (CPAB)	Australia (ASIC)	Singapore (ACRA)
<b>Registration</b>	Delegation allowed (with oversight)	Delegation allowed (with oversight)	Delegated to Recognised Supervisory Bodies (RSB) with oversight	Oversight body	Oversight body	Oversight body	Oversight body
<b>Inspection</b>	Delegation allowed (but oversight body must retain right to inspect)	<ul style="list-style-type: none"> <li>PIEs – cannot be delegated</li> <li>Non-PIEs – can be delegated</li> </ul>	<ul style="list-style-type: none"> <li>PIEs – oversight body</li> <li>Non-PIEs – delegated to RSBs with oversight</li> </ul>	Oversight body	<ul style="list-style-type: none"> <li>Reporting issuers - oversight body</li> <li>Non-publicly listed – delegated to CICA* with oversight</li> </ul>	Oversight body	<ul style="list-style-type: none"> <li>PIEs – oversight body</li> <li>Non-PIEs – oversight body with ICPAS</li> </ul>
<b>Investigation</b>	Delegation allowed (but oversight body must retain right to investigate)	<ul style="list-style-type: none"> <li>PIEs – cannot be delegated</li> <li>Non-PIEs – can be delegated</li> </ul>	<ul style="list-style-type: none"> <li>PIEs – oversight body</li> <li>Non-PIEs - delegated to RSBs with oversight</li> </ul>	Oversight body plus SEC	Oversight body	Oversight body	Oversight body
<b>Enforcement</b>	Delegation allowed (but oversight body must retain right to take action)	<ul style="list-style-type: none"> <li>PIEs – cannot be delegated</li> <li>Non-PIEs – can be delegated</li> </ul>	<ul style="list-style-type: none"> <li>PIEs – oversight body</li> <li>Non-PIEs - delegated to RSBs with oversight</li> </ul>	Oversight body plus SEC	Oversight body	Oversight body and independent board	Oversight body
<b>Standard setting</b>	Delegation allowed (with oversight)	N/A	Oversight body	<ul style="list-style-type: none"> <li>Auditing and assurance – oversight body (public companies)/AICPA (non-public companies)</li> <li>Financial reporting – Financial Accounting Standards Board/SEC</li> <li>Ethics – oversight body/AICPA</li> </ul>	Delegated to Public Trust Committee (PTC), Auditing and Assurance Standards Board and Accounting Standards Board (AcSB) with oversight	Standards are set by independent bodies (audit and accounting – Government; ethical – independent board established by the professional bodies)	<ul style="list-style-type: none"> <li>Accounting - separate independent body</li> <li>Audit – delegated to professional body with oversight</li> <li>Ethics - oversight body</li> </ul>
<b>Continuing professional education</b>	Delegation allowed (with oversight)	N/A	Delegated to RSBs with oversight	Oversight body plus state boards of accountancy	Oversight body	Professional bodies	Oversight body

\* To note: CICA joined together with CMA Canada in January 2013 to create CPA Canada, the national organisation to support unification of the Canadian accounting profession under the CPA banner.

# 4.1 Registration

Audit requirement scope	EU (requirement)	UK	US	Canada	Australia	Singapore
	<p>All limited companies (public and private) other than small companies, dormant companies and certain subsidiaries guaranteed by an EU incorporated parent, together with the majority of financial institutions.</p> <p>Note: Third country equivalence is only relevant to audits of listed companies.</p>	<p>Audit requirements extend to a wide range of companies defined in the local law, broadly categorised as private and public companies.</p> <p>Exemption rules apply to small and dormant companies.</p>	<p>Registration with the PCAOB is required for the auditors of issuers and broker-dealers.</p> <p>Unlike other jurisdictions, in the US and Canada audits of private companies are driven by the need/desire for boards of directors, audit committees and management to have such audits performed - whether for the company's own use, or for lending purposes or otherwise.</p> <p>Generally, audits of Governmental entities are performed under Government Auditing Standards.</p>	<p>Unlike other jurisdictions, in the US and Canada audits of private companies are driven by the need/desire for boards of directors, audit committees, management to have such audits performed - whether for the company's own use, or for lending purposes or otherwise.</p>	<p>Audit requirements extend to a wide range of companies defined in the local law, broadly categorised as private and public companies.</p> <p>Exemption rules apply to small companies.</p>	<p>Audit requirements extend to a wide range of companies defined in the local law, broadly categorised as private and public companies.</p> <p>Exemption rules apply to Exempt Private Companies as defined in law (&lt;20 shareholders) and dormant companies.</p>



## 4.1 Registration (cont'd)

	EU (requirement)	UK	US	Canada	Australia	Singapore
Registration requirements	All statutory auditors and audit firms shall be subject to public oversight.	All 'statutory audits' as defined by the Companies Act must be undertaken by auditors 'registered' with an RSB. This includes the audits of companies, charities, pension funds, insurance companies, banks and regulated investment funds.	Unlike other jurisdictions, US SOX and PCAOB (also known as 'the Board') rules provide that a firm must be registered with the PCAOB to prepare or issue, or to play a substantial role in the preparation or furnishing of, an audit report with respect to any issuer.  In respect of non-issuer broker-dealers, financial statements filed with the SEC must be certified by a registered firm.  The Board determines whether approval of the application for registration is consistent with the Board's responsibilities to protect the interests of investors and further the public interest.	A public accounting firm that prepares an auditor's report with respect to the financial statements of a reporting issuer must be, as of the date of its auditor's report, (a) a participating audit firm – registered with CPAB, and (b) in compliance with any restrictions or sanctions imposed by the CPAB.	All 'statutory audits' as defined by local laws must be undertaken by a registered or audit corporation or audit partner registered with ASIC – i.e. the oversight body.	All auditors must be registered with ACRA – i.e. the oversight body.
Is the registration body also the oversight body?	Not necessarily.	No.	Yes.	Yes.	Yes.	Yes.

## 4.2 Inspection

	EU (requirement)	UK	US	Canada	Australia	Singapore
<b>Review frequency</b>	<p>For auditors of public interest entities, inspections must take place at least every three years.</p> <p>Other statutory auditors (those that do not carry out audits of public interest entities) are reviewed every six years.</p>	<p>Largest four audit firms are subject to inspection on an annual basis.</p> <p>The other major firms that audit PIEs are reviewed on an extended cycle of up to three years.</p> <p>Auditors that do not audit public interest entities are reviewed at least every six years, depending on size.</p>	<p>PCAOB annual inspection for firms that audit more than 100 issuers. For others, at least once every three years.</p>	<p>Firms with 100 or more reporting issuer clients are inspected annually.</p> <p>Those with between 50 and 99 reporting issuer clients are inspected at least once every two years.</p> <p>Those with fewer than 50 reporting issuer clients are inspected at least once every three years.</p>	<p>ASIC inspection activity runs on an 18 month cycle and covers approx. 20 firms. The four large national firms are inspected every 18 months.</p> <p>The next 10 firms that audit 5% of listed entities are done on a two and a half year cycle. The remaining 72 smaller firms are inspected less frequently (three years on average).</p>	<p>Planned inspections on bi-annual basis for firms that undertake PIE audits.</p>
<b>Inspection approach (risk focus) and grading</b>	<p>The scope of the quality assurance review, supported by adequate testing of selected audit files, shall include an assessment of compliance with applicable auditing standards and independence requirements, of the quantity and quality of resources spent, of the audit fees charged and of the internal quality control system of the audit firm.</p>	<p>Risk-based. The model takes account of priority sectors determined annually. The majority of audits reviewed are drawn from those identified as higher risk.</p> <p>No overall grading, however individual audits are however graded by the Audit Quality Review Team (AQRT) and the results included in the public report.</p>	<p>The PCAOB's individual audits and focus areas are most often selected on a risk-weighted basis.</p> <p>No overall grading.</p>	<p>CPAB uses a number of risk analysis processes to identify higher-risk reporting issuer audits and allocates its inspection resources accordingly.</p> <p>No overall grading.</p>	<p>ASIC file selection process is risk based. IFIAR membership may also contribute to the areas of engagement file focus by ASIC, and its general approach.</p> <p>No overall grading.</p>	<p>Risk-based approach, with engagement reviews of public accountants plus, for accounting firms that audit PIEs, firm reviews too.</p> <p>No overall grading.</p>

## 4.2 Inspection (cont'd)

	EU (requirement)	UK	US	Canada	Australia	Singapore
Annual report (or equivalent)	<i>Reports should contain the main conclusions, and the overall results of the quality assurance system shall be published annually, as well as an annual work programme and activity reports.</i>	UK FRC publishes annual inspection reports including work programme and activity reporting.	The US PCAOB does not publish an annual inspection report (but may publish its findings as the Board deems appropriate).	Canada's inspection body publishes annual inspection reports including work programme and activity reporting.	The professional bodies are also required to conduct quality reviews of their members. The Institute of Chartered Accountants in Australia (ICAA) has not done an audit quality review of the large firms for a number of years; its report focuses on smaller firms (but it did publish a report on the results of a November 2011 survey of larger firms). ASIC issues a consolidated public report every 18 months.	Singapore's ACRA, publishes annual inspection reports including work programme and activity reporting.
Transparency of firm-specific reporting	<i>The system of public oversight shall be transparent. This shall include the publication of annual work programmes and activity reports.</i>	The AQRT publishes individual reports on inspections of major firms; issues confidential reports on individual audits to the relevant firms (who are expected to confirm to the AQRT that they have provided copies to the directors of the audited entities concerned). AQRT will also provide copies of these letters directly to the chairmen of the relevant Audit Committee.  Professional body reports are not published.	Part I is published (describes deficiencies observed by the PCAOB, but company names are withheld). If a firm fails to satisfactorily address any of the quality control criticisms within 12 months, portions of the formerly private Part II of the report discussing the particular criticism(s) are also made publicly available.	In Canada, the individual inspection report on the firm is not published.  However, if the weaknesses, deficiencies or recommendations are not satisfactorily addressed within 180 days, the Board can make the relevant portions of the final inspection report (and the fact that they have not been addressed to the Board's satisfaction) public on its website.	In Australia, the individual firm inspection report is private.  However a recent change in law (June 2012) will allow inspectors to issue deficiency reports if auditors are not deemed to have taken appropriate action to remedy inspection findings in respect of future inspections.	In Singapore, the individual firm inspection report is private. ACRA wants the right to provide (portions of) a firm's report to relevant local regulators and, if an audit firm fails to make sufficient progress under a remediation plan, make non-publication of certain matters conditional on the firm making improvements within certain time periods.

## 4.2 Inspection (cont'd)

	EU (requirement)	UK	US	Canada	Australia	Singapore
Operation and funding of the inspection process	<i>The quality assurance process shall be independent of the reviewed statutory auditors and audit firms and be subject to independent public oversight.</i>	AQRT, part of the FRC – inspection of 'major audits' including listed companies, banks, insurance companies, large pension funds, large charities and the very largest private companies.  Professional bodies (under FRC oversight) inspect other audits.	PCAOB, overseen by the SEC	CPAB	ASIC	PAOC under ACRA
Appeal process for inspection findings		In the UK there is no formal complaint or appeals process for a firm or individual once an inspection of an audit or a firm has concluded.  Firms are requested to provide a written response to the AQRT report and this is included in the AQRT's public report on the firm.	Interim review by the SEC can be sought (and the report is then delayed until that review is complete).	The firm may petition for a review which can lead to arbitration.	No formal appeals process currently, however there is much interaction regarding comment letters before the reports are finalised. New from June 2012 onwards – if and when a deficiency report is issued, it will feature the relevant firm's comments in reply.	Any public accountant may appeal to the High Court within a period of, typically, 30 days after the service of the Oversight Committee's decision.
Impact of failure to take remedial action		Possible enforcement action.  <i>NB: Inspection reports already published in full.</i>	Publication of previously private portions of inspection report.  Possible enforcement action.	Publication of portions of inspection report.  Possible enforcement action.	Publication of deficiency report.	Possible enforcement action.

## 4.3 Investigations

	EU (requirement)	UK	US	Canada	Australia	Singapore
<b>Body and overview</b>	<i>Member states shall ensure that there are effective systems of investigations and penalties to detect, correct and prevent inadequate execution of the statutory audit.</i>	<p>Professional bodies can refer cases to the FRC; and/or the FRC can decide to investigate a matter.</p> <p>The FRC's Conduct Committee considers each case and decides whether or not it appears to give rise to serious public concern or to damage public confidence – if it does, it will ask the FRC's conduct division to investigate; if not it will refer the case on to the relevant professional body.</p> <p>Professional bodies will also launch their own disciplinary investigations and, if they believe they are of public interest, can refer them to the FRC Conduct Committee.</p>	<p>Both the PCAOB and the SEC have investigative responsibilities; as do the state boards of accountancy.</p> <p>The PCAOB may issue an order of formal investigation on the recommendation of the Director of Enforcement and Investigations/Director of Registration and Inspections/the Board's own initiative.</p>	<p>CPAB may issue an order for an Investigation if the Board considers that a Violation Event may have occurred.</p>	<p>ASIC is responsible for administering the Corporations Act in connection with auditor independence and audit quality. ASIC regulates both the audit and securities markets, like its Singapore equivalent.</p> <p>ASIC commences an investigation if it has reason to suspect one of the relevant provisions it administers has been contravened.</p> <p>It has broad powers, including the ability to examine people under oath or affirmation and to issue auditors with a notice to produce information which must be complied with, even if to do so would breach confidentiality.</p>	<p>Both the Complaints and Disciplinary Panel established under the PAOC, and the Institute of Certified Public Accountants of Singapore (ICPAS) Investigation Committee may initiate an investigation.</p> <p>PAOC can institute disciplinary proceedings in accordance with the Accountants Act.</p> <p>Note the oversight system is unusual as the same body oversees both companies and accountants (also the case in Australia); and can pursue both company directors and accountants in cases of fraud or a qualified audit report for example.</p>

## 4.4 Enforcement

Range of penalties and sanctions available	EU (requirement)	UK	US	Canada	Australia	Singapore
	<p>Member States shall provide for effective, proportionate and dissuasive penalties in respect of statutory auditors and audit firms. Penalties shall include the possibility of the withdrawal of approval.</p>	<p>Fines; censure; exclusion for a recommended period of time; practising certificate or registration or authorisation or licence can be withdrawn (or not reinstated for a certain amount of time).  The firm may also be required to waive/repay client fees.</p>	<p>Fines; censure; directions on remedial actions to improve audit quality e.g., a provision to undertake training; suspension and/or cancellation / withdrawal of registration / membership.  May also require the firm to: obtain an independent review and report on one or more engagements; engage an independent monitor to observe and report on the firm's compliance with the rules and provisions; engage someone to design policies to effectuate compliance.</p>	<p>Fines, censure, deregistration, sanctions and/or restrictions are possible investigation outcomes.  The firm may ultimately lose the right to audit public companies.</p>	<p>Disciplinary proceedings; enforceable undertakings to, for example, undertake training or to engage an independent third party to assess compliance; have compliance reviews; censure; suspension and/or cancellation / withdrawal of registration.</p>	<p>PAOC can revoke the approval granted; suspend the body from providing public accountancy services; impose a penalty; censure; require the accounting firm to give certain undertakings.  There is a stipulation of two years maximum for suspension / restriction of services.</p>
Disciplinary body		<p>Disciplinary Tribunal is appointed by a convener, comprising either:</p> <ul style="list-style-type: none"> <li>• A lawyer, an accountant and a lay person; or</li> <li>• One or two lawyers, two accountants and one or two lay persons.</li> </ul> <p>Tribunal members are independent of the FRC. In all cases the chair is legally qualified.</p>	<p>PCAOB – i.e. the regulator.</p>	<p>CPAB – i.e. the regulator.</p>	<p>CALDB – the board is independent of ASIC. This is a civil, rather than criminal process, but the principle is the same as the criminal courts being independent of prosecuting authorities.</p>	<p>ACRA – i.e. the regulator.</p>

## 4.4 Enforcement (cont'd)

	EU (requirement)	UK	US	Canada	Australia	Singapore
<b>Disclosure</b>	Member States shall provide that measures taken and penalties imposed on statutory auditors and audit firms are appropriately disclosed to the public.	The Disciplinary Body publicises decisions around the commencement of investigations and tribunal reports, unless - in its opinion - publication would not be in the public interest (e.g. if publication could prejudice regulatory or criminal investigations).	In practice all aspects of the investigation are treated as confidential.  Under SOX, if the PCAOB imposes a disciplinary sanction, it shall report this to the SEC; the appropriate State regulatory authority / foreign accountancy licensing board; then the public, once any stay on the imposition of such sanction has been lifted.	Upon inquiry to CPAB and on CPAB website.  If CPAB were to impose sanctions upon an audit firm, there is a requirement to notify Canadian securities regulators and Audit Committees of the relevant clients.	The CALDB panel can publicise its decision and disclose sanctions and directions; in addition ASIC maintains a register of all its enforceable undertakings which are publicly available and free.  Some investigation reports have been made available. Depending on the outcome and circumstances of the investigation, ASIC may make a media release.	Public Accountants removed from the Register due to disciplinary actions or failure of practice review under the Accountants Act would be gazetted; including individuals whose licences are suspended, cancelled or not renewed.  No information is publicly available on the report, however PAOC will notify the firm concerned - and the person who made the complaint – of its decision.
<b>Appeal process for enforcement action</b>	Appeal against a Disciplinary Tribunal to an Appeal Tribunal on grounds of error in law, procedural irregularity, new evidence that could not reasonably have been available at the time of the original case or sanction manifestly unreasonable. Further appeal only possible by Judicial Review.	Appeal against a Disciplinary Tribunal to an Appeal Tribunal on grounds of error in law, procedural irregularity, new evidence that could not reasonably have been available at the time of the original case or sanction manifestly unreasonable. Further appeal only possible by Judicial Review.	A party may file a motion for reconsideration of a final order issued by the Board. In terms of further recourse, appeal of the Board's decision can be made to the SEC.  An additional appeal to the US Court of Appeals for the District of Columbia Circuit is also available following a decision by the SEC.	An appeal committee is appointed that includes licensees and public representatives to conduct hearings on appeals of decisions.  The decision of the appeal committee, including the reasons for the decision, are provided in writing to each party together with a notice of each party's right to appeal the decision further.	Either party may seek a review of the merits (facts) of the decision in the Administrative Appeals Tribunal. Applications for review can also be made to the Federal Court under the Administrative Decisions (Judicial Review) Act 1977 on questions of law.	Any public accountant who is aggrieved by a decision of the Oversight Committee (whether on grounds of law or fact) may appeal to the High Court within a period of 30 days after the service of PAOC's decision on the public accountant.

## 4.5 Standard setting

	EU (requirement)	UK	US	Canada	Australia	Singapore
<p>Operation of the standard-setting process</p> <p>Stakeholders are consulted, albeit through different mechanisms, in all jurisdictions</p>	<p>Member States are required to put in place ethical standards for public interest functions, integrity, objectivity, professional competence and due care; and independence rules on a threats and safeguards basis.</p> <p>EC has the option to adopt international auditing standards (in practice the International Standards on Auditing (ISAs) but has not done so; until then, member states must set auditing standards.</p>	<p>The UK's FRC is the standard setter (prior to July 2012 this was done by subsidiary boards), inspection, monitoring, enforcement and oversight body.</p>	<p>The PCAOB operates its own standards setting function.</p> <p>Similarly to the UK, the PCAOB's functions also include registration, inspection and investigations / enforcement.</p>	<p>CICA operates the standard setting body.</p> <p>For ethical, financial reporting and auditing and assurance standards different regulatory bodies have different functions and powers.</p> <p>To note: in Canada the discussions and voting in AcSB are held in private.</p>	<p>The Australian Professional and Ethical Standards Board (APESB) was established as an initiative of CPA Australia and the ICAA. The third professional body in Australia, the Institute of Public Accountants is also a member of the APESB.</p> <p>The Australian Accounting Standards Board (AASB) and the Australian Auditing and Assurance Standard Board (AUASB) are operated by the Australian Government. The Financial Reporting Council (FRC), whilst not a standard setting body, has oversight for them.</p>	<p>The PAOC assists ACRA in determining, prescribing and reviewing the codes of professional conduct and ethics for public accountants.</p> <p>The Accounting Standards Council (ASC) is responsible only for the formulation and promulgation of accounting standards.</p> <p>ICPAS's Auditing and Assurance Standards Committee, under the direct oversight of PAOC, develops Singapore's auditing and assurance standards.</p>
<p>Standard-setter(s) independent of the profession?</p>	N/A.	Yes.	Yes.	No (but subject to oversight as part of CPAB's strategic plan).	No - ethics (but with independent oversight). Yes - auditing and accounting .	Yes – ethics and accounting. No – auditing, but with independent oversight.



## 4.5 Standard setting (cont'd)

Convergence	EU (requirement)	UK	US	Canada	Australia	Singapore
	<p>Member states shall require the auditor to comply with international auditing standards adopted by the Commission.</p>	<p>Ethical standards are at least equivalent to IESBA's standards.</p> <p>Auditing Practices Board (APB) Ethical Standards impose some additional restrictions, but use the IESBA Code as their starting point.</p> <p>Accounting standards are either International Financial Reporting Standards (IFRS) as adopted by the EU (converged with the standards of the IASB) or based on the EC accounting directives.</p> <p>Auditing standards are converged with IAASB standards but contain additional requirements ("pluses") where necessary to respond to local laws and regulations. There are no "minuses".</p> <p>All of these standards are developed by the FRC after consulting on the adoption of international standards.</p>	<p>PCAOB standards are not converged with ISAs; however, the PCAOB does read and consider the ISAs. In addition, the PCAOB typically attends the International Auditing and Assurance Standards Board (IAASB) Consulting Advisory Group meetings.</p> <p>Currently professional standards applicable to auditing public companies are being developed by staff at the PCAOB.</p> <p>The auditing standards of the AICPA are converged with the ISAs.</p> <p>US Generally accepted accounting principles remains not fully converged to IFRS.</p>	<p>IAASB - Canadian auditing standards were replaced with international auditing standards that were adopted as new Canadian Auditing Standards (CASs).</p> <p>International Accounting Standards Board (IASB) - Canadian reporting issuers are generally required to follow IFRS as issued by the IASB.</p> <p>Alignment with the IESBA: the PTC of the CICA monitors international developments with respect to the International Federation of Accountants Code of Ethics and developing responses to changes, on behalf of the Canadian CA profession, regarding any future changes to the Code of Ethics. While the principles of harmonised Rule 204 have generally been adopted, there may be some specific differences in some jurisdictions. N.B. Canada has some rules/standards for Independence that are more stringent than the IESBA code.</p>	<p>FRC issued strategic directive that AUASB should use, as appropriate, ISAs of the IAASB as a base from which to develop Australian Auditing Standards.</p> <p>There are Australian accounting standard equivalents to IFRS.</p> <p>The ethical professional standard issued by the APESB (APES 110) is essentially the same as the IESBA Code of Ethics.</p>	<p>Professional Standards converged with the standards issued by IESBA, IASB and IAASB, with such amendments as are necessary to serve the public interest in Singapore and to conform with Singapore's regulatory environment and statutory requirements.</p>

## 4.6 Funding models

	EU (requirement)	UK	US	Canada	Australia	Singapore
<b>Registration</b>		Statutory auditors performing a statutory audit must be registered with an RSB. These bodies operate as professional bodies and receive fees from their members. In addition to membership / subscription fees, they receive income from students, fines, etc.	The PCAOB is funded primarily through annual fees assessed in proportion to public companies' market capitalisation and on brokers and dealers based on their net capital located in and outside of the US. SOX also directs the Board to assess and collect registration and annual fees from each registered public accounting firm (sufficient to recover the costs of processing and reviewing applications and annual reports).	CPAB derives its revenue from Canadian reporting issuers. Each year, CPAB invoices the firms registered with it a fee, which they may, in turn, bill to their reporting issuer clients. The fee is designed to cover CPAB's annual operating costs and to provide a reasonable reserve for contingencies.	ASIC receives funding from the Australian Government. The amount which ASIC receives in funding from the federal Government is not static and changes according to Government policy priorities and budgetary constraints.	ACRA is a statutory board under the Ministry of Finance (MOF). Also, each accountant pays an annual membership; the amount is based on the size of the firm and its number of listed company audits.
<b>Inspection</b>	<i>Funding for the quality assurance and public oversight systems shall be secure and free from any possible undue influence by statutory auditors or audit firms.  The system of public oversight shall be adequately funded.</i>	The AQR's costs are met by the individual RSBs with which the audit firms that are subject to inspection are registered. Its fixed costs are included in the FRC's core operating costs.	The PCAOB - see above	CPAB - see above	ASIC - see above	ACRA – as above

## 4.6 Funding models (cont'd)

	EU (requirement)	UK	US	Canada	Australia	Singapore
<b>Investigation and enforcement</b>		<p>The FRC's Conduct Committee is responsible for both investigation and enforcement activities. The FRC is funded primarily via levies it charges the professional bodies - of which the audit and accounting firms are members, and preparers (i.e. companies themselves). Very little funding is provided by government.</p>	<p>The PCAOB - see 'registration'.</p>	<p>CPAB does not have a separate investigation body; funding is therefore ultimately from the revenue CPAB derives from Canadian reporting issuers (see previous page).</p>	<p>ASIC receives funding from the Australian Government. The amount varies according to policy priorities and budgetary constraints. The Government can also provide additional funding to ASIC for it to undertake specific projects.</p> <p>The CALDB is an independent tribunal responsible for the discipline of auditors that is allocated funding by the Federal Government through ASIC's budget. There is no specific allocation to the CALDB from the Government - what CALDB receives out of ASIC's budget is dependent on its workload.</p>	<p>ACRA – see registration.</p>
<b>Standard setting</b>	<p>No prescription as to funding of standard-setting.</p>	<p>Funding is in line with a government scheme with contributions borne by those who use the standards by both public and private companies, public sector bodies, insurance companies and pension funds, the accountancy and actuarial professional bodies and the government (in the capacity as a preparer and auditor, not a subsidy).</p>	<p>The PCAOB - see 'registration'.</p>	<p>CICA operates and funds the standard setting body.</p>	<p>The APESB is funded by the CPA Australia, the ICAA and the National Institute of Accountants.</p> <p>The AASB and the Australian AUASB are primarily funded by the Australian Government.</p> <p>The FRC is funded by the Australian Government.</p>	<p>ACRA and the ASC are under the purview of Ministry of Finance.</p>

## 5. Hong Kong – five major jurisdictions gap analysis

## 5. Hong Kong – five major jurisdictions gap analysis

All of the jurisdictions studied meet IFIAR and EC Equivalence requirements.

Sections 1.1 and 2 of this report set out gaps between the current Hong Kong regulatory system and that required for:

- IFIAR membership; and
- recognition as EC equivalent – i.e. the standard needed such that Hong Kong auditors will not need to be separately regulated by EEA audit regulators in order to audit companies incorporated outside the EEA (e.g. in Hong Kong) with securities admitted to trading on an EEA regulated market.

We understand that these are the minimum requirements for any new system of Hong Kong regulation. This section of the report presents a summary of the additional changes (over and above those needed for IFIAR membership and EC equivalence) that would be needed to match the regulatory system in each of the jurisdictions in this study. Implementing additional changes to align with another country will not lessen the burden on a Hong Kong auditor wishing to audit a company based or listed in that jurisdiction (for example, registration with the PCAOB is required for all auditors of SEC registrants, no matter what the local regulatory regime is). Equally, EEA regulators cannot insist on implementation of additional requirements over and above the minimum for EC Equivalence before accepting an overseas auditor's report on an overseas entity.

## 5.1 Hong Kong – five major jurisdictions gap analysis - Registration

	UK	US	Canada	Australia	Singapore
Summary of additional changes needed to match the registration regime in each jurisdiction	Audit registration is also required for entities other than companies including charities, pension funds and limited liability partnerships.	Audit registration is also required for broker-dealers.	No substantial additional requirements.	No substantial additional requirements.	No substantial additional requirements.

## 5.2 Hong Kong – five major jurisdictions gap analysis - Inspection

	UK	US	Canada	Australia	Singapore
Summary of additional changes needed to match the inspection regime in each jurisdiction	<p>Auditors of public interest entities (not just those with securities admitted to trading on an EEA regulated market) must be reviewed at least every three years.</p>	<p>Annual inspection for firms that audit more than 100 issuers.</p> <p>For others, at least once every three years.</p>	<p>Inspections to be carried out:</p> <ul style="list-style-type: none"> <li>• Every year for a firm with 100+ listed clients.</li> <li>• Every two years for firms with 50-99 listed clients.</li> <li>• Every three years for all other auditors.</li> </ul>	<p>Inspections to be carried out:</p> <ul style="list-style-type: none"> <li>• Every 18 months for the Big Four firms.</li> <li>• Every 30 months for non-Big Four firms which audit &gt;5% of listed companies.</li> <li>• Every three years for all other auditors.</li> </ul>	<p>Inspections every two years for auditors of listed companies.</p>

# 5.3 Hong Kong – five major jurisdictions gap analysis - Enforcement

	UK	US	Canada	Australia	Singapore
Summary of additional changes needed to match the enforcement regime in each jurisdiction	<p>Additional penalties include the possibility of fines determined by an independent tribunal which could be unlimited. The firm may also be required to waive/repay client fees.</p>	<p>Additional penalties include the possibility of fines of up to US\$15m and directions on remedial actions to improve audit quality e.g. a provision to undertake training.</p> <p>The PCAOB may also require the firm to: obtain an independent review and report on one or more engagements; engage an independent monitor to observe and report on the firm's compliance with the rules and provisions; engage someone to design policies to effectuate compliance.</p> <p>Note: the SEC may impose additional penalties.</p>	<p>Additional penalties include the possibility of unlimited fines and restrictions on registration.</p>	<p>As well as referral to the CALDB, disciplinary proceedings may result in enforceable undertakings to, for example, undertake training or engage an independent third party to assess compliance or have compliance reviews.</p>	<p>Additional penalties include fines of up to SG\$100k and the possibility of giving undertakings.</p>



## 5.4 Hong Kong – five major jurisdictions gap analysis – Standard setting

	UK	US	Canada	Australia	Singapore
<b>Summary of additional changes needed to match the standard-setting regime in each jurisdiction</b>	<p>Combined oversight of standard-setting, inspection, investigation and enforcement.</p> <p>Funding from a wide range of bodies including auditors, preparers and the wider accounting profession.</p>	<p>Combined oversight, standard-setting, inspection and enforcement.</p> <p>Funding from issuers and auditors.</p>	<p>No substantial additional requirements.</p>	<p>Auditing and accounting standards to be set by government funded bodies.</p>	<p>Independent accounting standard setter and independent oversight of audit standard setter.</p>

## 5.5 Hong Kong – five major jurisdictions gap analysis - CPE

	UK	US	Canada	Australia	Singapore
Summary of additional changes needed to match the continuing professional education regime in each jurisdiction	Independent oversight of the RSBs' activities in relation to CPE.	No substantial additional requirements.	Independent oversight body to operate CPE system.	No substantial additional requirements.	Independent oversight body to operate CPE system.

Typical oversight of CPE includes asking relevant professional bodies to provide copies of their curricula and checking that professional bodies have procedures to monitor compliance with CPE requirements. Neither IFIAR nor the EC equivalence requirements call for the oversight body to carry out direct monitoring of individuals' compliance or approve individual CPE suppliers or activities. For example, the UK FRC approves the CPE regulations of each of the six professional bodies, and the small (1-2 people) FRC team which inspects the professional bodies considers monitoring as part of its annual checks on each of the bodies.

## 6. Global audit regulatory reform overview

# 6.1 Regulatory reform in the UK

## UK FRC

- In September 2012, the FRC updated the UK Corporate Governance Code, which includes provision for FTSE 350 companies to tender their external audit every 10 years on a 'comply or explain' basis.
- This is effective for periods commencing on or after 1 October 2012.
- Transitional provisions include:
  - all lead engagement partners are able to complete their five year partner rotation period before a tender is required; and
  - where a company has undertaken a tender process or has changed auditors in or since 2000, a further five year cycle would be permitted by another lead engagement partner from the same firm before a tender would be required.
- Reappointment of the incumbent auditor is permitted.

## Competition Commission (CC)

- The CC published provisional findings from its investigation of the statutory audit market of large companies and has outlined *potential* remedies that it will be investigating further.
- Its concerns are with the structure of the market rather than the behaviours of individual audit firms. It did not find any evidence of tacit collusion, bundling of services, targeting of mid-tier firms' clients with particularly low prices, or undue influence on regulators through extensive alumni networks.
- The CC did find that there is a lack of competition in the market that leads to higher prices, lower quality and less innovation for companies; auditors tend to focus on satisfying management rather than shareholders; concerns that companies lack bargaining power and barriers to switching hold back levels of competition.
- Seven possible remedies are being investigated:
  - Mandatory tendering (likely every five or seven years)
  - Mandatory rotation (likely every seven, 10 or 14 years)
  - Expanded remit and/or frequency of inspection (AQRT reviews)
  - Prohibition of "Big 4 only" clauses in loan documentation
  - Strengthened accountability of the external auditor to the audit committee
  - Enhanced shareholder-auditor engagement
  - Extended reporting requirements

## 6.2 Regulatory reform in Europe

### **EU: EC proposals**

- In November 2011, the **EC** proposed measures to reform the statutory audit of PLEs across Europe, including:
  - Mandatory rotation every six years (nine years for joint auditors)
  - Mandatory tendering every time a new auditor is appointed
  - Non-audit services (NAS) categorised as either prohibited services or services requiring prior approval, with financial audit-related services capped at 10% of the statutory audit fee
  - Audit-only firms (for firms meeting specific revenue criteria)
  - Prohibition of 'Big 4' only clauses in loan agreements
  - Extended auditor reporting
  - Strengthened requirements regarding the quality assurance system:
    - independent of all statutory auditors and audit firms, not just those being reviewed;
    - delegation of tasks by the oversight authority (e.g. to a professional body) limited to the approval and registration of statutory auditors and audit firms;
    - no audit practitioners will be allowed to participate in governance of the public oversight system (the current directive allows for a minority of practitioners on the oversight body) – this would mean that nobody who had been an auditor within the last three years could be on the oversight board; and
    - report of the main conclusions of the quality assurance review to be made available by the competent authority to all interested parties.
- The Commission proposed that these measures would apply to PLEs across Europe, defined as:
  - Banks, insurance undertakings and companies listed on regulated markets
  - Investment firms, payment institutions, undertakings for collective investment in transferable securities, electronic money institutions and alternative investment funds
- These proposals also need to be agreed by the **European Parliament** and the **Council of Ministers**. The three parliamentary committees have reviewed the proposals and defined their positions (see following page).

## 6.2 Regulatory reform in Europe (cont'd)

### EU: EC proposals (cont'd)

- JURI (key parliamentary committee) voted on its position on 25 April. The committee voted to:
  - Mandate rotation of firms every 14 years (maximum) or Member States may extend this period up to 25 years if one of the following criteria is met during the 14 years: there was a joint audit; the audit is tendered; or a comprehensive assessment of the auditor was conducted by the audit committee.
  - Mandate tendering when a change of auditor is proposed to shareholders.
  - Reject audit only firms; remove caps on non-audit services, though requiring a company policy on non-audit services to be approved by the board and shareholders; remove caps on financial related audit services; a 'black list' of prohibited services (close to the IESBA list) and a 'white list' of permitted audit-related services.
  - Apply the proposals only to listed companies, insurance companies and banks, with member states having a choice whether to extend 'public interest entities' to include other classes of entity.
  - Continue to permit Member States to allow a minority of practitioners to be involved in the governance of the public oversight system. Member States may also continue to allow the public oversight body to delegate approval and registration, CPE and standard setting, provided that this is under the oversight of the public oversight system. A process whereby the professional body can propose rule changes to the oversight body for approval, and operate the administrative arrangements for these functions, would seem to meet the requirement. The public oversight authority may delegate quality assurance reviews for non public interest entities to certain other bodies designated by law, such as a professional body.
- ECON's position includes: rejection of audit-only firms, mandatory firm rotation and caps on NAS; approval of mandatory audit tendering every seven years; a 'black list' of prohibited NAS; a minority of audit practitioners allowed to be involved in the governance of the public oversight system.
- ITRE's position includes: 12 years mandatory firm rotation (15 years for joint audits); tendering every six years; audit-only firms; 10% cap on audit-related and other assurance services; prior approval of NAS though some services are prohibited; making the quality assurance report available to interested parties to be a Member State option rather than a requirement; and a minority of audit practitioners allowed to be involved in the governance of the public oversight system. It allows "certain tasks" to be delegated by the public oversight body to other bodies (e.g. professional body), rather than limiting this to the approval and registration of auditors as included in the EC proposals.
- The next stage in the legislative process involves the relevant Council of Ministers. The Council will now aim to reach a consensus position on the reforms among the 27 Member States and then start a 'trilogue' process designed to agree a final position between the Council, Parliament and the Commission to enable a plenary vote of the Parliament and approval by the Council.
- If an agreed compromise text is available in time, there will be a plenary vote of the European Parliament in November 2013. If an agreed compromise text is not available by then, the vote may slip several months. If the agreed text is adopted by the Parliament, the Council would then formalise its agreement and the text would become law.
- It is theoretically possible for the Parliament to reject an agreed compromise text and adopt a different text. It would then be up to the Council to approve or reject the Parliament text. If the Council rejects the Parliament text, the process of negotiating a compromise would start all over again.

## 6.3 Regulatory reform worldwide

Some of the countries listed below are closely following the international regulatory developments (e.g. in the EU and the US).

### Americas

- **Brazil** – mandatory rotation for listed companies, excluding banks
- **Canada** – discussions on mandatory firm rotation and mandatory tendering have been held, though they are not considered as the preferred course of action preferring instead mandatory comprehensive review of the auditor's performance with a focus on audit quality. The audit regulator (CPAB) and Canadian Institute (CICA) have been jointly leading the Enhancing Audit Quality initiative, which has focused on three main areas: 'Auditor Independence', 'Auditor Reporting' and the 'Role of the Audit Committee'. For non-audit services, Canada continues to use a principles-based approach to evaluating threats to, and safeguards for, the provision of non-audit services, with appropriate rule-based prohibitions for services when threats cannot be overcome. Canada will also be aligning with the IAASB exposure draft that was issued in January 2013 proposing changes to the framework for audit quality, and the 2010 IESBA Code changes regarding exposure draft to the Independence rules
- **US** - in December 2011, the PCAOB launched a concept release on mandatory firm rotation, however this is no longer considered as a short-term priority. The PCAOB standard-setting projects for the first nine months of 2013 include: companies relations and transactions with 'Related Parties'; 'Reorganisation of PCAOB Auditing Standards'; 'Auditor's Reporting Model'; 'Auditors' Responsibilities with Respect to Other Accounting Firms, Individual Accountants, and Specialists'; and 'Audit Transparency: Identification of the Engagement Partner'. It is also discussing a project on audit quality indicators and may also consider projects on 'Audits of Brokers and Dealers' and 'Going Concern'

### EMEA

- **Italy** – mandatory rotation every nine years for all listed companies
- **Netherlands** - in December 2012, the Dutch Parliament approved new legislation, which includes mandatory firm rotation after eight years (effective 1 January 2016) and prohibition of all non-audit services for public interest entities (effective 1 January 2013)
- **Saudi Arabia** – mandatory rotation for listed companies, excluding banks
- **Turkey** – mandatory rotation every eight years for banks and every seven years for all other listed companies, although further discussions are ongoing
- **UAE** – currently there are no regulations on mandatory firm rotation in place, but government entities in Abu Dhabi (where government has 50% or more equity interest) have to tender the audit every four years

## 6.3 Regulatory reform worldwide (cont'd)

### Asia Pacific

- **Australia** – Treasury does not currently have further audit reform proposals on the table. Auditors are allowed to provide non-audit services to their clients subject to conformity with the IESBA code. In June 2012, the audit enhancement bill 2012 was passed, with the key changes including: firms being required to produce Audit Transparency Reports; ASIC can issue audit deficiency reports; ASIC can communicate directly with the audit committee on the results of its audit inspection activity; and directors can extend the time served by the partner on a listed entity to seven years if it maintains quality (with an explanation provided in the directors' report)
- **China** – mandatory rotation every five years for financial institutions and state-owned enterprises; mandatory tendering in place for certain types of companies, such as financial institutions and state-owned enterprises
- **India** – in the process of enacting a revised Companies Bill, which includes provisions for mandatory rotation every five years and a list of prohibited services
- **Indonesia** – current requirements include audit firm rotation every six years, with a cooling off period of one year. New legislation was enacted in May 2011, but the implementation guidance, which may alter the rotation requirements, is still being developed. Insurance companies are the only ones subject to mandatory tendering
- **Japan** – no proposals or legislations/regulations on mandatory firm rotation or mandatory tendering in place
- **Malaysia** - no legal requirement or proposals for mandatory rotation of audit firms or mandatory tendering
- **Singapore** - mandatory rotation every five years for banks was suspended during the financial crisis and has not yet been reinstated. There are no other planned reforms.
- **South Korea** – mandatory audit firm rotation for listed companies was introduced from 1 January 2006, however, the requirement was abolished from the year when the listed company adopted K-IFRSs as its accounting standards (which companies were required to satisfy by FY 2011)
- **Taiwan** – no proposals or legislations/regulations on mandatory firm rotation or mandatory tendering in place
- **Vietnam** – mandatory firm rotation after five years for public interest entities, credit institutions and foreign bank branches. There is also an unwritten rule that an audit firm is not supposed to audit a World Bank-funded project for more than six years.



## Appendix: Glossary

# Glossary

## EU

- European Commission (EC)
- European Economic Area (EEA)
- European Union (EU)
- Statutory Audit Directive (SAD)

## UK

- Auditing Practices Board (APB)
- Audit Quality Review Team (AQRT) - formerly Audit Inspection Unit (AIU)
- Financial Reporting Council (FRC)
- Recognised Supervisory Body (RSB)

## US

- American Institute of CPAs (AICPA)
- Public Company Accounting Oversight Board (PCAOB or 'the Board')
- Securities Exchange Commission (SEC or 'the Commission')
- The Sarbanes-Oxley Act of 2002 (SOX)

# Glossary (cont'd)

## Canada

- Accounting Standards Board (AcSB)
- Canadian Institute of Chartered Accountants (CICA)
- Canadian Public Accountability Board (CPAB)
- Public Trust Committee (PTC)

## Australia

- Australian Accounting Standards Board (AASB)
- Australian Auditing and Assurance Standard Board (AUASB)
- Australian Professional and Ethical Standards Board (APESB)
- Australian Securities and Investments Commission (ASIC)
- Companies Auditors and Liquidators Disciplinary Board (CALDB)
- Financial Reporting Council (FRC)
- Institute of Chartered Accountants in Australia (ICAA)

# Glossary (cont'd)

## Singapore

- Accounting and Corporate Regulatory Authority (ACRA)
- Accounting Standards Council (ASC)
- Institute of Certified Public Accountants of Singapore (ICPAS)
- Public Accountants Oversight Committee (PAOC)

## Hong Kong / People's Republic of China

- Financial Reporting Council (FRC)
- Financial Reporting Council Ordinance (FRCO)
- Hong Kong Exchanges and Clearing Limited (HKEx)
- Hong Kong Institute of Certified Public Accountants (HKICPA)
- Ministry of Finance in the People's Republic of China (China MOF)
- Practice Review Committee (PRC)
- Professional Conduct Committee (PCC)
- Stock Exchange of Hong Kong (SEHK)

# Glossary (cont'd)

## Other

- Competition Commission (CC)
- Continuing Professional Development (CPD)
- Continuing Professional Education (CPE)
- European Group of Auditor Oversight Bodies (EGAOB)
- [International] Financial Reporting Standards (I[IFRS])
- International Accounting Standards Board (IASB)
- International Auditing and Assurance Standards Board (IAASB)
- International Ethics Standards Board for Accountants (IESBA)
- International Forum of Independent Audit Regulators (IFIAR)
- International Standards on Auditing (ISAs)
- Non-audit services (NAS)
- Public Interest Entity (PIE)

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# 詞彙 (續)

## 其他

- 競爭委員會 (CC)
- 持續專業發展(CPD)
- 持續專業教育(CPE)
- 歐洲核數師監管機構小組(EGAOB)
- [國際]財務報告準則 (IFRS)
- 國際會計準則理事會 (IASB)
- 國際審計及鑒證準則理事會 (IAASB)
- 國際會計師職業道德準則理事會 (IESBA)
- 獨立審計監管機構國際論壇 (IFIAR)
- 國際審計準則(ISAs)
- 非審計服務(NAS)
- 公眾利益實體(PIE)



# 詞彙 (續)

## 新加坡

- 會計與企業管制局(ACRA)
- 會計準則理事會(ASC)
- 新加坡註冊會計師公會(ICPAS)
- 註冊會計師監管委員會(PAOC)

## 香港／中華人民共和國

- 財務匯報局(FRC)
- 財務匯報局條例(FRCO)
- 香港交易及結算所有限公司(HKEX)
- 香港會計師公會(HKICPA)
- 中華人民共和國財政部(China MOF)
- 執業審核委員會(PRC)
- 專業行為委員會(PCC)
- 香港聯合交易所(SEHK)

# 詞彙 (續)

## 加拿大

- 會計準則理事會 (AcSB)
- 加拿大特許會計師公會 (CICA)
- 加拿大公眾責任局 (CPAB)
- 公信委員會 (PTC)

## 澳洲

- 澳洲會計準則理事會 (AASB)
- 澳洲審計與鑒證準則理事會 (AUASB)
- 澳洲會計專業與職業道德準則理事會 (APESB)
- 澳洲證券及投資事務監察委員會 (ASIC)
- 公司核數師與清盤人紀律處分理事會 (CALDB)
- 財務匯報局 (FRC)
- 澳洲特許會計師公會 (ICAA)

# 詞彙

## 歐盟

- 歐洲委員會(EC)
- 歐洲經濟區(EEA)
- 歐洲聯盟(EU)
- 歐盟法定審計指令(SAD)

## 英國

- 英國審計實務委員會(APB)
- 審計質量審核小組(AQRT)－前稱為審計檢查組(AIU)
- 財務匯報局(FRC)
- 認可監督機構(RSB)

## 美國

- 美國註冊會計師協會(AICPA)
- 美國上市公司會計監督委員會 (PCAOB或「委員會」)
- 美國證券交易委員會(SEC)
- 2002年薩班斯－奧克斯利法案(SOX)

# 附錄：詞彙

## 6.3 全球監管改革（續）

### 亞太區

- 澳洲—財政部並無具體審計監管建議正在討論。核數師在遵守國際會計師職業道德準則理事會守則的情況下可向其客戶提供非審計服務。於2012年6月，2012年審計改善法案獲通過，主要修訂包括：事務所須編製審計透明度報告；澳洲證券及投資事務監察委員會可發表有關審計缺失的報告；澳洲證券投資事務監察委員會可就其審計檢查活動的結果直接與審計委員會進行溝通；及倘若上市實體的質量得以維持（並在董事會報告內提供解釋），董事可將會計師事務所的合夥人向公司服務的時間延長至7年
- 中國—金融機構及國有企業每五年強制輪換核數師；若干類型公司（例如金融機構及國有企業）實行強制招標
- 印度—正在制定公司法修訂法案，其包括每五年強制輪換核數師的條文及禁止服務項目名單
- 印尼—現有規定包括每六年輪換會計師事務所，並具有一年的冷卻期。新法規已於2011年5月頒佈，但可能改變輪換規定的實施指引仍在制定當中。保險公司是唯一須進行強制性招標
- 日本—既無強制輪換事務所或強制招標的建議或法規／規則
- 馬來西亞—既無強制輪換會計師事務所或強制招標的法律規定或建議
- 新加坡—銀行每五年強制輪換核數師規定於金融危機期間被暫停且尚未恢復。並無其他改革計劃
- 南韓—自2006年1月1日起引入上市公司強制輪換會計師事務所，然而，有關規定於上市公司採納南韓—國際財務報告準則作為其會計準則的年度被之後廢除（公司須於2011財政年度前遵守有關規定）
- 台灣—既無強制輪換事務所或強制招標的建議或法規／規則
- 越南—公眾利益實體、信貸機構及外資銀行分行五年後強制輪換事務所。越南亦有不成文規定，會計師事務所應審計世界銀行資助項目不超過6年

## 6.3 全球監管改革

下列若干國家緊密進行國際監管的發展（例如歐盟及美國）。

### 美洲

- 巴西－上市公司（不包括銀行）的核數師須強制輪換
- 加拿大－已就核數師的強制性輪換及強制招標展開有關討論，但認為並非較適合方法，反而，以審計質量為目的的強制全面檢查核數師表現被視為較合適的方法。審計監管機構（加拿大公眾責任局）及加拿大公會（加拿大特許會計師公會）共同提倡提高審計質量的建議，包括三大重點：「核數師獨立性」、「核數師報告」及「審計委員會的角色」。就非審計服務而言，加拿大繼續使用原則基礎法以評估提供非審計服務的威脅和保障，而當無法排除威脅時，採取適當的規則禁止提供服務。加拿大亦將根據於2013年1月頒佈的國際審計及鑒證準則理事會徵求意見稿，建議更改審計質量框架，以及根據2010年國際會計師職業道德準則理事會準則，建議修訂獨立性規則徵求意見稿

美國－於2011年12月，美國上市公司會計監督委員會推出有關強制輪換會計師事務所的概念公告；然而，這不再被視為短期優先事項。2013年首9個月美國上市公司會計監督委員會準則制定項目包括：公司與「關連方」的關係及交易；「美國上市公司會計監督委員會審計準則重組」；「核數師報告模式」；「核數師對其他會計師事務所、個別會計師及專家的責任」；及「審計透明度：識別審計項目合夥人」。其亦討論有關審計質量指標的項目，並可能考慮有關「經紀人及交易商的審計」及「持續經營」的項目

### 歐洲、中東及非洲

- 意大利－所有上市公司的核數師每九年進行強制輪換
- 荷蘭－於2012年12月，荷蘭國會批准新法規，其包括8年後強制輪換事務所（自2016年1月1日起生效）及禁止核數師為公眾利益實體提供所有非審計服務（自2013年1月1日起生效）
- 沙特阿拉伯－上市公司（不包括銀行）的核數師進行強制輪換
- 土耳其－儘管銀行每八年及所有其他上市公司每七年強制輪換，但仍在進行進一步討論
- 阿聯酋－目前並無有關強制輪換事務所的法規，但阿布扎比政府機構（政府擁有50%或以上股權）必須每四年進行審計招標

## 6.2 歐洲監管改革 (續)

### 歐盟：歐洲委員會建議 (續)

- JURI (主要議會委員會) 於4月25日投票表明立場。該委員會投票支持：
  - 每14年 (最高) 強制輪換會計師事務所或倘若於14年期間符合一項下列標準，則成員國可將此期限延長至最高25年：聯合審計；經投票獲得的審計項目；或審計委員會已對核數師進行全面評估。
  - 於向股東提呈更換核數師時須進行強制性招標。
  - 否決會計師事務所僅從事審計業務的建議；移除對非審計服務的服務收費上限，但要求董事會及股東須審批公司對有關非審計服務的政策；移除對金融相關審計服務的收費上限；禁止提供於「黑名單」(近似於國際會計師職業道德準則理事會名單) 的服務及許可提供於「白名單」與審計相關的服務。
  - 有關建議僅適用於上市公司、保險公司及銀行，而成員國可選擇是否將「公眾利益實體」延伸至包括其他類別實體。
  - 繼續允許成員國可接受少數執業會計師參與公眾監管制度的管治。成員國可繼續允許接受處理批准及註冊、持續專業教育及準則制定，惟須接受公眾監管制度監管。制定一套程序讓專業團體可向監管機構建議修訂規則，以及上述功能運作上的行政安排或能滿足有關規定。公眾監管機構可將非公眾利益實體的質量鑒證審核授權予法律指定的若干其他機構，例如專業團體。
  - ECON的立場包括：否決會計師事務所僅從事審計業務、強制輪換會計師事務所及有關非審計服務的收費上限的建議；批准每七年進行強制審計招標；禁止提供於「黑名單」的非審計服務；少數執業會計師獲准參與公眾監管制度的管治。
  - ITRE的立場包括：12年強制輪換事務所 (聯合審計為15年)；核數師每六年進行招標；會計師事務所僅從事審計業務；審計相關及其他鑒證服務的服務收費上限為10%；提供非審計服務須事先批准但有若干服務被禁止；質量鑒證報告可供有關各方取得為成員國的選擇；而非規定；及少數執業會計師獲准參與公眾監管制度的管治。其允許公眾監管機構將「若干任務」授權予其他機構 (例如專業團體)，而非誠如歐洲委員會建議所載，有關的授權只限於核數師的審批及註冊。
- 下一個階段的立法程序是召開有關部長理事會的內閣會議。該理事會旨在27個成員國就改革建議取得共識，然後啟動「三方對話」程序，令該理事會、議會及委員會三方能達成最終立場，於議會進行全體投票並取得理事會批准。
- 倘若可及時達成協定折衷方案，則歐洲議會將於2013年11月進行全體投票。倘若屆時無法達成協定折衷方案，投票可能推遲幾個月進行。倘若議會採納協定方案，理事會屆時將制定協議，而有關方案將正式成為法律。
- 理論上，議會可拒絕協定折衷方案而採納不同方案。屆時將取決於理事會會否批准或拒絕議會方案。倘若理事會拒絕議會方案，則將重新啟動磋商折衷方案的程序。

## 6.2 歐洲的監管改革

### 歐盟：歐洲委員會建議

- 於2011年11月，**歐洲委員會**提出建議措施以改革在歐洲為公眾利益實體進行的法定審計，包括：
  - 強制每六年輪換核數師（聯合核數師則為九年）
  - 於委任新核數師時進行強制性招標
  - 非審計服務分類為禁止服務或須獲得事先批准的服務，而財務審計相關的服務收費上限為法定審計費用的10%
  - 會計師事務所僅從事審計業務（適用於符合特定收入標準的會計師事務所）
  - 於貸款協議中禁止「僅四大會計師事務所」條款
  - 增加核數師匯報
  - 加強有關質量鑒證制度的規定：
    - 獨立於所有法定核數師和會計師事務所，而並非僅獨立於被審核的法定核數師和會計師事務所；
    - 監管機構授權的工作（例如授予專業團體）僅限於法定核數師和會計師事務所的審批和註冊；
    - 執業會計師不得參與公眾監管制度的管治（現行指示准許監管機構聘用少量執業會計師），此指於過往三年內曾擔任核數師的人士不得加入監管委員會；及
    - 主管部門須對有關各方發表質量鑒證審核的總結報告。
- 委員會建議對以下歐洲公眾利益實體實施上述措施：
  - 銀行、保險公司和受規管市場的上市公司
  - 投資公司、支付機構、可轉讓證券集體投資計劃、電子貨幣機構以及非主流投資基金
- 該等建議亦須獲得**歐洲議會**和**部長理事會**同意。三個議會委員會已審閱該等建議並表明其立場（見下頁）。



# 6.1 英國的監管改革

## 英國財務匯報局

- 於2012年9月，財務匯報局修訂英國企業管治守則，其中要求FTSE 350指數公司按「合規或解釋」基準每十年對其外部審計進行招標。
- 此規定於2012年10月1日或其後開始的財政期間生效。
- 過渡性條文包括：
  - 所有主要審計項目合夥人於規定招標前可完成其五年合夥人輪換期；及
  - 倘若一間公司已於2000年或之後為其外部審計招標或更換核數師，則准許同一間事務所的另一名主要審計項目合夥人於下一個五年週期內主理該審計項目，其後始會被要求進行招標。
- 准許再次委任現任核數師。

## 競爭委員會

- 競爭委員會發表有關大型公司法定審計市場調查的初步結論，當中概述其將深入調查的潛在補救措施。
- 競爭委員會關注市場的結構，而非個別會計師事務所的行為。競爭委員會並無發現證據顯示有串通舞弊、捆綁式服務、為吸引中型事務所的客戶而提供特低收費或透過其人脈網絡對監管機構造成不當影響等情況。
- 競爭委員會發現，由於市場缺乏競爭，導致較高費用、質量降低及對公司較少創新思維；核數師傾向滿足管理層而非股東的要求；公司缺乏議價能力，難以轉換核數師或會影響競爭水平。
- 正在研究七項可行補救措施：
  - 強制招標（可能為每五年或每七年一次）
  - 強制輪換（可能為每七年、十年或十四年一次）
  - 擴大檢查範圍及／或次數（審計質量審核小組審核）
  - 於貸款文件中禁止「僅四大會計師事務所」條款
  - 加強外部核數師對審計委員會之間責性
  - 提高核數師與股東之間的溝通
  - 增加匯報要求

## 6. 全球審計監管改革概述

## 5.5 香港—五個主要司法權區的差距分析—持續專業教育

	英國	美國	加拿大	澳洲	新加坡
為達到各司法權區的特 續專業教育制度而需作 出的其他變動的概要	獨立監管認可監管機構與持 續專業教育有關的活動。	並無重大額外規定。	獨立監管機構負 責運作持續專業 教育制度。	並無重大額外規定。	獨立監管機構負責運作持續專 業教育制度。

典型的持續專業教育監管包括要求相關專業團體提供其課程副本，以及檢查該專業團體是否設有程序監控持續專業教育規定的合規性。獨立審計監管機構國際論壇和歐洲委員會等資格規定，均沒有要求監管機構直接監管個別團體的合規性或批准個別持續專業教育供應商或活動。例如，英國財務匯報局批准六個專業團體各自的持續專業教育規定，財務匯報局有一小隊（一至兩人）於每年對各專業團體的檢查進行視察。

## 5.4 香港—五個主要司法權區的差距分析—準則制定

	英國	美國	加拿大	澳洲	新加坡
為達到各司法權區的準則制定制度而需作出額外變動的概要	<p>結合準則制定、檢查、調查及執行進行監管。</p> <p>資金來自不同機構，包括核數師、編製者及更多的會計同業。</p>	<p>結合準則制定、檢查及執行的監管。</p> <p>資金來自發行人及核數師。</p>	並無重大額外規定。	審計及會計準則由政府資助機構制定。	獨立會計準則制定機構及獨立監管審計準則制定機構。

## 5.3 香港—五個主要司法權區的差距分析—執行

	英國	美國	加拿大	澳洲	新加坡
<p>為達到各司法權區的執行制度而需作出的額外變動的概要</p>	<p>額外處罰包括可能由獨立審裁處裁定的無上限罰款。審計師事務所亦可能須豁免／償還客戶費用。</p>	<p>額外處罰包括高達1,500萬美元的罰款及就改善審計質素採取補救行動的指令（如培訓承諾）。</p> <p>美國上市公司會計師監督委員會亦可能要求會計師事務所：就一個或以上的審計項目取得獨立審核及報告；就會計師事務所是否遵守條例及條文委聘獨立監察人員進行觀察及報告；委聘專業人員就合規事宜制定政策。</p> <p>附註：美國證監會可實施額外處罰。</p>	<p>額外處罰可包括無上限罰款及限制註冊。</p>	<p>除向公司核數師與清盤人紀律處分理事會轉介個案外，紀律程序或引致可強制執行承諾，如承諾進行培訓或委聘獨立第三方評估合規性或進行合規審核。</p>	<p>額外處罰包括高達10萬新加坡元的罰款及可能要求作出承諾。</p>

## 5.2 香港—五個主要司法權區的差距分析—檢查

	英國	美國	加拿大	澳洲	新加坡
為達到各司法權區的檢查制度而需作出額外變動的概要	公眾利益實體（並非僅為其證券已獲准於歐洲經濟區的公眾利益實體）的核數師須至少每三年接受審核一次。	為過百發行人進行審計的會計師事務所須每年接受檢查一次。 其他會計師事務所則每三年接受檢查一次。	須進行的檢查： <ul style="list-style-type: none"> <li>為擁有過百家上市公司客戶的會計師事務所每年進行一次。</li> <li>為擁有50至99家上市公司客戶的會計師事務所每兩年進行一次。</li> <li>為所有其他核數師每三年進行一次。</li> </ul>	須進行的檢查： <ul style="list-style-type: none"> <li>為四大會計師事務所每18個月進行一次。</li> <li>為審計超過5%上市公司的非四大會計師事務所每30個月進行一次。</li> <li>為所有其他核數師每三年進行一次。</li> </ul>	為上市公司的核數師每兩年審核一次。

## 5.1 香港—五個主要司法權區的差距分析—註冊

	英國	美國	加拿大	澳洲	新加坡
為達到各司法權區的註冊制度而需作出的額外變動的概要	為公司以外的實體進行審計，包括慈善團體、退休基金及有限責任夥伴，均需註冊。	為經紀交易商審計亦需進行註冊。	並無重大額外規定。	並無重大額外規定。	並無重大額外規定。

## 5. 香港—五個主要司法權區的差距分析

本報告所研究的所有司法權區均符合獨立審計監管機構國際論壇及歐洲委員會等效資格規定。

本報告第1.1節及第2節載列香港現行監管制度與下列規定的差距：

- 獨立審計監管機構國際論壇會員；及
- 歐洲委員會等效資格—達到此標準則香港核數師無須分開接受歐洲經濟區審計監管機構的規管，以審計於歐洲經濟區以外註冊成立（如香港）而其證券於歐洲經濟區規管市場買賣的公司。

我們了解以上為香港任何新監管制度的最基本要求。本報告的這一節概述為達到本研究所述各司法權區的監管制度的標準需要作出的額外變動（超過獨立審計監管機構國際論壇會員資格及歐洲委員會等效資格的基本規定）。落實額外變動以與其他國家的制度相一致，將不會減輕香港核數師為該司法權區或於該司法權區上市的公司進行審計的負擔（例如，美國證監會註冊發行人的所有核數師均須於美國上市公司會計監督委員會註冊，而不論當地監管制度如何）。同樣地，歐洲經濟區監管機構於接受海外實體的海外核數師報告前，不得堅持實施超過歐洲委員會等效資格最基本規定。



## 5. 香港—五個主要司法權區的差距分析

## 4.6 資金模式 (續)

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
調查及執行		<p>財務匯報局的操守委員會負責調查與執行工作。財務匯報局主要透過向專業團體 (審計及會計事務所為其成員) 及財務報表編製者 (即公司本身) 徵費。政府會提供少量資金。</p>	<p>美國上市公司會計監督委員會一欄。見「註冊」一欄。</p>	<p>加拿大公眾責任局並無獨立的調查機構；因此，資金由加拿大公眾責任局取自加拿大匯報發行人的收入提供 (見上一頁)。</p>	<p>澳洲證券投資事務監察委員會從澳洲政府獲得撥款，金額視乎政策重點及預算限制而定。政府亦可就特別項目為澳洲證券投資事務監察委員會提供額外資金。</p> <p>公司核數師與清盤人紀律處分理事會屬獨立審裁處，負責核數師的紀律，由聯邦政府透過澳洲證券投資事務監察委員會的預算提供資金。公司核數師與清盤人紀律處分理事會從政府獲取的資金並非指定金額，其自澳洲證券投資事務監察委員會預算獲得的撥款取決於工作量。</p>	<p>會計與企業管制局一見註冊一欄。</p>
準則制定	<p>並無就準則制定的資金提供指示。</p>	<p>資金來源與政府計劃相符，由準則使用者提供資金，包括上市及私人公司、公營機構、保險公司及退休基金、會計及精算專業團體及政府 (以財務報表編製者及核數師身份而非資助形式提供)。</p>	<p>美國上市公司會計監督委員會一欄。見「註冊」一欄。</p>	<p>加拿大特許會計師公會負責營運準則制定機構，並為其提供資金。</p>	<p>澳洲專業會計與職業道德準則理事會乃由澳洲註冊會計師公會、澳洲特許會計師公會及國家會計師協會提供資金。</p> <p>澳洲會計準則理事會及澳洲審計與鑒證準則理事會主要由澳洲政府提供資金。</p> <p>財務匯報局由澳洲政府提供資金。</p>	<p>會計與企業管制局及會計準則理事會屬財政部管轄範疇內，並由財政部提供資金。</p>

# 4.6 資金模式

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
註冊		<p>進行法定審計的法定核數師必須於受認可監督機構註冊。該等機構以專業團體模式運作，並向會員收取會費。除會費/申請費外，亦可從學員、罰款等途徑獲得收入。</p>	<p>美國上市公司會計監督委員會主要透過按上市公司淨值評估的境內及境外的資本薩班斯-奧克斯利法案亦指示理事會評估及向各註冊會計師事務所收取註冊費及年費 (足以應付處理及審核申請及年報成本)。</p>	<p>加拿大公眾責任局的收入來自加拿大的公眾責任局每年向其註冊會計師事務所發出徵費通知，費用轉嫁予匯報發行人客戶。費用用於應付加拿大公眾責任局的年度營運成本，並為或然事項計提合理儲備。</p>	<p>澳洲證券及投資事務監察委員會從澳洲政府獲得資金。</p> <p>澳洲證券及投資事務監察委員會自聯邦政府取得的資金並非不變，而是根據政府的政策重點及預算限制而變動。</p>	<p>會計與企業管制局乃財政部轄下的法定委員會。</p> <p>各會計師亦須支付年費，金額視乎事務所的規模及其上市公司審計數目而定。</p>
檢查	<p>用作質量鑒證及公眾監管制度的資金須具保障，並不受法定核數師或會計師事務所的任何可能不當影響。公眾監管制度須獲得充足資金。</p>	<p>審計質量審核小組的成本由個別認可監管機構為受其檢查的會計師事務所進行註冊。固定成本已計入財務匯報局的主要營運成本中。</p>	<p>美國上市公司會計監督委員會一見上文</p>	<p>加拿大公眾責任局一見上文</p>	<p>澳洲證券及投資事務監察委員會一見上文</p>	<p>會計與企業管制局一見上文</p>

## 4.5 準則制定 (續)

歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
<p>成員國應要求核數師遵守歐洲委員會所採納的國際審計準則。</p>	<p>職業道德準則至少等同於國際會計師職業道德準則理事會的準則。英國審計實務委員會的職業道德準則施加若干額外限制，惟以國際會計師職業道德準則理事會守則作為起點。</p> <p>會計準則為歐盟所採納的與國際會計準則理事會的準則趨同的國際財務報告準則或以歐洲委員會會計指令為基準。</p> <p>審計準則與國際審計與鑒證準則理事會的準則趨同；惟包括因應當地法規作出的額外規定（「額外規定」）。並無「減少規定」。</p> <p>這些準則是由財務匯報局經諮詢國際準則的採納情況後制定。</p>	<p>美國上市公司會計監督委員會準則並無與國際審計準則趨同，但美國上市公司會計監督委員會曾研議及考慮國際審計準則。此外，美國上市公司會計監督委員會與一般會出席國際審計與鑒證準則理事會諮詢顧問小組的會議。</p> <p>目前適用於審計上市公司之專業準則乃由美國上市公司會計師協會的員工制定。</p> <p>美國註冊會計師協會的審計準則已與國際審計準則趨同。</p> <p>美國公認會計原則未完全與國際財務報告準則趨同。</p>	<p>國際審計與鑒證準則理事會—加拿大審計準則由國際審計準則取代，並採納為全新的加拿大審計準則。</p> <p>國際會計準則理事會—加拿大匯報發行人一般被要求遵循國際會計準則理事會發出的國際財務報告準則。</p> <p>為配合國際會計師職業道德準則理事會：加拿大特許會計師公會的信譽委員會監察有關國際會計師聯合會職業道德準則的國際發展，並代表加拿大會計審計行業就職業道德準則的任何未來變動作出回應。隨著經協調的規則第204條的原則獲普遍採納後，若干司法權區或存在特定差別。註：加拿大有部份有關獨立性方面的規則較國際會計師職業道德準則理事會守則制定更嚴格。</p>	<p>財務匯報局發出策略性指令，澳洲審計與鑒證準則理事會應使用（如適用）國際理事會的國際審計準則作為其制定澳洲審計準則的基礎。</p> <p>澳洲會計準則亦有與國際財務報告準則趨同。</p> <p>澳洲會計專業與職業道德準則理事會所頒佈的職業道德準則（澳洲專業及職業道德準則第110條）實質上與國際會計師職業道德準則理事會的職業道德準則是相同的。</p>	<p>專業準則已與國際會計師職業道德準則理事會及國際會計與鑒證準則理事會所頒佈的準則趨同，並為符合新加坡公眾利益及監管環境以及法定規定而作出所需修訂。</p>
趨同					

# 4.5 準則制定

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
<p>準則制定過程的運作</p> <p>利益相關者於(儘管透過不同機制)獲得諮詢</p>	<p>成員國須對公眾利益、誠信、客觀性、專業水平及盡職制定適當的職業道德準則；及以威脅及保障為基準制定獨立條例。</p> <p>歐洲委員會可選擇採納國際審計準則(實際上為國際審計準則)；若未採納國際審計準則，成員國於採納前必須制定審計準則。</p>	<p>英國財務匯報局為準則制定(2012年7月之前由附屬委員會負責)、檢查、監察、執行及擔任監管的機構。</p>	<p>美國上市公司會計監督委員會本身具備制定準則的職能。</p> <p>與英國類似，美國上市公司會計監督委員會的職能亦包括註冊、檢查及調查／執行。</p>	<p>加拿大特許會計師公會為準則制定機構。</p> <p>就操守、財務匯報及審計及鑒證準則而言，不同監管機構有不同的功能及權力。</p> <p>注意：加拿大會計準則理事會的討論及投票均私下舉行。</p>	<p>澳洲會計專業與職業道德準則理事會由澳洲特許會計師公會推動成立。澳洲第三大專業團體澳洲公共會計師協會亦為澳洲會計專業與職業道德準則理事會成員。</p> <p>澳洲會計準則理事會及澳洲審計與鑒證準則理事會乃由澳洲政府運作，並由財務匯報局(非為準則制定機構)進行監管。</p>	<p>新加坡註冊會計師監管委員會協助會計與企業管制局釐定、規定及審閱註冊會計師的專業行為及職業道德守則。</p> <p>會計準則理事會僅負責制定及實施會計準則。</p> <p>新加坡註冊會計師公會的審計與鑒證準則委員會受新加坡註冊會計師監管委員會直接監管，制定新加坡的審計及鑒證準則。</p>
<p>準則制定者是否獨立於會計專業？</p>	<p>不適用。</p>	<p>是。</p>	<p>是。</p>	<p>否(但根據加拿大公眾責任局的策略性計劃，須受監管)。</p>	<p>否—職業道德(但有獨立監管)。</p> <p>否—審計及會計。</p>	<p>是—職業道德及會計。</p> <p>否—審計，但有獨立監管。</p>

## 4.4 執行 (續)

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
披露	成員國須向公眾適當披露對法定核數師及會計師事務所實施的措施及處罰。	紀律處分機構公佈有關開始調查的決定及審裁處及上訴審裁處報告，除非其認為公佈將不符合公眾利益(例如該公佈可損害監管或刑事調查)。	實際上調查的各方面均作保密處理。 根據薩班斯-奧克斯利法案，倘若美國上市公司會計監督委員會實施紀律處分，應就此向以下單位匯報：美國證監會；適當的州份監管機構／國外會計發牌委員會；並一旦對有關制裁的任何暫緩被解除後向公眾匯報。	可向加拿大公眾責任局提問及發佈於其網站。 倘若加拿大公眾責任局對會計師事務所實施制裁，則須通知加拿大證券監管機構及相關客戶的審計委員會。	公司核數師與清盤人紀律處分理事會小組可披露其決定及制裁和指示；此外，澳洲證券及投資事務監察委員會備有一份載有所有須強制執行承諾的名冊，供公眾免費查閱。 部份調查報告可供查閱。澳洲證券及投資事務監察委員會可根據調查結果及情況，考慮發佈新聞稿。	公眾會計師因紀律處分或未通過會計師法執業審核而撤銷其註冊將於憲報公佈；包括暫停、取消或不獲重續執業證書的人士。 報告不會公開，然而，新加坡註冊會計師監管委員會將通知有關會計師事務所及投訴人士有關其決定。
執行行動的上訴程序		由於法律錯誤、程序不當、取得的新證據無法合理地審理原案件時提供或制裁明顯不合理，可向上訴審裁處對紀律處分審裁處須透過司法覆核進行。	可動議重新考慮委員會頒佈的最終命令。就進一步追索而言，可向美國證監會提出對委員會決定的上訴。 可就美國證監會的裁決向美國哥倫比亞特區上訴法院提出進一步上訴。	上訴委員會包括持牌人及公眾代表，就決定上訴進行聆訊。 上訴委員會的裁決(包括裁決理由)及各方有權利進一步上訴的通知書以書面形式向各方提供。	各方可要求行政上訴審裁處檢討裁決是否有充分理據(事實)。亦可根據1977年行政決定(司法覆核)條例就法律問題向聯邦法院申請進行覆核。	任何因監管委員會的裁決(不論是否基於法律或事實)感到受屈的註冊會計師，可於註冊會計師收到新加坡註冊會計師監管委員會的裁決後30日內向高等法院提出上訴。

# 4.4 執行

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
<p>可施行處罰及制裁的範圍</p>	<p>成員國應對法定核數師及會計師事務所提供有效、適當及具阻嚇性的處罰。處罰包括可能撤銷批准。</p>	<p>罰款；譴責；於指定期內被免除；撤銷執業證書或註冊或授權或牌照（或於若干時間內不得恢復）。會計師事務所亦可被要求豁免／發還客戶費用。</p>	<p>罰款；譴責；作出補救行動的指示以改善審計質量，例如如規定進行培訓；暫停及／或取消／撤銷註冊／會員資格。亦可要求會計師事務所：就一個或以上的審計項目取得獨立審核及報告；就會計師事務所是否遵守條例及條文委聘獨立監察人員進行觀察及報告；委聘專員就合規事宜制定政策。</p>	<p>罰款、譴責、撤銷註冊、制裁及／或限制皆為可能的調查結果。會計師事務所最終可失去為上市公司進行審計的權利。</p>	<p>紀律處分程序：可強行執行承諾如培訓或委聘獨立第三方以評估遵守情況；合規性審核；譴責；暫停及／或取消／撤銷註冊。</p>	<p>新加坡註冊會計師監管委員會可以撤銷授予的批准；暫停提供上市會計服務；實施處罰；譴責；要求會計師事務所作出若干承諾。 規定暫停／限制服務最多為兩年。</p>
<p>紀律處分團體</p>		<p>紀律處分審裁處乃由召集人委任，包括以下各位人士：  <ul style="list-style-type: none"> <li>一名律師、會計師及業外人士；或</li> <li>一名或兩名律師、兩名會計師及一名或兩名業外人士。</li> </ul>           審裁處成員獨立於財務匯報局。無論在何種情況下，主席均為擁有法律資格人士。</p>	<p>美國上市公司會計監督委員會，即監管機構。</p>	<p>加拿大公眾責任局，即監管機構。</p>	<p>公司核數師與清盤人紀律處分理事會一理事會獨立於澳洲證券及投資事務監察委員會。這是民事案件而非刑事程序，但獨立於起訴機關的原則是與刑事法庭相同。</p>	<p>會計與企業管制局一即監管機構。</p>

## 4.3 調查

團體及概述	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
	<p>成員國須確保有有效的調查及處罰制度，以偵查、糾正及預防法定審計執行上的不足。</p>	<p>專業團體能夠向財務匯報局轉介案件；及／或財務匯報局可決定展開調查。</p> <p>財務匯報局的操守委員會考慮每宗案件並判斷案件是否產生重大公眾關注或損害公眾信心。倘若如此，會要求財務匯報局的操守部門進行調查，否則會將案件轉介相關專業團體。</p> <p>專業團體亦會展開紀律調查，倘若認為個案涉及公眾利益，則可以將其轉介予財務匯報局的操守委員會。</p>	<p>美國上市公司會計監督委員會及美國證監會均有調查責任。各洲會計委員會亦有調查責任。</p> <p>美國上市公司會計監督委員會可根據執行及調查總監和註冊及檢查總監並其委員會主動提出的建議發出正式調查令。</p>	<p>倘若委員會認為可能發生違規事件，加拿大公眾責任局可發出調查令。</p>	<p>澳洲證券及投資事務監察委員會負責執行公司法對核數師獨立性及審計質量的要求。與新加坡一樣，澳洲證券及投資事務監察委員會規管審計及證券市場。</p> <p>倘若有理由懷疑有違反相關管理規定，澳洲證券及投資事務監察委員會展開調查。</p> <p>該委員會擁有廣泛權力，包括審問經宣誓人士，並向核數師發出強制提交資料的通知，即使此舉違反保密責任。</p>	<p>新加坡註冊會計師監管委員會成立的投訴與紀律小組和新加坡註冊會計師公會調查委員會均可展開調查。</p> <p>新加坡註冊會計師監管委員會可根據會計師法展開紀律處分程序。</p> <p>要注意的是，由同一機構監管公司及會計師（於澳洲亦是如此）屬不平常；這可在諸如欺詐或核數師出具保留意見報告的情況下調查相關公司董事及會計師。</p>



## 4.2 檢查 (續)

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
<p>檢查程序的運作及資金</p>	<p>質量認證程序應獨立於被審核的法定核數師及會計師事務所，並受獨立公眾監管。</p>	<p>審計質量審核小組 (財務匯報局的一部份) 檢查「重大審計項目」，包括上市公司、銀行、保險公司、大型退休基金、大型慈善團體及非常大型私人公司。</p> <p>受財務匯報局監管的專業團體負責檢查其他審計工作。</p>	<p>美國上市公司會計監督委員會 (受美國證監會監管)</p>	<p>加拿大公眾責任局</p>	<p>澳洲證券及投資事務監察委員會</p>	<p>會計與企業管制局管轄下的新加坡註冊會計師監管委員會</p>
<p>對檢查結果的上訴程序</p>		<p>在英國，一旦對被審核的審計項目或會計師事務所的檢查形成了結論，並無為會計師事務所或個別核數師設立任何正式的投訴或上訴程序。</p> <p>會計師事務所須對審計質量審核小組的報告作出書面回應，該回應會刊載於審計質量審核小組就會計師事務所檢查發表的公開報告內。</p>	<p>可尋求美國證監會進行中期審核 (而報告則延遲至有關審核完成時為止)。</p>	<p>會計師事務所可提出覆核呈請，此舉可引致仲裁。</p>	<p>目前並無正式的上訴程序，但於報告敲定前有多次就意見函進行溝通。自2012年6月起已制定新程序—如就缺失之處發表報告，相關會計師事務所作出的回覆會被包括在內。</p>	<p>任何註冊會計師通常可在監管委員會的裁決送達後30日內向高等法院提出上訴。</p>
<p>未採取補救措施的影響</p>		<p>可能採取執法行動。</p> <p>註：整個檢查報告會被刊發。</p>	<p>發表部份先前為非公開的檢查報告。</p> <p>可能採取執法行動。</p>	<p>發表部份檢查報告。</p> <p>可能採取執法行動。</p>	<p>就缺失之處發表報告。</p>	<p>可能採取執法行動。</p>

## 4.2 檢查 (續)

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
<p>年報 (或同等資料)</p>	<p>報告應載有主要結論，而質量認證每年發佈並與年度工作計劃及工作報告一同發表。</p>	<p>英國財務匯報局發表年度檢查報告，包括工作計劃及工作報告。</p>	<p>美國上市公司會計監督委員會不發表檢查年報 (惟可在其認為適當情況下發表檢查發現)。</p>	<p>加拿大的檢查機構發表檢查年報，包括工作計劃及工作報告。</p>	<p>專業團體亦須對其會員進行質量審核。澳洲特許會計師公會已多年沒有對大型會計師事務所進行審計質量審核；其報告乃針對規模較小的會計師事務所 (惟其已就2011年11月對大型公司的檢查結果發表報告)。澳洲證券及投資事務監察委員會每18個月發表一份綜合公開報告。</p>	<p>新加坡會計與企業管理局發表檢查年報，包括工作計劃及工作報告。</p>
<p>按會計師事務所發表報告的透明度</p>	<p>公眾監管制度應具備透明度，包括發表年度工作計劃及工作報告。</p>	<p>審計質量審核小組就主要會計師事務所的檢查工作發表個別報告；向相關會計師事務所就其個別審計項目發表機密報告 (而該等會計師事務所須向被審計實體的董事提供有關副本)。審計質量審核小組亦會直接向相關審計委員會主席提供有關信函的副本。</p> <p>專業團體的報告不會發佈。</p>	<p>第一部份會被發表 (詳述美國上市公司會計監督委員會發覺的不足之處，但不會披露會計師事務所的名稱)。倘若會計師事務所未能於12個月內圓滿解決任何質量控制的不足之處，則會公佈載有部份原為非公開資料的第二部份報告 (詳述有關不足之處)。</p>	<p>加拿大不會刊發個別公司的檢查報告。</p> <p>然而，倘若有關不足之處、缺失或建議未能於180日內獲圓滿解決，則該局可於其網站公開發表檢查報告的相關部份 (及會計師事務所未能實施令該局滿意之補救措施的事實)。</p>	<p>在澳洲，個別公司的檢查報告乃保密。</p> <p>然而，近期法例已有改變 (2012年6月)，倘若該數師於日後的檢查中被視為沒有採取適當行動以回應檢查報告指出的不足之處，則將允許檢查人員就不足之處發表報告。</p>	<p>在新加坡，個別會計師事務所的檢查報告乃保密。新加坡會計與企業管理局希望有權向當地相關監管機構提供會計師事務所的部分檢查報告。如果會計師事務所的補救行動未符合理想，若干保密事項會被公開披露則視乎會計師事務所能否在若干時間內作出改善。</p>

## 4.2 檢查

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
審核次數	公眾利益實體的核數師須最少每三年接受審核一次。 其他法定核數師（並無對公眾利益實體進行審計的核數師）須每六年接受一次審核。	四大會計師事務所須每年進行一次檢查。 為公眾利益實體進行審計的其他大型會計師事務所的審核週期延長至最多三年。 並無為公眾利益實體進行審計的核數師最少每六年接受一次審核，這視乎核數師規模而定。	美國上市公司會計監督委員會每年對發行人進行審計的會計師事務所進行一次檢查。其他會計師事務所每三年檢查一次。	擁有100位或以上匯報發行人客戶的會計師事務所每年進行檢查一次。 擁有50至99名匯報發行人客戶的會計師事務所至少每兩年檢查一次。 少於50位匯報發行人客戶的會計師事務所至少每三年檢查一次。	澳洲證券及投資事務監察委員會按18個月週期檢查約20間會計師事務所。四間大型全國性的會計師事務所每18個月檢查一次。 依次審計5%的上市實體的十家會計師事務所每兩年半檢查一次。其餘72間較小型會計師事務所接受檢查的次數較疏（平均每三年一次）。	為公眾利益實體審計的會計師事務所進行每年兩次檢查。
檢查方法 (風險焦點) 及評級	質量鑒證審核的範圍須包括透過足夠測試抽選審計文件，評估會計師事務所對適用審計準則及獨立規定的遵守情況、投放資源的數量和質量、所收取的審計費用及內部質量控制制度。	以風險為本。該模式已考慮每年選定優先作審核的行業。大部份被審核的審計項目中選出。 並無整體評級，然而個別審計項目由審計質量審核小組進行評級，有關結果被載於公開報告。	美國上市公司會計監督委員會的個別審計及焦點通常是以風險加權基準為本。 並無整體評級。	加拿大公眾責任局透過風險分析程序識別較高風險的匯報發行人的審計，據此分配檢查資源。 並無整體評級。	澳洲證券及投資事務監察委員會對審計文件的抽選程序以風險為本進行。獨立審計監管機構國際論壇亦對澳洲證券及投資事務監察委員會的檢查項目焦點及一般檢查方法有所影響。 並無整體評級。	以風險為本，並對註冊會計師進行審計項目審核以及對為公眾利益實體進行審計的會計師事務所進行審核。 並無整體評級。

# 4.1 註冊 (續)

註冊規定	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
	所有法定核數師及會計師事務所均須受公眾監管。	所有在公司法界定為「法定審計」的項目必須由「註冊」的核數師進行。這包括對公司、慈善團體、退休基金、保險公司、銀行、受規管投資基金進行的審計。	與其他司法權區不同，美國薩班斯-奧克斯利法案及美國上市公司會計監督委員會（亦稱為「委員會」）規則訂明，所有為發行人編製或出具核數師報告的會計師事務所，或對編製或出具的核數師報告擔當重要角色的會計師事務所，必須向美國上市公司會計監督委員會註冊。  就非發行人的經紀交易商而言，向美國證監會提交的財務報表必須經註冊會計師事務所核證。  委員會負責釐定批准申請註冊是否與委員會以保護投資者利益以及進一步的公眾利益的責任貫徹一致。	就匯報發行人的財務報表編製核數師報告的公眾會計師事務所於出具核數師報告當日必須為(a)已於加拿大公眾責任局註冊的會計師事務所及(b)遵從加拿大公眾責任局所規定的任何限制或處罰。	所有當地法例界定的「法定審計」必須由已於澳洲證券及投資事務監察委員會（即監管機構）註冊的會計師事務所或審計合夥人進行。	所有核數師必須於新加坡會計與企業管轄註冊。（即監管機構）註冊。
註冊機構是否亦為監管機構?	不一定。	否。	是。	是。	是。	是。

# 4.1 註冊

	歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
審計規定範圍	<p>除小型公司、不活躍公司及由歐盟註冊成立的若干公司擔保的若干子公司外，所有有限公司（上市及私人）和大部份金融機構。</p> <p>註：第三國家等效力規定僅與上市公司的審計有關。</p>	<p>審計規定擴大至當地法例界定的一系列公司，大致上分為私人及上市公司。</p> <p>豁免規則適用於小型公司及不活躍公司。</p>	<p>發行人及經紀交易商的核數師須向美國上市公司會計監督委員會註冊。</p> <p>與其他司法權區不同，在美國及加拿大，私人公司的審計是應董事會、審計委員會及管理層的需要／意願進行，不論是公司自用或作貸款等用途。這方面的執業受各州會計委員會及美國註冊會計師協會所監管。</p> <p>一般而言，政府機構乃根據政府審計準則進行審計。</p>	<p>與其他司法權區不同，在美國及加拿大，私人公司的審計是應董事會、審計委員會及管理層的需要／意願進行，不論是公司自用或作貸款等用途。</p>	<p>審計規定擴大至當地法例界定的一系列公司，大致上分為私人及上市公司。</p> <p>豁免規則適用於小型公司。</p>	<p>審計規定擴大至當地法例界定的一系列公司，大致上分為私人及上市公司。</p> <p>豁免規則適用於法例界定的獲豁免私人公司（少於20名股東）及不活躍公司。</p>

# 監管機構角色及授權職能的焦點

監管機構： 職能：	歐洲委員會的規定	獨立審計監管機構 國際論壇	英國 (財務匯報局)	美國 (美國上市公司會計監督委員會)	加拿大 (加拿大公眾責任局)	澳洲 (澳洲證券及投資事務監察委員會)	新加坡 (會計與企業管制局)
註冊	允許授權 (受監管)	允許授權 (受監管)	授權予受監管的公認監督機構	監管機構	監管機構	監管機構	監管機構
檢查	允許授權 (惟監管機構必須保留檢查權)	公眾利益實體—不可授權 非公眾利益實體—可授權	公眾利益實體—監管機構 非公眾利益實體—授權予監管的公認監督機構	監管機構	<ul style="list-style-type: none"> <li>報告發行人—監管機構</li> <li>非上市實體—授權予受監管的加拿大特許會計師公會*</li> </ul>	監管機構	<ul style="list-style-type: none"> <li>公眾利益實體—監管機構</li> <li>非公眾利益實體—監管機構和新加坡註冊會計師公會</li> </ul>
調查	允許授權 (惟監管機構必須保留調查權)	公眾利益實體—不可授權 非公眾利益實體—可授權	公眾利益實體—監管機構 非公眾利益實體—授權予受監管的公認監督機構	監管機構連同美國證監會	監管機構	監管機構	監管機構
執行	允許授權 (惟監管機構必須保留執行權)	<ul style="list-style-type: none"> <li>公眾利益實體—不可授權</li> <li>非公眾利益實體—可授權</li> </ul>	<ul style="list-style-type: none"> <li>公眾利益實體—監管機構</li> <li>非公眾利益實體—授權予受監管的公認監督機構</li> </ul>	監管機構連同美國證監會	監管機構	監管機構及獨立委員會	監管機構
準則制定	允許授權 (受監管)	不適用	監管機構	<ul style="list-style-type: none"> <li>審計與鑒證—監管機構 (上市公司) / 美國註冊會計師協會 (非上市公司)</li> <li>財務匯報—財務會計準則委員會 / 美國證監會</li> <li>職業道德—監管機構 / 美國註冊會計師協會</li> </ul>	授權予監管的公信委員會、審計與鑒證準則理事會及會計準則理事會	由獨立機構制定準則 (審計及會計—政府；職業道德—由專業團體成立的獨立委員會)	<ul style="list-style-type: none"> <li>會計—一個別的獨立機構</li> <li>審計—授權予受監管的專業團體</li> <li>職業道德—監管機構</li> </ul>
持續專業教育	允許授權 (受監管)	不適用	授權予受監管的公認監督機構	監管機構連同各州會計委員會	監管機構	專業團體	監管機構

\*請注意：加拿大特許會計師公會於2013年1月加入加拿大註冊管理會計師協會創立加拿大註冊會計師協會是一間以註冊會計師名義支持統一加拿大會計行業的全國性組織。

## 4. 各司法權區及各項職能的比較

# 3.9 審計監管的可行方法

## 3.9 專注範圍：持續專業教育

各司法權區對審計合夥人及專業員工的持續專業教育規定大致相同。加拿大及新加坡的監管機構（分別為加拿大公眾責任局，以及會計與企業管制局）直接監管持續專業教育；英國的持續專業教育乃授權予在英國財務匯報局監管下的專業團體進行（英國財務匯報局負責檢查這些專業團體的工作）；澳洲及美國是由專業團體監管持續專業教育的合規事宜。



## 3.8 審計監管的可行方法 (續)

### 3.8 專注範圍：資金模式

可行方法	適用範圍	潛在優點	潛在缺點
對其審計被監管的公司或其中部份徵費	美國 (部份) 英國 (部份)	易於徵收，因為當對該等公司收取其他徵費時，可一同收取費用 (例如：證券監管機構就會計準則制定徵費或收費)。 獨立於就該等費用中佔極少或並無任何權益的核數師。 有能力對該部份實體 (例如上市公司及公眾利益實體) 徵費。	如並無已設立的徵費機制，則或會需較高成本開發一套全新機制。 較大收費群組 (被審計實體較核數師為多) 或會增加徵費成本。
對專業團體徵費	英國 (部份)	專業團體已設有向會計師事務所及個人執業會計師徵費的機制，因此無須制定新機制。	專業團體被視為有能力影響監管規模及範圍。
對個別會計師事務所或執業會計師徵費	美國 (部份) 加拿大、新加坡	易於徵費—不繳交費用如同即時放棄審計註冊的資格。	如並無已設立的徵費機制，則或會需較高成本開發一套全新機制。 較大徵費群組或會增加徵費成本。 會計師事務所或會員被視為有能力影響監管規模及範圍。
政府補助	英國 (小部份) 、澳洲	確定性—並非按被審計實體的市場總值或會計師事務所的數目而制定以徵費為本的資金模式。 完全免受被審計實體及核數師的影響。	由普羅大眾而非審計項目的 (直接或間接) 受益實體承擔成本。

# 3.8 審計監管的可行方法

## 3.8 專注範圍：資金模式

概覽：現時並無一套普遍採納的資金模式。資金模式包括以下任何一項或綜合以下各項：

- 對上市公司徵費；
- 對專業團體徵費；及
- 直接對會計師事務所徵費。

紀律調查費用及訴訟費用傾向由被處罰的會計師事務所承擔。歐盟／歐洲委員會就當地核數師／等效資格的核數師或獨立審計監管機構國際論壇原則概無指定任何一項資金模式，而是資金模式理應為監管制度提供充足資源且獨立於受監管的會計師事務所。

(下一頁繼續)

# 3.7 審計監管的可行方法

## 3.7 專注範圍：準則制定—國際趨同

概覽：每套制度均包括若干形式的獨立準則制定及／或對準則制定程序的監管。於多數情況下（美國明顯例外），該等準則的出發點為國際認可的準則。

可行方法	適用地區	潛在優點	潛在缺點
<p><b>使用國際準則：</b>獨立審計監管機構國際論壇、歐盟（於使用權力時）。歐洲委員會等效資格將會接納，但並非必要規定。</p>	<p>獨立審計監管機構國際論壇、歐盟、歐洲委員會等效資格、英國（會計）、加拿大（會計）</p>	<p>全球認可。 易於應用於跨集團審計項目。</p>	<p>未有配合當地需要。</p>
<p><b>使用國際準則，並加補充</b></p>	<p>英國（審計及職業道德）、加拿大（審計）、美國（私人公司審計）、澳洲（會計及審計）、新加坡</p>	<p>全球認可。 易於應用於跨集團審計項目。</p>	<p>需要向其他集團核數師說明額外規定。</p>
<p><b>自行制定準則</b></p>	<p>美國公眾公司審計</p>	<p>可就當地需要作出特定回應，如有關薩班斯—奧克斯利法案第404節下有關內部監控審計的美國標準。</p>	<p>當涉及其他司法權區的組成部份核數師的工作時，會增加集團審計項目的複雜性。</p>

# 3.6 審計監管的可行方法

## 3.6 專注範圍：執行一紀律處分機構類別

可行方法	適用地區	潛在優點	潛在缺點
獨立的小組或審裁組	澳洲（透過公司核數師和清盤人紀律處分理事會）、英國（財務匯報局，但分為操守委員會與紀律審裁小組）、新加坡（註冊會計師監管委員會委任投訴和紀律處分小組，但小組是由會計與企業管制局最終監管）	不易受司法覆核／上訴的影響。具備內在及被視為獨立性。 「天賦公正」概念—監管機構並非起訴人及陪審團。	需較長時間解決。
由監管機構執行	澳洲（透過澳洲證券及投資事務監察委員會的強制執行承諾）、加拿大（加拿大公眾責任局）、美國（美國上市公司會計監督委員會）	容易管理且可降低成本。 能更快執行。	雖然實際上可能具備相同獨立性，但獨立性被視為非屬同等水平。 上訴／司法覆核的可能性更大。

歐洲委員會等效資格：公眾監管制度應有權於必要時對法定核數師及會計師事務所進行調查（就如第45條的「第三方國家核數師」所界定一實際上，是指為歐洲經濟區境外註冊成立而其證券獲准於成員國監管市場進行交易的公司，出具年度或綜合賬目核數師報告的核數師）以及有權採取適當行動。歐盟法定審計指令：成員國將指派一個或多個主管部門處理歐盟法定審計指令規定的任務。

## 3.6 專注範圍：執行一處罰制度的性質

可行方法	適用地區	潛在優點	潛在缺點
罰款、譴責及暫停／撤銷註冊	所有地區	對所有相關者和市場而言大體上簡單易明。	具阻嚇作用，但可能導致意料之外和反面的後果，尤其是可能會擾亂審計市場。 處罰可能缺乏細緻度；其可能被視為及作為「全面管制」機制。
此外，實行特定限制的能力。如須進行培訓或獨立監察	於不同程度上於所有地區採用。英國和美國有最多特定解決方案選項；新加坡一會計師事務所，澳洲一個人須作出指定承諾；加拿大一向會計師事務所發出補救行動指示	細緻度，特定方法。 擾亂市場的風險較低。	增加複雜性。 需要更多跟進檢查／監察。

附註：歐盟／歐洲委員會等效資格並未具體說明處罰的性質，僅規定處罰須為「有效、恰當、具阻嚇作用」。

# 3.5 審計監管的可行方法

## 3.5 專注範圍：檢查—授權專業團體及／或其他會計師事務所的員工

**概覽：**不同司法權區的檢查工作授權制度會有不同。某些司法權區檢查人員均為監管機構的員工（例如：英國的所有檢查人員均為財務匯報局工作（公眾利益審計檢查）或為專業團體工作（其他審計檢查））；其他司法權區採納不同方法（例如：美國的美國上市公司會計監督委員會自聘員工；至於美國註冊會計師協會對非上市實體實施審計監管制度則倚賴同業進行審核）。歐盟目前准許將若干檢查工作外判予受檢查人員監督的會計師事務所進行。檢查工作的授權程度將受資源及實施改革的時間所影響。

可行方法	適用範圍	潛在優點:	潛在缺點:
不授權檢查（或僅授權予不會再向它方授權的海外檢查人員）：	美國、澳洲	被視為具最高的獨立性及嚴謹性。 最低的利益衝突可能性。	對資源或構成挑戰，尤其是檢查週期有旺季及淡季。
按審計類型授權：例如英國及新加坡將非公眾利益審計的檢查委派予會計師事務所以外的專業團體。獨立審計監管機構國際論壇原則建議不可授權公眾利益審計檢查。	獨立審計監管機構國際論壇、英國、加拿大、新加坡	較為獨立及嚴謹，與不授權比較，工作能更快執行。	授權檢查的質量及／或獨立性被視為較低。
授權部份檢查：例如歐盟法律（針對歐洲經濟區核數師及在歐洲委員會等效資格下）。	歐盟、歐洲委員會等效資格	成本效益。 能夠應付年度檢查週期內的需求變動。	被視為缺乏嚴謹性及獨立性。 增加利益衝突的風險。

# 3.4 審計監管的可行方法

## 3.4 專注範圍：檢查—透明度

概覽：大部份主要審計監管制度會以若干形式公開檢查工作的結果。詳盡程度上會有差異—針對整體制度或個別會計師事務所—以及是否有更詳細的非公開報告。

可行方法	適用範圍	潛在優點	潛在缺點
<p><b>對整體制度發表報告：</b>這是歐盟核數師及歐洲委員會等有效資格以及獨立審計監管機構國際論壇會員的最低規定。</p>	<p>獨立審計監管機構國際論壇、歐盟、歐洲委員會等有效資格、新加坡</p>	<p>利益相關者可對司法權區的審計制度質量有概括了解。</p>	<p>審計委員會及股東無法深入了解個別會計師事務所的質量。</p>
<p><b>按個別會計師事務所發表報告：</b>英國對各較大型會計師事務所發表獨立的報告，另加一份有關從事公眾利益實體審計工作的較小型會計師事務所的綜合報告。美國及加拿大發表有關個別會計師事務所的報告，就此而言，除非於一段時間內（美國：一年；加拿大：180天）仍未解決不足之處，否則兩個司法權區不會發表有關的報告。澳洲現時是發表綜合報告，惟須注意其對發表有關缺失的報告的新增條文。</p>	<p>英國、美國、加拿大（部份適用）、澳洲（新條文）</p>	<p>審計委員會及股東可對個別會計師事務所的質量有深入了解。</p> <p>發表有關不足之處的報告（無論於英國是立即或於美國／加拿大是延遲），可收阻嚇作用。</p>	<p>倘若所檢查審計數量較少，可能因統計上數據不足而得出不恰當的結論。</p> <p>按個別審計項目發表詳細報告，可能導致個別客戶的資料因發表檢查報告而被公開。</p>
<p><b>按審計項目發表報告：</b>英國向審核委員會提供針對對個別審計項目的非公開報告。</p>	<p>英國</p>	<p>審計委員會可深入了解審計表現，而有助其作出評估。</p>	<p>成本及複雜性。</p> <p>或會因一次性事件而作出不恰當結論（正面或負面）。</p>

## 3.3 審計監管的可行方法 (續)

### 3.3 專注範圍：註冊、檢查及執行：監管海外核數師的方法—註冊

可行方法	適用範圍	潛在優點	潛在缺點
於所有情況下監管海外核數師	美國	具最大能力監管香港公眾利益上市公司的海外核數師。	監管所有海外核數師的成本及複雜性。
除非是具有「等效資格」的審計制度，否則必須監管海外核數師：歐盟准許非歐洲經濟區「第三方國家的核數師」審計於非歐洲經濟區註冊成立而在歐洲經濟區上市的公司，而成員國可決定不監管該等須受「等效」審計監管制度規限的核數師。	歐洲委員會等效資格、歐盟、英國、加拿大	公眾利益會受到保障，原因是所有屬於財務匯報局監管範圍內的審計均受到監管，亦可節省已於其他地區受監管的審計的監管成本。	需要依賴可能有不同紀律處分及處罰標準的海外監管機構。
不監管海外核數師：獨立審計監管機構國際論壇僅處理監管範圍內的審計，並無強制監管範圍。(惟須注意澳洲與紐西蘭訂立的相互認可協議)。	獨立審計監管機構國際論壇、澳洲、新加坡	簡單。	如有大量於其他司法權區註冊成立的實體於境內上市，則缺乏對公眾利益的保障。
歐洲委員會等效資格只包括於歐洲經濟區上市的實體的審計—香港財務匯報局是否監管香港上市實體的非香港核數師非屬其關注範圍。			
可行方法	適用範圍	潛在優點	潛在缺點
監管所有組成部份核數師		具最大的檢查及處分能力。	成本及複雜性。既然國際審計準則第600號規定集團核數師須單獨對審計負責，這方法似乎過於複雜。
除非母公司核數師可強制附屬公司之核數師合作；否則監管所有組成部份核數師	歐盟(部分地區)、美國	公眾利益受到保障，原因是所有屬於財務匯報局監管範圍內的審計均受到監管，亦可節省已於其他地區受監管的審計的監管成本。	成本及複雜性。既然國際審計準則第600號規定集團核數師須單獨對審計負責，這方法似乎過於複雜。
不監管組成部份核數師 (根據歐盟法定審計指令第46.1條的規定，成員國如選擇不採用或修訂註冊規定，必須符合「相互」規定)	獨立審計監管機構國際論壇、歐洲委員會等效資格、英國、加拿大、新加坡	簡單。 國際審計準則第600號規定集團核數師單獨對審計質量負責，包括評估組成部份核數師的能力。如組成部份核數師的審計質量未能達標，則集團核數師將被處分。	合作上的法律障礙(如因專業保密法而無法取得組成部份核數師的工作底稿)可能降低效益。

# 3.3 審計監管的可行方法

## 3.3 專注範圍：註冊、檢查及執行：監管海外核數師的方法

概覽：監管海外核數師是一件複雜的事項，其涉及的各方面如下：

- 對於在審計監管機構管理制度內的上市公司，相關海外核數師可執行審計的必要條件。不同監管機構採取不同的方法。例如，美國上市公司會計監督委員會對美國證監會註冊發行人的海外核數師及境內註冊核數師均應用相同管理制度。歐洲委員會對在非歐洲經濟區註冊成立而在歐洲經濟區上市的實體的核數師設立「第三方國家的核數師」管理制度——接受直接規管或於「等效資格」審計管理制度下接受當地監管。獨立審計監管機構國際論壇則無規定受規管的地理範圍——只是對特定審計的監管形式有所規定。
- 針對集團審計監管機構之間的合作也有不同方法。例如，歐盟准許與海外監管機構交換工作文件及合作，前提是海外監管機構亦須「相應合作」；而美國規定母公司的核數師須促使附屬公司的核數師合作或附屬公司的核數師須註冊；若干制度則並無表明合作方法。
- 承認合夥人及員工的海外資格。

(下一頁繼續)



## 3.2 審計監管的可行方法

### 3.2 專注範圍：登記：個人與會計師事務所的比較

概覽：監管制度存在差異的其中一個主要環節涉及對會計師事務所的個別合夥人及員工的監管程度，相比起僅對會計師事務所的監管。本報告範圍內的所有制度均設有某種形式的個人註冊規定，但該註冊的職能有可能是專業團體（而非獨立監管機構）負責。

可行方法	適用範圍	潛在優點	潛在缺點
<p><b>僅監管會計師事務所：</b>獨立審計監管機構國際論壇原則並無規定必須採納的方法。儘管實際上所有制度均設有某種形式的個人監管，惟個人監管並非一項規定。</p>	<p>獨立審計監管機構國際論壇</p>	<p>簡單。</p>	<p>無法直接處分個別人士及／或阻止導致會計師事務所被處分的人士轉職至另一間會計師事務所。</p>
<p><b>監管專著於會計師事務所，並對個別人士進行有限度監管：</b>於歐洲委員會註冊為「第三方國家被數師」須提供有關該會計師事務所內部份或全部合夥人的資料。</p>	<p>歐洲委員會等效資格</p>	<p>此方法向監管機構提供負責審計人士的個人資料、賦予監管機構處分該等人士及／或阻止受處分的人士轉職至另一間會計師事務所，但監管機構無須直接監察所有個別會計師是否履行專業責任。會計師事務所仍須負責安排具備適當資格的人士進行審計；而專業團體仍須負責評估個別人士的資格。</p>	<p>須建立機制以追蹤並更新會計師事務所中個別人士的個人資料，而該機制可能須於合夥人（及其他員工）加入及離開會計師事務所時持續更新，而非每年才進行更新。</p>
<p><b>監管公司及個別人士：</b>加拿大規定會計師事務所及個別人士均須向監管機構註冊。大部份境內監管制度要求提供有關會計師事務所內部份或全部個人的詳情（例如，英國：可簽署核數師報告的「負責人」；美國：所有合夥人及經理（而非初級員工））。澳洲的註冊制度則針對個人而設。</p>	<p>歐盟、英國、加拿大、澳洲、新加坡、美國</p>	<p>有能力實施細緻的監管。可直接處分個人。</p>	<p>成本及複雜性。</p>

# 3.1 審計監管的可行方法 (續)

## 3.1 專注範圍：財務匯報局的監管範圍

可行方法	適用範圍	潛在優點	潛在缺點
<p><b>僅公眾利益上市公司：</b>香港財務匯報局列明的職能為涉及符合若干公眾利益條件的香港上市公司。</p> <p><b>註：</b>歐洲委員會等資格僅要求對獲准於歐洲經濟區監管市場買賣證券的公司的核數師進行監管一境內上市公司或其他公司的核數師是不受到監管非屬其關注範圍內。</p>	<p>歐洲委員會等 效資格</p>	<p>此方法主要針對香港交易所上市的主要公司，令監管機構可集中監管對主要投資者及整體市場至關重要的上市公司，對上市證券市場進行相應監管並適當地維持市場的信心。</p>	<p>並無涵蓋公眾可能對相關核數師及金融市場的信心有關注的上市債務實體或大型私人公司。例如，非常大型私人公司、重大公營機構、慈善機構及退休基金均可能不在此範圍內，而眾多投資者則認為上述機構對彼等對於市場及審計專業的信心而言屬重要。</p>
<p><b>所有上市公司、所有公眾利益公司：</b>於歐洲經濟區內適用的獨立審計監管機構國際論壇及歐洲委員會規定須涵蓋上市公司以及更廣泛類型的公眾利益實體。獨立審計監管機構國際論壇及歐洲委員會包括多個主要金融機構。英國將財務匯報局規管進一步應用於大型私人公司、慈善機構及退休基金。美國正將該等規則用於非上市經紀交易商。</p>	<p>獨立審計監管 機構國際論壇、 歐盟、英國、 美國、新加坡、 澳洲、加拿大</p>	<p>此方法賦予監管機構可對更大範圍的公司及會計師事務所行使更廣泛職能。眾多中型會計師事務所沒有對大型上市公司進行審計，但仍然因獨立監管而受惠，此有助於中型會計師事務所進入較大大型公司的市場。此外，由於更廣闊的基礎較具代表性，故市場參與者的信心因受監管的實體及會計師事務所範圍擴大而增強。</p>	<p>所需資源的規模。例如，審核由小型會計師事務所對僅有少數投資者的小型投資實體的審計工作。當監管制度涵蓋範圍擴大至較大型上市實體及公眾利益實體（不論上市與否）以外的實體，則回報遞減規律將適用。</p>
<p><b>僅「公眾利益」公司：</b>可能混合方法為參考公眾利益的定義而設定監管範圍，其涵蓋較大型上市公司（例如，英國的FTSE 350指數）及符合公眾利益條件的若干實體。</p>		<p>此方法擬於僅專注於主要上市公司及擴大至影響市場投資者對監管機構及核數師的信心其他實體兩者之間取得平衡。此方法認同並非每間其證券上市的實體均影響投資者利益，而且公司的融資性質並非決定其是否涉及公眾利益的唯一考慮。</p>	<p>就此方法而言，須對「公眾利益」作出準確界定。冗長而技術性的釋義可能引致不必要的複雜性，且會造成額外行政負擔。</p>

# 3.1 審計監管的可行方法—聚焦公眾利益實體的釋義

歐盟 (規定)	英國	美國	加拿大	澳洲	新加坡
<p>是否有公眾利益實體的釋義？</p>	<p>所有法定審計（無論上市或非上市公司）均須接受獨立監管（法定審計指令第32(2)條）。</p> <p>歐盟法定審計指令對公眾利益實體的釋義：上市公司、銀行及保險公司及成員國界定為公眾利益實體的其他實體（歐盟法定審計指令第2(13)條）。</p> <p>現時歐洲委員會的審計改革建議提出對公眾利益實體制定更廣闊的釋義。</p>	<p>有。然而，所有審計（無論是否公眾利益實體）均須接受獨立監管。</p> <p>除上市公司外，財務匯報局2013/2014年獨立檢查範圍包括：營業額&gt;五億英鎊、十億英鎊的銀行、保險公司、私營企業；資產&gt;十億英鎊的英國投資基金以及分紅人壽保險公司；資產&gt;十億英鎊及/或有兩萬名成員的私營退休金計劃及收入&gt;一億英鎊的慈善機構。</p> <p>來源：根據2006年公司法授權財務匯報局的專業監管委員會頒佈的2008年法定核數師（透明度）指引。</p>	<p>沒有。然而，核數師監管立法（薩班斯-奧克斯利法案，多德-弗蘭克法案）規定美國上市公司會計監督委員會監督發行人以及經紀一交易商的審計。</p> <p>有。公眾利益實體界定為：(i) 上市實體；及(ii) (a) 法規或法例界定為公眾利益實體；或(b) 按法規或法例規定須遵守適用於審計上市實體的相同獨立性規定而進行審計的實體。</p> <p>來源：國際會計師職業道德準則理事會專業會計師職業道德守則第290.25條。於加拿大特許會計師公會有關獨立性的討論稿內再度確認。</p>	<p>有。公眾利益實體界定為上市實體或任何(a) 法規或法例界定為公眾利益實體；或(b) 按法規或法例規定須遵守適用於審計上市實體的相同獨立性規定而進行審計的實體。有關法規可由任何相關監管機構（包括審計監管機構）頒佈。</p> <p>來源：專業會計師職業道德守則（於2010年12月頒佈）澳洲專業與職業道德準則第110條對公眾利益實體釋義的修訂。</p> <ul style="list-style-type: none"> <li>第290.26條：會計師事務所須釐定是否須因擁有大量及廣泛的利益相關者，而將其其他實體或若干類別的實體視為公眾利益實體。相關因素包括a) 業務性質（例如金融機構，如銀行及保險公司以及退休基金，其以信託身份持有大量利益相關者的資產）；b) 規模；c) 僱員數量。</li> </ul>	<p>有。會計與企業管理局已澄清公眾利益實體包括：a) 於新加坡證券交易所上市的公司或正在於新加坡證券交易所發行債券或股本工具的公司；b) 受金融行業規管的實體（例如銀行、保險公司、基金、基金管理人以及證券經紀人/交易商）；c) 向公眾集資的其他實體（例如慈善機構、公眾性質機構以及宗教組織）。</p> <p>來源：「公眾利益實體的澄清」（見會計與企業管制局註冊證明更新的網上指引）。</p>

# 3. 審計監管的可行方法

## 審計監管的可行方法的分析

本節包括若干有關審計監管系統的關鍵決策。於各情況下所列的各選擇均至少符合獨立審計監管機構國際論壇原則及/ 或確認香港為符合歐洲委員會等效資格的標準。此外，在其他司法權區施行的額外規定亦可作為參考，而我們亦列出各方法的優點及缺點。

「適用範圍」一欄所用的簡稱如下：

- AU — 澳洲
- CA — 加拿大
- 歐洲委員會等效資格 — 根據歐盟法例，一個司法權區可視為符合歐洲委員會「等效資格」的「第三方國家核數師」的規定 — 即適用於在歐洲經濟區境外註冊成立而其證券獲准於歐洲經濟區監管市場進行買賣的公司的審計
- EU — 歐盟 — 於歐洲經濟區內的核數師的規定
- SG — 新加坡
- UK — 英國
- US — 美國

歐洲委員會等效資格與歐盟規定的比較：

- 在歐洲經濟區的監管機構註冊為「第三方國家的核數師」的要求是源於審計一間非歐洲經濟區註冊成立而其證券獲准於歐洲經濟區的監管市場進行買賣的實體。「等效資格」則指有關歐洲經濟區監管機構可依賴第三方國家的監管機構，而非直接監管該核數師。
- 歐洲委員會等效資格規定乃為歐盟法定審計指令針對以歐洲經濟區為基地的核數師的部份規定。第三方國家的核數師無須遵守歐盟的額外規定。

### 3.1 專注範圍：監管範圍

**概覽：**我們知悉香港擬訂的審計監管範圍將擴大至「公眾利益上市公司」（見下頁的定義）。審計監管範圍的決定將影響成本及資源運用以及修訂審計監管所需的時間。於編製此比較研究，我們已識別不同方法，並將各方法的潛在優點和缺點載於第42頁。

### 3. 審計監管的可行方法

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
3	公眾監管原則			
3.10			<p>在2007年及2011年，香港會計師公會分別與中國審計準則委員會和中國註冊會計師協會就內地與香港審計準則的持續趨同以及彼此的專業會計師道德守則的趨同，簽署兩份聯合聲明。</p> <p>香港會計師公會亦與內地及海外監管機構討論有關準則制定、監管改革或跨境監管相關事宜。</p> <p>財務匯報局與中國財政部於2009年簽署諒解備忘錄，制定調查的合作框架。財務匯報局可透過中國財政部調查與香港上市公司的內地核數師有關的潛在審計不當行為。財務匯報局預期會增加與內地部門交流觀點及專業知識。財務匯報局已為促進與中國財政部的個案跨境合作建立一套制度，並正就實施有關計劃訂訂詳細工作程序及指引。</p>	

# 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
3	公眾監管原則		
3.10	歐盟法定審計指令並無直接等效規定		符合* (見第14頁)
	<b>獨立審計監管機構國際論壇原則第7條：</b> 審計監管機構應就與其他審計監管機構及(如相關)其他第三方的合作作出適當安排。考慮到環球金融市場的性質，在有必要及相關的情況下與其他審計監管機構及其他第三方(包括金融市場監管機構)合作及共享信息，可有助提高審計質量。審計監管機構之間應於合理範圍內及時互相提供協助。審計監管機構與其他監管機構之間(或倘若其涉及多於一家機構，則於審計監管制度分部之間)，應就共享信息及該等資料的保密制定安排。	<p><b>與本地監管機構合作</b></p> <p>財務匯報局與香港會計師公會已簽署諒解備忘錄，以便處理香港會計師公會向財務匯報局轉介屬於財務匯報局職權範圍的事宜，以及財務匯報局向會計師公會轉介調查個案的結果，以考慮進行紀律行動。</p> <p>此外，財務匯報局已與包括港交所、證監會、香港金融管理局及保險業監管在內的其他監管機構簽署多份諒解備忘錄，與簽署各方訂立工作安排及協定。</p> <p>在香港，香港會計師公會、財務匯報局及港交所均有進行類似的上市公司財務報表審閱計劃。監管機構之間會定期溝通，分享各自於審閱上市公司財務報表的觀察所得。</p> <p>此外，財務匯報局條例第12條授權財務匯報局可於若干情況下為指定機構提供協助及合作。就指定機構處理與上市實體相關的不當行為或不遵從事宜的案件或投訴而言，如財務匯報局認為符合若干條件，可以向該指定機構轉介個案或為其調查或查詢提供協助。</p> <p><b>與海外監管機構的跨境合作</b></p> <p>我們了解香港會計師公會願意與其他國家的審計監管機構交流及合作，包括與其他審計監管機構交換不受有關法規禁止的資料。</p> <p>專業會計師條例列明與審計檢查及紀律個案相關的資料的保密及機密條文。個人資料受香港個人資料私隱條例保障，而於發佈資料前須取得同意。若干審計實體可能須遵守國家保密法或內地相關法規。</p> <p>香港會計師公會與中華人民共和國財政部(中國財政部)於2009年簽署諒解備忘錄，務求促進雙方的合作，讓雙方得以履行各自的監管責任。</p>	<p>與內地及海外監管機構已簽署多份合作諒解備忘錄。</p> <p>然而，財務匯報局因無檢查及跟進權力，未能與獨立審計監管機構國際論壇會員訂立諒解備忘錄，而香港會計師公會因非獨立於會計專業，亦未能與獨立審計監管機構國際論壇會員簽署諒解備忘錄。</p>

## 2. 香港—獨立審計監管機構國際論壇 —歐洲委員會差距分析 (續)

歐洲委員會等資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
<p><b>3</b></p> <p><b>公眾監管原則</b></p>	<p><b>獨立審計監管機構國際論壇原則第6條：</b>審計監管機構應保持客觀、無利益衝突及維持適當保密安排。審計監管機構應維持最高標準的道德操守，讓公眾對其作出客觀決定保持信心。審計監管機構應嚴禁管治團隊及員工出現利益衝突，並制定適當安排避免洩露保密信息。</p>	<p>香港現行審計監管制度的特點</p>	<p>不符合—獨立審計監管機構國際論壇在香港會計師公會理事會的管治架構及執業審核委員會的組成方面存在差距。見上文第3.4項。</p>
<p><b>3.9</b></p> <p><b>歐盟法定審計指令並無直接等效規定</b></p>	<p><b>獨立審計監管機構國際論壇原則第6條：</b>審計監管機構應保持客觀、無利益衝突及維持適當保密安排。審計監管機構應維持最高標準的道德操守，讓公眾對其作出客觀決定保持信心。審計監管機構應嚴禁管治團隊及員工出現利益衝突，並制定適當安排避免洩露保密信息。</p>	<p>香港會計師公會理事會為管治團隊，由義務及無薪酬的非執行成員組成。理事會負責就整體策略、政策與方針作出決策，並監管香港會計師公會的日常運作及管治；也定專業會計師條例所規定事宜的決策機構。理事會成員包括香港會計師公會商業領袖作為業外成員。由業界及非業界組成的架構，有助於理事會的討論提供較平衡的觀點。理事會嚴禁理事會或委員會成員，就任何擁有實際利益或存在表面利益衝突的事宜，參與討論或決策。</p> <p>就專業水平審核部負責的執業審核計劃而言，執業審核結果須向執業審核委員會報告，而執業審核委員會須向理事會負責，以行使賦予香港會計師公會作為香港核數師監管機構的法定權力及職責。專業審核委員會對香港會計師公會就審計監管制度維持健全及公平運作，以及符合本地及國際利益相關者的期望方面，擔當重要角色。專業審核委員會主要為由執業成員組成，具非執業成員可確保專業審核委員會能夠就聘任執業審核的執業單位工作質量作出公正決定。專業審核委員會的執業成員來自各類型會計師事務所，由小型至四大會計師事務所不等，確保具備充足及相關的審核專業知識。</p> <p>專業審核委員會成員須就其在工作過程中獲得的信息作出保密承諾，並審慎監察以識別及有效處理任何潛在的利益衝突。</p>	<p>不符合—獨立審計監管機構國際論壇在香港會計師公會理事會的管治架構及執業審核委員會的組成方面存在差距。見上文第3.4項。</p>



## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
3 公眾監管原則			符合* (見第4項)
3.7 6. 公眾監管制度應具備透明度。這應包括刊發年度工作計劃及工作報告。	<p><b>獨立審計監管機構國際論壇原則第3條：</b>審計監管機構應具備透明度及問責性。</p> <p><b>獨立審計監管機構國際論壇原則第3條的解釋性資料：</b>審計監管機構應於行使權力及分配資源時應有公眾問責性，以維持審計監管機構的公正及信譽。此外，審計監管機構的決定及行動須受到適當監察及審核，包括向上級機構提出上訴。透明度應包括審計監管機構應刊發年度工作計劃及工作報告，其中包括整體或以個別以會計師事務所為基準披露檢查工作的結果。</p>	<p>執業審核的整體結果僅向個別執業會計師事務所提供；一般不會公開披露。然而，專業水平審核部刊發的年报會概述執業審核計劃的工作及結果，該年报上載於香港會計師公會網站。</p> <p>執業審核計劃發現的常見問題亦會透過不同渠道發佈。有關詳情請參閱上文第1.10項。</p> <p>執業審核委員會收到執業審核的最終結果後，會就有關執業單位是否遵守專業準則及需採取適當的跟進行動作出決定。執業審核委員會的工作及運作須受香港會計師公會理事會及專業標準專責委員會的監察。專業標準專責委員會監管香港會計師公會執行審核計劃的表現，並確保專業水平審核部的工作已按照理事會制定的策略及政策進行，並符合公眾利益。</p>	<p>香港會計師公會每年於網站披露執業審核的工作及結果，並透過其他公眾渠道披露常見問題。</p>
3.8 7. 公眾監管制度應擁有充足資金。公眾監管制度的資金應得到保障及不受法定核數師或會計師事務所的任何不當影響。	<p><b>獨立審計監管機構國際論壇原章：</b>資金不應受會計專業的不當影響。</p> <p><b>獨立審計監管機構國際論壇原則第2條解釋性資料：</b>審計監管機構應擁有穩定資金來源，而且得到保障及不受核數師及會計師事務所的影響，並足以執行其權力及責任。</p>	<p>香港會計師公會的資金來自會員及學員的會費、註冊費、考試及持續專業發展的收入。財務匯報局資金</p> <p>目前，財務匯報局的營運資金是由四家機構均等地共同提供，包括香港政府公司註冊處營運基金、證券及期貨監察委員會（證監會）、香港交易及結算所有限公司（港交所）及香港會計師公會，並已簽署解除備忘錄，據此同意按以下方式提供資金：</p> <ul style="list-style-type: none"> <li>－ 各方提供5,000,000港元（一次性提供合共20,000,000港元）成立儲備基金；</li> <li>－ 各方提供4,000,000港元（合共16,000,000港元）應付財務匯報局於2010年的經常性開支；</li> <li>－ 經常性開支的資金會於2011年至2014年按通脹調整。</li> </ul>	<p>不符合－歐洲委員會及獨立審計監管機構國際論壇</p> <p>香港會計師公會的資金主要來自會員及學員，由理事會釐定會費。理事會成員由會員選舉產生，約三分之一的理事會成員為執業會計師（有關香港會計師公會的管治架構，請參閱第3.4項）。因此，這似乎不符合獨立審計監管機構國際論壇及歐洲委員會規定，即資金來源須完全不受核數師及會計師事務所任何可能不當影響。</p>

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
3	公眾監管原則			
3.5	<p>4. 公眾監管制度應擁有以下監管功能的最終責任：</p> <p>(a) 法定核數師及會計師事務所的審批及註冊；</p> <p>(b) 專業道德、會計師事務所及審計項目的內部質量控制的準則的採用；及</p> <p>(c) 持續教育、質量鑒證、調查及紀律制度。</p>	獨立審計監管機構國際論壇原則並無直接等效的規定	<p>有關香港會計師公會的職能，請參閱上文第3.1項。</p> <p>有關財務匯報局的調查職能，請參閱上文第2.1項。</p>	<p>不符合－歐洲委員會的規定</p> <p>香港會計師公會的相關責任載於專業會計師條例，財務匯報局的調查權力則載於財務匯報局條例。然而，根據歐洲委員會／獨立審計監管機構國際論壇的規定，香港會計師公會不符合獨立監管機構的獨立性要求，故香港目前並無一個對該等監管功能有最終責任的獨立監管機構。</p> <p>歐洲委員會的規定列明部份監管功能可委派另一專業團體執行，包括對法定核數師及會計師事務所的註冊行政管理；對新專業準則或修訂專業準則提出建議，以及持續教育的安排。先決條件是必須設立具備有以下最終權力的獨立監管機構：強制執行專業團體透過分撤銷個人及／或會計師事務所註冊的決定；發批專業團體建議的任何專業準則；規定專業團體向其匯報工作情況；於其認為專業團體有不當行為時作出指示。</p>
3.6	<p>5. 公眾監管制度將有權（如必要時）對法定核數師及會計師事務所進行調查並採取適當行動。</p>	獨立審計監管機構國際論壇原則並無直接等效規定	<p>香港會計師公會根據專業會計師條例獲授權，當理事會懷疑或相信會員或執業會員未有遵守香港會計師公會頒佈的專業準則或有其他不當行為時展開調查。專業會計師條例第42B至42E條列明調查委員會的委任及權力。</p> <p>此外，香港特別行政區政府於2007年成立財務匯報局，負責調查與香港上市實體相關的可能沒有遵從財務報告準則的事宜及審計不當行為。財務匯報局的調查及查訊權力載於財務匯報局條例。</p>	<p>符合* (見第 14頁)</p> <p>調查由香港會計師公會及財務匯報局負責。</p>

有關詳情請參閱上文第2.1條。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

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3	公眾監管原則		
3.4	<b>獨立審計監管機構國際論壇原則第5條的解釋性資料：</b> 審計監管機構應有可確保檢查人員工獨立於業界的安排。該等安排最低限度須確保保員工並非專業核數師，亦非受聘於或與會計師事務所有關連，以及確保有關安排不受任何專業團體的任何形式控制。	<b>執業審核委員會</b> 就香港會計師公會的專業水平審核計劃而言，專業水平審核部就其對執業單位進行的執業審核結果向執業審核委員會報告，而執業審核委員會負責行使專業會計師條例第32A條至第32I條所賦予香港會計師公會作為香港核數師監管機構的權力及職能。法律規定最少三分之二的委員會成員必須持有執業證書。委員會的執業成員來自各會計師事務所；由小型至四大會計師事務所不等。委員會亦包括非執業成員，以有助於委員會對執業單位的工作質量審核作出結論前，提供不同角度的觀點。香港會計師公會的提名委員會每年檢討委員會的成員組合，確保其取得平衡。	這項差距尤其相關，鑒於：(a)歐洲委員會規定公眾監管制度須主要由非執業會計師管治；及(b)獨立審計監管機構國際論壇要求，審計監管機構於執行職能及行使權力時應獨立運作，不受外界政治干擾，以及不存在商業或其他經濟利益，包括其管治不受執業核數師所控制。 <b>執業審核委員會的組成：</b> 委員會主要來自各會計師事務所的執業會員組成。香港會計師公會的專業水平審核計劃由其專業水平審核部負責進行；然後向委員會作出報告，這與質量鑒證計劃須具(被視為)客觀性及獨立性的要求存在差距。
			<b>香港會計師公會的資金來源：</b> 香港會計師公會的資金來自會員及學員，由理事會釐定會費。理事會成員由會員選舉產生；約三分之一的理事會成員為執業會計師(有關香港會計師公會的管治架構，請參閱第3.4項)。因此，這似乎不符合獨立審計監管機構國際論壇及歐洲委員會規定資金來源須完全不受核數師及會計師事務所任何可能不當影響。

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歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
3	公眾監管的原則		不符合歐洲委員會及獨立審計監管機構國際論壇的規定
3.4	3. 公眾監管制度應由熟悉法定審計相關領域的非執業會計師進行監管。然而，成員國可准許少數執業會計師參與公眾監管制度。參與公眾監管制度的人士須根據獨立及具透明度的提名程序遴選。	香港會計師公會的管治架構 香港會計師公會理事會為管治團隊，負責就整體策略、政策及方針作出決策，並監管香港會計師公會的運作及管治，也是專業會計師條例指定事項的決策機構。專業會計師條例第17條至第18B條列明理事會的權力。 理事會現由22名義務並無酬金的非執行理事組成。成員由業界及非業界組成，包括下列人士： <ul style="list-style-type: none"><li>14名由香港會計師公會會員直接推選的會計師，其中包括上屆會長，以確保理事會的延續性。</li><li>兩名由理事會增選的會計師，以完善理事會的專業技能。</li><li>兩名由香港特別行政區政府委任的當然成員。</li><li>四名由香港特別行政區政府委任的業外成員，他們均為傑出商業領袖，可提供獨立觀點及意見。</li></ul> 理事會嚴文禁止理事會或委員會成員就任何擁有實際利益或存在表面利益衝突的事宜參與討論或決策。 資金來源 香港會計師公會的資金來自會員及學員的會員費、註冊費以及考試與持續專業發展的收入。 有關財務匯報局的資金來源，請參閱下文第3.8項。 檢查人員 專業水平審核部負責進行執業審核，由一名部門總監和專業及行政審核人員所組成。專業水平審核部的審核人員受聘於香港會計師公會，並僅於專業水平審核部工作。他們均為合資格會計師，須定期接受技術培訓及最新資訊。審核人員有冷靜期，期內不會負責審核於加入香港會計師公會前受聘的會計師事務所，以確保工作獨立性。	香港會計師公會的管治架構：歐洲委員會指令2006/43/EC對「非執業會計師」的定義：「任何於參與公眾監管制度的管治前至少三年內，並無進行法定審計、並無持有會計師事務所的投票權、並非會計師事務所的行政或管理機構的成員，且並無受聘於會計師事務所或並無與會計師事務所有關連的自然人士。」 香港會計師公會理事會現時約三分之一的成員為會計師（22名成員中，8名為會計師事務所的執業會計師），與審計監管制度對管治的要求存在差距。雖然，其他理事會成員可能不時屬於「非執業會計師」；令理事會的大多數成員符合非執業會計師的要求，但無法保證理事會成員組合屬於此情況。任何變動（例如現有「非執業會計師」成員由最近退休的會計師事務所合夥人取代）將影響此比例。 獨立審計監管機構國際論壇憲章規定，會員必須是獨立於業界（包括會計師事務所、專業團體及與業界相關機構或團體）的監管機構，即監管機構的大多數成員須為非執業會計師（前任核數師須經過適當的冷靜期），資金須不受業界的不當影響。香港會計師公會的資金模式似乎並非不受業界的不當影響；同時，香港會計師公會作為專業團體，不符合獨立審計監管機構國際論壇憲章要求會員必須獨立於業界的規定。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析（續）

	歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
3.3	公眾監管的原則			<p>歐盟規定所有法定會計師不論其有否為上中實體進行審計工作都必須接受公眾監管。歐盟法定審計指令並無強制規定實際檢查人員不得來自專業團體或實質上由會計師事務所調任，只要求彼等須由獨立監管機構監管。</p> <p>28個已向歐洲委員會說明其檢查制度的歐洲經濟區國家，其中：</p> <ul style="list-style-type: none"><li>九個－由獨立機構進行檢查</li><li>十一個－一部分由獨立監管機構檢查，一部分由專業團體在獨立監管機構的監察下進行檢查</li><li>八個－由專業團體在獨立監管機構的監察下進行檢查。</li></ul>

# 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？	
3	公眾監管的原則			
3.2	<p>1. 成員國須根據第2段至第7段所載的原則，為法定核數師及會計師事務所建立有效的公眾監管制度。</p>	<p>獨立審計監管機構國際論壇<b>第1條的解釋性資料</b>：審計監管的法律架構應訂明審計監管機構的使命及責任，並賦予監管機構足夠的權力及權限，讓監管機構履行審計監管職責，包括透過檢查及執行權力，對批准／註冊核數師／會計師事務所，以及遵從適用審計、專業及獨立標準的合規事宜。</p>	<p>專業會計師條例賦予香港會計師公會法定權力，履行其審計監管權力及職責。尤其是：</p> <ul style="list-style-type: none"> <li>• 專業會計師條例第7條及第8條列明香港會計師公會的宗旨及權力。</li> <li>• 專業會計師條例第22條至第28F條列明香港會計師公會為核數師／會計師事務所註冊的權力，而第29條至第30條列明為符合專業會計師條例的專業資格要求的專業會計師發出執業證書的規定。</li> <li>• 專業會計師條例第32A條至第32I條列明香港會計師公會作為香港核數師的監管機構所賦予的法定權利和職責，據此對執業單位進行執業審核，確保核數師／審計單位遵守適用的審計、專業及獨立準則。</li> <li>• 專業會計師條例第33條至第38條及專業會計師細則的細則第34條及第35條列明香港會計師公會的權力，以處理對會員、執業會員或註冊學員行為失當的投訴，以及執行紀律委員會裁定為適當的紀律制裁。紀律處分程序受專業會計師條例第V部及紀律委員會程序規則規管。</li> </ul>	<p>香港會計師公會的資金模式與管治架構均不符合歐洲委員會及獨立審計監管機構國際論壇的規定。</p> <p>見下文第<b>3.4</b>項及第<b>3.8</b>項。</p>
3.3	<p>2. 所有法定核數師及會計師事務所均須受公眾監管。</p>	<p>獨立審計監管機構國際論壇<b>第1條的解釋性資料</b>：審計監管機構應肩負維護公眾利益的使命，透過改善審計質量以保障投資者。審計監管機構至少應擁有對公眾利益實體的審計進行獨立監管的責任和權力。</p>	<p>香港會計師公會根據專業會計師條例註冊成立，致力維護公眾利益。專業會計師條例第7條及第8條載列香港會計師公會的宗旨及權力。</p> <p>以下在專業會計師條例所界定的所有執業單位須接受香港會計師公會的執業審核，除非該等執業單位並無進行審計或鑒證工作：</p> <ul style="list-style-type: none"> <li>i) 依據專業會計師條例從事會計執業的執業會計師事務所；或</li> <li>ii) 依據專業會計師條例獨自從事會計執業的執業會計師；或</li> <li>iii) 專業會計師條例所指的執業法團。</li> </ul> <p>由於四大會計師行的客戶以上市及其他公眾利益實體為主，涉及較高的公眾利益，因此需要每年接受執業審核。除上市公司外，為其他公眾利益實體（如銀行、保險公司、證券公司、證券經紀、保險經紀、接受政府津貼的實體、律師及學校）進行審計的執業單位亦會優先接受審核。有關詳情請參閱第1.7項。</p>	<p>不符合歐洲委員會及獨立審計監管機構國際論壇的規定</p> <p>專業會計師條例界定的所有執業單位須接受香港會計師公會的執業審核。然而，由於香港會計師公會現時的管治架構及資金模式不符合歐洲委員會／獨立審計監管機構國際論壇的規定（見第<b>3.4</b>項、第<b>3.8</b>項及第<b>3.9</b>項），法定核數師及會計師事務所不受獨立公眾監管；不符合歐洲委員會及獨立審計監管機構國際論壇的規定。</p>

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
2 調查及處罰制度			
2.4		<p>如有需要，專業操守委員會可要求任何人士提交投訴的資料及作出解釋，並於認為適當的情況下，對已駁回或輕微投訴作出其他行動指示。</p> <p>4. 如專業操守委員會駁回或裁決投訴，則香港會計師公會將知會有關投訴的各单位，亦會向其通知就專業操守委員會的決定提出上訴的程序。</p> <p>5. 處理投訴的時間會因個案而異，並受如所涉及事項的複雜性及於查訊過程中有關各方的回應程度等因素影響。</p> <p>倘若香港會計師公會理事會認為投訴的嚴重性足以向紀律小組轉介該事項，則會成立紀律委員會以處理有關投訴。詳情請參閱上述第1.11項。</p>	
3 公眾監管原則 (歐盟法定審計指令第32條)			
3.1 歐盟法定審計指令第32條	<p><b>獨立審計監管機構國際論壇原則第1條：</b>於法例明確及客觀地列明審計監管機構的責任及權力應顧及公眾利益。</p>	<p>香港會計師公會是根據專業會計師條例註冊成立，為香港負責專業培訓、發展及監管會計專業的唯一法定會計師發彈團體。</p> <p>香港會計師公會對核數師的公眾監管職責如下：</p> <ol style="list-style-type: none"> <li>i. 為會計師註冊及向符合專業會計師條例下的專業資格規定的專業會計師發出執業證書；</li> <li>ii. 制定職業道德守則以及會計與審計準則；</li> <li>iii. 透過專業資格計劃及相關課程規管入行人士的質素；</li> <li>iv. 為會員提供持續教育及其他服務；</li> <li>v. 進行審計質量審核（或執業審核）；</li> <li>vi. 監管會計師事務所內審計質量審核中發現的缺失而採取的補救措施；</li> <li>vii. 對會員的投訴或不當行為進行調查及採取補救行動／紀律處分；及</li> <li>viii. 於香港及海外促進會計專業的發展。</li> </ol> <p>專業會計師條例第7條及第8條載列香港會計師公會的宗旨及權力。</p>	<p>符合 * (見第14頁)</p> <p>專業會計師條例明確載列香港會計師公會的責任及權力。</p>

# 2. 香港－獨立審計監管機構國際論壇

## －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定 <sup>2</sup>
<p>2.4 歐盟法定審計指令並無直接等效規定</p>	<p><b>獨立審計監管機構國際論壇原則第4條解釋性資料：</b>審計監管機構應設立充足及適當機制，令第三方可透過投訴程序或舉報安排向其提供資料，並作出處理。該等機制應適時有效地實行，根據結果就不足或不合規審計個案按恰當的制度進行調查及處罰。</p>	<p>香港會計師公會負責監管其會員操守。據此處理針對會員、執業會員或註冊學員有關道德及專業操守的投訴。有關投訴可能由外界人士（如財務匯報局、市場失當行為審裁處、保險業監理處、破產管理署署長及證監會）向香港會計師公會提出。該等投訴亦可能來自會員、會員的客戶、公眾人士或由香港會計師公會提出。</p> <p>香港會計師公會並無權力處理對非香港會計師公會會員或註冊學員的個人、公司或法人團體的投訴。投訴必須以書面形式提出，且須提交足夠證據證明其會員、執業會員或註冊學員並無遵守香港會計師公會的專業準則或觸犯其他不當行為。</p> <p>針對香港會計師公會會員、執業會員或註冊學員的投訴由香港會計師公會的專業操守委員會處理，並由香港會計師公會的監管部提供支援。專業操守委員會由會計師及業外人士組成。</p> <p>與上市實體有關並可能在審計及匯報方面的不當行為或不遵從財務匯報規定事宜的投訴調查是由財務匯報局負責，因此，有關調查不屬香港會計師公會的權力範圍以內。有關財務匯報局的調查權力的詳情請參閱上述第2.1項。</p> <p>香港會計師公會就投訴作出調查的程序如下：</p> <ol style="list-style-type: none"> <li>1. 香港會計師公會初步評估支持證據是否充足，以釐定其會員、執業會員或註冊學員是否未有遵守香港會計師公會的專業準則或有其他不當行為。</li> <li>2. 於香港會計師公會的查詢作出結論時，監管部門將向專業操守委員會提交有關其調查結果及結論的報告，以供其考慮是否採取以下行動： <ol style="list-style-type: none"> <li>a. 倘投訴事項屬於香港會計師公會的權限以外或涉嫌過失的表面證據不足，則撤回投訴；</li> <li>b. 對輕微投訴發出正式不獲接納信件的裁決；或</li> <li>c. 向香港會計師公會理事會轉介較為嚴重的投訴，以供其考慮是否向紀律小組轉介該事項。</li> </ol> </li> </ol>	<p>不符合歐洲委員會及獨立審計監管機構國際論壇的規定</p> <p>已設立投訴機制以及調查及處罰制度。</p> <p>然而，由於並無設立對專業操守委員會進行特定監管及能夠對核數師實施紀律處分的獨立公眾監管機構，故針對專業操守委員會的職能存在差距（見第1.1項）。</p>



## 2. 香港—獨立審計監管機構國際論壇 —歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
<b>2 調查及處罰制度</b>			
<p>2.2 在無損成員國的民事責任制度的情況下，倘若法定審計並非按執行此指引所採納的規定進行，則成員國須對法定核數師及會計師事務所作出有效、適當及具阻嚇性的處罰。</p>	<p>獨立審計監管機構國際論壇原則並無直接等效規定</p>	<p>如須根據執業審核作出更正行動，則執業審核委員會有多項選擇，確保需要實施的更正行動就所涉及事項以及執業單位的規模及性質而言屬相關、合適及適當。</p> <p>紀律委員會是根據專業會計師條例第35條發出處分命令。詳情請參閱上述第1.11項。</p>	<p>符合 * (見第14頁)</p> <p>對執業單位 (及執業會計師) 採取的任何紀律處分或處罰進行了事實查核、評估及聆訊 (如需要)；惟香港現行的紀律機制並不符合歐洲委員會的規定。詳情請參閱第1.11項。</p> <p>處罰形式是根據違規或缺失的嚴重性作出評估。</p>
<p>2.3 3. 成員國必須向公眾人士適當披露對法定核數師及會計師事務所採取的措施及處罰。處罰須包括撤回批准的可能性。</p>	<p>獨立審計監管機構國際論壇原則並無直接等效規定</p>	<p>對會計師事務所及個別執業會計師採取的紀律處分刊登於香港會計師公會期刊和香港會計師公會網站。紀律聆訊亦對公眾人士開放。</p> <p>紀律處分範圍載於專業會計師條例第35條。詳情請參閱上述第1.11項。</p>	<p>符合 * (見第14頁)</p> <p>對執業單位及執業會計師採取的紀律處分會向公眾披露。</p>

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐盟委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
2	調查及處罰制度		<p>香港現行審計監管制度的特點</p>	
2.1		<ul style="list-style-type: none"> <li>調查小組B由理事會所委任的不少於12名會計師組成，當中不少於六人為執業證書持有人。</li> </ul> <p>香港會計師公會理事會在有合理懷疑或相信會員或執業會員並無遵守香港會計師公會的專業準則或已觸犯其他不當行為時，會考慮成立調查委員會，而調查委員會有責任協助理事會考慮是否轉介有關事宜予紀律小組。</p> <p>調查委員會調查香港會計師公會會員或執業會員的行為，及向理事會匯報其根據專業會計師條例第34(1)條認為會員或執業會員有沒有遵守公會的專業標準或觸犯其他不當行為的投訴，以決定會員或執業會員有否需要應訊。<sup>(9)</sup></p> <p>調查過程如下：</p> <ol style="list-style-type: none"> <li>調查委員會由五名獨立人士組成：三名來自調查小組A的成員（包括主席），調查小組A由政府所委任的不少於18名業外人士組成；及兩名來自調查小組B的成員（其中至少一名須持有執業證書），調查小組B包括理事會所委任的不少於12名公會成員。</li> <li>調查委員會進行調查並向理事會作出報告。</li> <li>理事會考慮調查委員會的報告及決定是否轉介該事宜予紀律小組或採取其他適當的行動。</li> </ol> <p>就香港會計師公會可對會員或執業會員作出紀律處分的權力及類別而言，請參閱上文第1.11項。</p>		

<sup>(9)</sup> 財務匯報局於2007年7月開始運作後，涉及上市實體的調查由財務匯報局負責。據此，香港會計師公會僅負責調查非上市實體及於2007年7月前已展開涉及上市實體的調查。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐盟委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
2	調查及處罰制度			
2.1			<p>根據財務匯報局條例第25至28條的規定，審計調查委員會可發出一項「要求」強制要求審計調查委員會認為擁有相關資料的任何人士配合其調查。一般而言，倘若一家上市公司體的審計正接受調查，則核數師會被要求提交有關審計工作底稿。</p> <p>於完成查訊或調查後，財務匯報局成員編製並採納一份報告。財務匯報局可決定發表整份或其中一部份報告。倘若個案已轉介其他監管機構（如香港會計師公會）作紀律處分，則將不會發表報告。然而，當其他監管機構完成紀律程序後，倘若財務匯報局認為該報告符合投資大眾或公眾利益，則財務匯報局仍可決定公開查訊或調查報告。</p> <p>財務匯報局識別的不當行為將會轉介予香港會計師公會，按照其紀律程序採取跟進行動。任何不遵從上市規則有關的事宜將轉介予證監會或聯交所跟進。財務匯報局可要求上市實體糾正已識別的不遵從事宜或修改其財務報表以改正該不遵從事宜，然而，財務匯報局無權向其作出紀律處分或檢控。</p> <p>財務匯報局的調查及查訊權力僅限於上市公司的範圍，原因是這些公司涉及廣泛公眾利益。在此範圍以外的核數師及會計師的可能不當行為，繼續由香港會計師公會根據專業會計師條例進行調查。</p> <p>財務匯報局無權作出紀律處分或檢控，有關權力歸屬於合適的相關監管機構。如就專業會計師而言為香港會計師公會，而就上市實體及其董事而言為聯交所／證監會。</p> <p><u>香港會計師公會對會員或執業會員行為失當的調查</u></p> <p><u>香港會計師公會的調查程序由專業會計師條例的第VA部份規管。</u></p> <p>專業會計師條例第42B條規定須設立兩個調查小組：</p> <ul style="list-style-type: none"><li>調查小組A由香港特別行政區政府行政長官委任的不少於18名業外人士組成，當中一名人士須獲行政長官委任為調查委員會召集人，而另一名人士為其候補人選；</li></ul>	

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐盟委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
<p><b>1 質量認證制度</b></p> <p><b>2 委員會</b>可根據第48(2)條的程序，採納實際措施，提升公眾對審計職能的信心，確保統一應用第1段的第(a)、(b)及(e)至(i)項的規定。該等措施旨在為修訂此指引的非重要元素而作出補充，應根據第48(2a)條所述的規管程序予以採納及嚴格監察。迄今並無採納任何該等措施。</p>	<p><b>獨立審計監管機構國際論壇原則並無直接等效規定</b></p>		
<p><b>2 調查及處罰制度</b> 歐盟法定審計指令第30條</p>	<p><b>獨立審計監管機構國際論壇原則第4條解釋性資料：</b>審計監管機構應有全面的執法權力，包括確保其檢查結果或建議獲適當處理；該等執法權力應包括一系列處分的能力，如罰款及撤銷審計執照及／或註冊資格。</p>	<p><b>財務匯報局的調查</b> 於2007年，香港特別行政區政府設立財務匯報局，是根據財務匯報局條例成立的獨立法定機構。財務匯報局完全獨立於香港會計師公會，主要就香港上市實體可能在審計及匯報方面的不當行為展開獨立調查，以及就上市實體沒有遵從會計規定的事宜展開查詢。<sup>(2)</sup></p> <p>財務匯報局根據公眾投訴或其他監管機構（如證券及期貨事務監察委員會（證監會）或香港聯合交易所有限公司（聯交所））轉介的個案展開調查及查詢，或主動就投訴展開調查及查詢。倘財務匯報局認為「有情況顯示」或「有合理理由相信」(i)核數師就審計；或(ii)匯報會計師就編製會計師報告時存在或可能存在不當行為，則可就潛在「有關不當行為」展開調查。財務匯報局有兩個運作支部：審計調查委員會及財務匯報檢討委員會負責進行調查或查詢。</p>	<p>符合*(見第14頁)</p> <p>財務匯報局與香港會計師公會設立有效的執業核數師的調查制度。</p> <p>如執業審核發現十分嚴重的缺失，或補救行動不如理想或無效，或發現會員或執業會員行為失當，則香港會計師公會獲授權對執業單位執行一系列紀律處分。</p>
<p><b>2.1 1. 成員國應確保設立有效的調查及處罰制度，以檢測、糾正及防止未有充份執行的法定審計。</b></p>			

<sup>(2)</sup>於成立財務匯報局前，有關調查權屬於若干不同人士，他們經常因為無法獲得所需信息來源的協助而受到限制；香港會計師公會僅可對其本身的會員行使其調查權。其會員並不包括上市實體及其董事會的大部份（非會計師）成員。香港聯合交易所有限公司（聯交所）及證券及期貨事務監察委員會（證監會）僅可處理上市實體及董事，但並非其核數師。成立具有對所有相關人士的法定調查權力的財務匯報局被視為解決上述問題的重要里程碑。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1	質量認證制度			
1.11		<p>紀律委員會如決定針對會員、執業會員或註冊學員的投訴表面證據成立，則需考慮是否就投訴進行聆訊。倘若投訴已獲承認或紀律委員會認為該等事宜可以向意令處理，則無須進行聆訊。</p> <p>除非紀律委員會基於公正理由，認為需要私下進行聆訊或其任何部份，否則聆訊會公開進行。</p> <p>如紀律委員會信納根據專業會計師條例第34章向其轉介的投訴（包括沒有遵守或忽視執業審核委員會要求執業單位遵守的任何指令，且無合理辯解）屬實，則紀律委員會可根據專業會計師條例第35章所載的紀律委員會的紀律處分權酌情作出以下命令：</p> <ul style="list-style-type: none"> <li>將會計師的姓名從註冊紀錄冊中永久或於認為適當期間內刪除；</li> <li>譴責會計師；</li> <li>會計師須向香港會計師公會支付不超過500,000港元罰款；</li> <li>會計師須支付紀律費用及附帶開支；</li> <li>取消會計師獲發的執業證書；及</li> <li>永久或於紀律委員會認為適當的期間內不向有關會計師發出執業證書的命令。</li> </ul> <p>紀律委員會的命令刊載於(1) 香港會計師公會期刊「APLUS」；(2) 新聞稿；(3) 香港特別行政區憲報（僅限撤銷指令）及(4) 香港會計師公會網站。</p>	<p>處罰是否有效、適當及具阻嚇作用涉及判斷。與後數師人數及審計次數相比，執法次數較少，表示該等處罰有勸阻作用；而後數師可能會被撤銷註冊或禁止執業的事實，可有效釋除對審計體系質量的威脅。</p>	

# 2. 香港－獨立審計監管機構國際論壇

## －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1 質量鑒證制度	獨立審計監管機構國際論壇原則第4條的解釋性資料：審計監管機構應至少為監管制度負責，並對為公眾利益實體進行審計的會計師事務所作經常性檢查。審計監管機構應對檢查結果及建議有執法權安排，如罰款、暫停及撤銷核數師或會計師事務所的牌照或註冊資格。	香港會計師公會專業水平審核部透過審核收到的資料或進一步實地訪問評估補救行動的有效性。如發現不足之處相當嚴重或會計師事務所未採取補救行動或補救行動無效，執業審核委員會可以向香港會計師公會理事會作出投訴，以決定是否向紀律小組轉介，考慮對該執業單位採取紀律處分。 專業會計師條例第33章規定設立兩個紀律小組： • 紀律小組A由香港特別行政區政府行政長官委任的不少於18名業外人士組成，當中一名人士獲行政長官委任為紀律委員會召集人，而另一名人士為其後補人選。 • 紀律小組B由香港會計師公會理事會委任的不少於12名會計師組成，其中不少於六人為執業證書持有人。 當有投訴被轉介予紀律小組，紀律委員會召集人會從兩個紀律小組委任五名獨立人士成立紀律委員會，以處理該投訴，詳情如下： • 紀律委員會召集人從紀律小組A委任一名人士為該紀律委員會主席； • 紀律委員會召集人從紀律小組B委任兩名人士；及 • 兩名來自紀律小組B，其中一名為持有執業證書的人士。 紀律委員會召集人不應獲委任為紀律委員會成員。 紀律委員會是根據專業會計師條例第34章及專業會計師細則第34I項細則處理會員、執業會員或註冊學員涉嫌不當行為的正式投訴而成立。紀律委員會的程序受專業會計師條例第V部及紀律委員會程序規則規管。	歐洲委員會／獨立審計監管機構國際論壇規定，紀律機制須受獨立監管。歐洲委員會指令2006/43/EC第32(5)條規定，公開監管制度應有權於必要時對法定核數師及會計師事務所進行調查，並有權採取適當行動。獨立審計監管機構國際論壇原則第4條亦要求審計監管機構應有權調查及實施處分。
1.11	獨立審計監管機構國際論壇原則第11條的解釋性資料：此外，審計監管機構應設立程序，確保會計師事務所妥善處理審計監管機構向會計師事務所報告的檢查結果。		由於對香港會計師公會會員或執業會員的投訴是由執業審核委員會根據執業審核結果提出，或由專業操守委員會提出，故現有紀律機制跟獨立監管存有差距。專業操守委員會主要由執業會計師組成，有權撤銷被認為無法跟進的提訴，裁決投訴及發出正式不獲接納信件，或建議香港會計師公會理事會向紀律小組轉介較為嚴重的投訴（見第2.4I項）。目前並無獨立公開監管機構可對專業操守委員會進行特定監管並有權對核數師執行紀律處分。同時，紀律小組B的成員是由香港會計師公會理事會選任；各紀律小組中五分之二的人士將來自紀律小組B。此外，僅香港會計師公會理事會可向紀律小組轉介事宜。

為符合歐洲委員會／獨立審計監管機構國際論壇的規定，可由專業團體負責若干調查及執行工作，惟必須有獨立監管機構持有最終調查及處分職權（實際上，此意味著決定撤銷註冊的處分應屬獨立監管機構的最終職權範圍內）。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1	質量認證制度			
1.10	(i) 應每年刊發一次質量認證制度的整體結果；	<b>獨立審計監管機構國際論壇原則第3條的解釋性資料：</b> 透明度是指包括刊發年度工作計劃及工作報告，包括以整體或以會計師事務所為基準的檢查結果。	<p>執業審核的整體結果僅向個別執業會計師事務所提供，一般不會公開披露。然而，香港會計師公會專業水平審核部刊發的年報會概述執業審核計劃的工作及結果，該年報上載於香港會計師公會網站。</p> <p>執業審核計劃所發現的常見問題，亦會通過以下渠道發佈：</p> <ul style="list-style-type: none"> <li>專業水平審核部舉辦論壇，說明質量認證年報及討論於執業審核所識別的常見問題。</li> <li>香港會計師公會的財務及審計提醒報告載有針對擁有上市客戶的執業會計師事務所的審核結果。</li> <li>香港會計師公會的技術團隊向會員提供有關執業審核結果的持續培訓。</li> </ul> <p>此外，香港會計師公會於其每月簡訊、技術最新資訊、月刊及年報均披露其工作。</p>	符合* (見第4頁) 香港會計師公會每年於其網站披露執業審核的工作及結果，亦透過其他公開渠道發佈常見問題。
1.11	(i) 法定核數師或會計師事務所應於合理期間內跟進質量審核的建議。倘未有跟進第(i)點所提述的建議，則法定核數師或會計師事務所須(如適用)將接受第30條所述的紀律處分或處罰。	<b>獨立審計監管機構國際論壇原則第4條：</b> 審計監管機構應有全面執行權力，包括確保其檢查結果或建議獲適當處理；該等執行權力應包括實施一系列的處分，如罰款及撤銷審計牌照及/或註冊資格。	<p>專業水平審核部向執業審核委員會報告為執業單位進行執業審核的結果，執業審核委員會可行使專業會計師條例賦予香港會計師公會的權力。如發現執業單位的質量控制及審計有不足之處，會要求該執業單位制定行動計劃，處理該不足之處，亦可能會要求該執業單位採取指定的補救行動。</p> <p>執業審核委員會考慮該報告及執業單位對該報告所提出的事項的任何回應後，可按照專業會計師條例賦予的權力採取以下決定：</p> <ol style="list-style-type: none"> <li>執業審核作出總結，無須採取跟進行動；</li> <li>向執業單位提出建議及特定要求(如提交進展報告)，以確保其採取適當跟進行動，處理審核所識別的弱點及不足之處；</li> <li>指示須作進一步審核；或</li> <li>作出投訴以提出紀律處分。</li> </ol>	<p>不符合歐洲委員會或獨立審計監管機構國際論壇的規定。</p> <p>已建立有關機制，確保向執業單位傳達執業審核結果及建議，並採取適當行動處理有關問題。</p> <p>香港會計師公會的執業審核委員會(其向香港會計師公會理事會報告)及紀律委員會擁有執業審核後的執行權力，惟執業審核委員會的組成與歐洲委員會/獨立審計監管機構國際論壇對專業水平審核計劃的(被視為)客觀性及獨立性要求有所差距(見第3.4頁)。</p>

## 2. 香港—獨立審計監管機構國際論壇 —歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1 質量鑒證制度			
1.9 (h) 質量鑒證審核須至少每六年進行一次；	獨立審計監管機構國際論壇原則並無直接等效規定	<p>如上文第1.7項所述，審核次數因執業單位不同而有以下差異：</p> <ul style="list-style-type: none"> <li>(i) 四大會計師事務所——因四大會計師行的客戶組合主要為上市及其他公眾利益實體，須每年接受執業審核。</li> <li>(ii) 擁有大量上市客戶的執業會計師事務所——須至少每三年全面審核一次及於三年週期內進行一次中期審核。自2011年以來，擁有超過20家上市客戶的執業單位將接受額外的中期審核。中期審核著重審核制度及程序的主要變動、上一次執業審核後所採取的行動、現有審計及會計問題，以及已完成的上市公司審計項目的審核。</li> <li>(iii) 擁有上市客戶的其他執業單位——須至少每三年審核一次。</li> <li>(iv) 其他執業單位——根據風險狀況及隨機方式釐定審核次數。</li> </ul>	<p>符合* (見第4項)</p> <p>見下文附註</p> <p>為符合歐洲委員會等效資格規定，為於歐洲經濟區監管市場上市的實體提供審計服務的會計師事務所的質量鑒證審核須至少每六年進行一次。</p> <p>香港會計師公會至少每三年對擁有上市客戶 (包括於歐洲經濟區監管市場上市的客戶) 的會計師事務所進行一次執業審核 (對四大會計師事務所每年進行一次執業審核)——因此，就為上市實體審計的審核次數而言，已符合歐洲委員會等效資格的規定。</p> <p>附註：</p> <p>雖然香港會計師公會現時的審核週期次數符合歐洲委員會等效資格規定，但並不符合獨立審計監管機構國際論壇的要求，即所有會計師事務所 (不論其為上市實體還是非上市實體提供審計服務) 須定期進行審核。目前，為非上市實體提供審計服務的會計師事務所僅按風險及隨機選取基準接受審核。這存在差距，有關詳情請參閱第1.7項。</p>



# 2. 香港－獨立審計監管機構國際論壇

## －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
<p><b>1</b> 質量鑒證制度</p>	<p><b>獨立審計監管機構國際論壇原則第11條：</b> 審計監管機構須設有向會計師事務所對結果進行補救的機制。</p> <p><b>獨立審計監管機構國際論壇原則第11條的解釋性資料：</b> 審計監管機構應訂明通報程序，確保向會計師事務所報告對其質量監控制度的批評或潛在不足，以及於檢查過程中識別的有關會計師事務所表現的問題。</p> <p>審計監管機構的通報程序須包括擬定及發出檢查報告草稿、會計師事務所的回應及擬定及發出最終檢查報告。</p>	<p>與執業單位全面討論於執業審核過程中識別的事項。於實地審核後，香港會計師公會將向執業單位發出一份審核報告初稿，當中概述有關審核的結果及建議。該執業單位會被要求就報告初稿的事項提供正式書面回應。執業單位的回應將獲審核，並連同審核人員的報告一併提交予執業審核委員會，以供其考慮。專業水平審核部須負責就審核達成結論，並向執業審核委員會提出建議，以供其考慮。執業審核委員會考慮該報告及執業會計師事務所對該報告所提出的事項的任何回應後，可按專業會計師條例賦予的權力採取以下決定：</p> <ul style="list-style-type: none"> <li>(a) 對執業審核作出總結，無須採取跟進行動；</li> <li>(b) 向執業單位提出建議及特定要求（如提交進展報告），以確保其採取適當跟進行動，處理審核所識別的不足之處及缺失；</li> <li>(c) 指示須作進一步審核；或</li> <li>(d) 作出投訴以提出紀律處分。</li> </ul> <p>執業審核委員會向各執業單位發出一份正式的決定通知。於審核完成後，將向各會計師行發出最終報告。專業水平審核部會監管各執業單位，跟進其按照執業審核委員會指令採取跟進行動的進程。</p>	<p>符合* (見第74頁)</p> <p>香港會計師公會設立報告機制，確保向執業單位傳達執業審核中識別的事項，並採取適當步驟以處理所提出的事項。</p>
<p><b>1.8</b> (g) 須為質量鑒證審核擬定報告，並載有質量鑒證審核的主要結論；</p>	<p><b>獨立審計監管機構國際論壇原則第11條：</b> 審計監管機構須設有向會計師事務所對結果進行補救的機制。</p> <p><b>獨立審計監管機構國際論壇原則第11條的解釋性資料：</b> 審計監管機構應訂明通報程序，確保向會計師事務所報告對其質量監控制度的批評或潛在不足，以及於檢查過程中識別的有關會計師事務所表現的問題。</p> <p>審計監管機構的通報程序須包括擬定及發出檢查報告草稿、會計師事務所的回應及擬定及發出最終檢查報告。</p>	<p>與執業單位全面討論於執業審核過程中識別的事項。於實地審核後，香港會計師公會將向執業單位發出一份審核報告初稿，當中概述有關審核的結果及建議。該執業單位會被要求就報告初稿的事項提供正式書面回應。執業單位的回應將獲審核，並連同審核人員的報告一併提交予執業審核委員會，以供其考慮。專業水平審核部須負責就審核達成結論，並向執業審核委員會提出建議，以供其考慮。執業審核委員會考慮該報告及執業會計師事務所對該報告所提出的事項的任何回應後，可按專業會計師條例賦予的權力採取以下決定：</p> <ul style="list-style-type: none"> <li>(a) 對執業審核作出總結，無須採取跟進行動；</li> <li>(b) 向執業單位提出建議及特定要求（如提交進展報告），以確保其採取適當跟進行動，處理審核所識別的不足之處及缺失；</li> <li>(c) 指示須作進一步審核；或</li> <li>(d) 作出投訴以提出紀律處分。</li> </ul> <p>執業審核委員會向各執業單位發出一份正式的決定通知。於審核完成後，將向各會計師行發出最終報告。專業水平審核部會監管各執業單位，跟進其按照執業審核委員會指令採取跟進行動的進程。</p>	<p>符合* (見第74頁)</p> <p>香港會計師公會設立報告機制，確保向執業單位傳達執業審核中識別的事項，並採取適當步驟以處理所提出的事項。</p>

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1 質量認證制度			
1.7 歐盟法定審計指令並無直接等效規定	<p><b>獨立審計監管機構國際論壇原則第9條：</b>審計監管機構須確保設有以風險為基礎的檢查計劃。</p> <p><b>獨立審計監管機構國際論壇原則第9條的解釋性資料：</b>審計監管機構須具備有評估審計環境風險和個別受規管事務所及其審計項目的審計風險的程序。審計監管機構須於分配檢查資源及釐定採納的檢查方法時，考慮風險評估。該等過程應與會計師事務所及其客戶的規模及複雜性相符。審計監管機構須就檢查次數設定最小週期。</p>	<p>選擇執業單位作執業審核是以風險為本，主要根據電子自我評估問卷及其他相關來源取得相關資料。除上市公司外，具有其他公眾利益客戶（如銀行、保險公司、證券經紀、保險經紀、接受政府資助的實體、律師及學校）的執業單位將優先接受審核。</p> <p>審核次數會因執業單位而有所不同：</p> <ul style="list-style-type: none"> <li>(i) 四大會計師事務所一因四大會計師事務所的客戶主要為上市及其他公眾利益實體，須每年接受執業審核。</li> <li>(ii) 擁有大量上市客戶的執業單位一須至少每三年全面審核一次及於三年週期內進行一次中期審核。自2011年以來，擁有超過20家上市客戶的執業單位將接受額外的中期審核。中期審核著重審核制度及程序的主要變動、上一次執業審核後所採取的行動、現有審計及會計問題，以及已完成的上市公司審計項目的審核。</li> <li>(iii) 擁有上市客戶的其他執業單位一須至少每三年審核一次。</li> <li>(iv) 其他執業單位一根據風險狀況及隨機方式釐定審核次數。</li> </ul> <p>審核著重執業單位本身的質量控制程序及執業單位如何確保工作質量。審核強調風險範圍及審核工作的關鍵判斷。</p> <p>將進行審核工作的詳情及範圍因執業單位而有所不同，此視乎執業單位的規模及客戶性質而定。</p>	<p>不符合－獨立審計監管機構國際論壇就檢查的次數而言，香港會計師公會已釐定為上市實體提供審計服務的會計師事務所的最小檢查週期（即至少每三年一次）；及如屬四大會計師行，則為每年一次）。此被視為符合歐洲委員會等效資格，其僅規定為在歐洲經濟區監管市場上市實體提供審計服務的核數師須至少每六年審核一次（請參考下文第1.9項）。</p> <p>然而，根據現時香港會計師公會的執業審核制度，對於為非上市實體提供審計服務的會計師事務所，並無明確釐定最小的檢查週期－審核次數是基於風險狀況及隨機抽選。因此，並非所有審計執業單位會受定期檢查。</p>

# 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐盟委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
<p><b>1</b> 質量鑒證制度</p>	<p><b>獨立審計監管機構國際論壇原則第8條：</b>審計監管機構應（最低限度）對負責審計公眾利益實體的會計師事務所進行經常性檢查，以評估是否遵守適用專業準則、獨立性規定及其他法規例、規則及規例。</p> <p><b>獨立審計監管機構國際論壇原則第10條：</b>審計監管機構應確保檢查程序有效針對會計師事務所與個別審計項目的質量。</p> <p><b>獨立審計監管機構國際論壇原則第10條的解釋性材料：</b>對會計師事務所和審計項目的檢查程序應以風險為基礎，檢查會計師事務所的程序應針對該事務、政策及程序所反映的質量控制制度。執行整體檢查程序時，應以國際質量控制準則第1號或類似標準作為基準。檢查過程應包括充份檢查已選擇的審計文件，以決定該會計師事務所是否遵守適用法規例、規定及專業準則。</p>	<p>執業審核的範圍包括了解執業單位的質量控制制度，評估政策及程序是否遵守香港質量控制準則第1號的規定，以及檢討審計工作的執行。詳情見上文第1.5項。</p> <p>香港質量控制準則第1號規定執業單位建立了一套質量控制制度，能合理鑒證執業單位及其員工遵守專業準則、規例以及法律規定（包括道德及獨立性規定），以及由執業單位或審計項目合夥人出具的報告。</p> <p>香港質量控制準則第1號亦規定，執業單位於承接及續聘客戶關係及特定項目的過程中，應評估客戶的誠信以考慮客戶是否特別關注保持最低的會計師事務所收費。此外，香港質量控制準則第1號規定執業單位應建立政策及程序，以監管工作量及可用的資源，讓員工有足夠時間履行其責任。</p> <p>現行經修訂的執業審核程序著重涉及重大公眾利益（例如：上市公司的審計）及其他公眾利益的實體（例如：銀行、保險公司、證券經紀、保險經紀、接受政府資助的實體、律師及學校）。在篩選審核執業單位及個別審計項目時，經修訂的審核過程較以往重視風險考慮。執業審核著重審核為較高知名度的公眾利益實體（主要是上市公司）提供審計服務的執業單位，並且採取以風險為本的檢查程序。</p>	<p>符合*（見第1.4項）</p> <p>香港會計師公會執業審核的範圍包括按照香港質量控制準則第1號的規定，審核會計師事務所的內部質量控制政策及程序（包括審核有關項目的審計收費及時間）以及審計項目的質量。</p> <p>執業審核以風險為基礎的方法進行。</p>
<p><b>1.6</b> (f) 質量鑒證審核的範圍（由所選的審計文件的充分測試所支持）應包括定否遵守適用的審計準則及獨立性規定、所使用的資源數量及質量、所收取的審計費用及會計師事務所的內部質量用控制制度的評估；</p>	<p><b>獨立審計監管機構國際論壇原則第8條：</b>審計監管機構應（最低限度）對負責審計公眾利益實體的會計師事務所進行經常性檢查，以評估是否遵守適用專業準則、獨立性規定及其他法規例、規則及規例。</p> <p><b>獨立審計監管機構國際論壇原則第10條：</b>審計監管機構應確保檢查程序有效針對會計師事務所與個別審計項目的質量。</p> <p><b>獨立審計監管機構國際論壇原則第10條的解釋性材料：</b>對會計師事務所和審計項目的檢查程序應以風險為基礎，檢查會計師事務所的程序應針對該事務、政策及程序所反映的質量控制制度。執行整體檢查程序時，應以國際質量控制準則第1號或類似標準作為基準。檢查過程應包括充份檢查已選擇的審計文件，以決定該會計師事務所是否遵守適用法規例、規定及專業準則。</p>	<p>執業審核的範圍包括了解執業單位的質量控制制度，評估政策及程序是否遵守香港質量控制準則第1號的規定，以及檢討審計工作的執行。詳情見上文第1.5項。</p> <p>香港質量控制準則第1號規定執業單位建立了一套質量控制制度，能合理鑒證執業單位及其員工遵守專業準則、規例以及法律規定（包括道德及獨立性規定），以及由執業單位或審計項目合夥人出具的報告。</p> <p>香港質量控制準則第1號亦規定，執業單位於承接及續聘客戶關係及特定項目的過程中，應評估客戶的誠信以考慮客戶是否特別關注保持最低的會計師事務所收費。此外，香港質量控制準則第1號規定執業單位應建立政策及程序，以監管工作量及可用的資源，讓員工有足夠時間履行其責任。</p> <p>現行經修訂的執業審核程序著重涉及重大公眾利益（例如：上市公司的審計）及其他公眾利益的實體（例如：銀行、保險公司、證券經紀、保險經紀、接受政府資助的實體、律師及學校）。在篩選審核執業單位及個別審計項目時，經修訂的審核過程較以往重視風險考慮。執業審核著重審核為較高知名度的公眾利益實體（主要是上市公司）提供審計服務的執業單位，並且採取以風險為本的檢查程序。</p>	<p>符合*（見第1.4項）</p> <p>香港會計師公會執業審核的範圍包括按照香港質量控制準則第1號的規定，審核會計師事務所的內部質量控制政策及程序（包括審核有關項目的審計收費及時間）以及審計項目的質量。</p> <p>執業審核以風險為基礎的方法進行。</p>

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐盟委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度內特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1 質量認證制度		<p>(N) 審核範圍</p> <p>執業審核的範圍包括：(a)了解執業單位的質量控制制度；(b)評估質量控制制度是否有效符合香港質量控制準則第1號的規定；及(c)評估於實施質量控制程序及審計工作時是否有遵守專業準則。</p> <p>審核人員審核的仔細程度和範圍會因執業單位而異，並取決於多項因素，包括執業單位的規模及客戶組合。然而，實地審核工作一般包括：</p> <ul style="list-style-type: none"> <li>(a) 訪問不同職級的員工，以評估執業單位的文化及對質量的承諾；</li> <li>(b) 審核執業單位的質量控制程序文件及檢查其實際應用情況；</li> <li>(c) 審核審計方法及程序，以確保其已更新並已包括現行專業準則及給員工的相關應用指引；</li> <li>(d) 審核所選的特定審計項目文件，以評估審計程序的應用、設計及審核對特定所選審計風險的回應；主要審計判斷的基礎及結論，以及審計證據及記錄的充足性；</li> <li>(e) 向執業單位傳達執業審核的結論；及</li> <li>(f) 向執業單位提供改善審計程序有效性和審核人員對執業單位識別的不足之處提供可行意見。</li> </ul> <p>執業審核人員會與執業單位的代表舉行啟動及結束會議。</p>	
1.5			

# 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐盟委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立審計監管機構國際論壇的規定？
<p><b>1</b></p> <p><b>質量鑒證制度</b></p> <p><b>1.5</b></p> <p>(e) 為某個別質量鑒證審核項目安排審核人員時，應制定客觀程序，並以確保審核人員與被審核的法定核數師或會計師事務所不存在利益衝突為基礎；</p>	<p><b>獨立審計監管機構國際論壇</b></p> <p><b>原則第8條：</b> 審計監管機構應（最低限度）對負責審計公眾利益實體的會計師事務所進行經常性檢查，以評估其是否遵守適用專業準則、獨立性規定及其他法例、規則及規例。</p> <p><b>獨立審計監管機構國際論壇</b></p> <p><b>原則8條的解釋性資料：</b> 經常性檢查應根據以下程序進行：挑選會計師事務所進行檢查、委任具備合適專業知識及能力的檢查團隊、知會即將被檢查會計師事務所、預先要求提供文件、通知即將接受被審核的審計項目、與管理層會晤及實地檢查安排。</p> <p>檢查程序應受審計監管機構的合適內部質量控制規管，以確保檢查質量及一致性。</p>	<p>專業水平審核部對審核人員設有冷卻期，要求該審核人員在冷卻期內不得參與其於加入香港會計師公會前任職的會計師事務所的審核工作。執業審核包括以下主要程序：</p> <p>(i) 揀選執業單位執行執業審核</p> <p>以下於專業會計師條例界定的所有執業單位須接受香港會計師公會的執業審核，除非該等執業單位並無進行審計或鑒證工作：</p> <p>a) 依據專業會計師條例從事會計執業的執業會計師事務所；</p> <p>b) 依據專業會計師條例獨自從事會計執業的執業會計師；或</p> <p>c) 專業會計師條例所指的執業法團。</p> <p>專業水平審核部主要根據執業單位涉及公眾利益的審計客戶等風險因素揀選執業單位進行審核。專業水平審核部根據執業單位在執業審核自我評估問卷<sup>(1)</sup>的回覆及其他相關資料進行篩選。受規管實體客戶或涉及重大公眾利益的實體客戶（但並非上市實體）的執業單位將優先受到實地審核，專業水平審核部亦會隨機抽選執業單位進行實地審核，確保所有執業單位將有合理的機會被選中。有關不同執業單位的審核次數，詳情載於下文第1.7項及第1.9項。</p> <p>(ii) 通知會計師事務所</p> <p>專業水平審核部一般預早數週通知被揀選進行執業審核的執業單位建議審核日期。於發出正式通知及要求提供主要文件前，專業水平審核部將與執業單位協定審核日期。實地審核通常於正式通知後六週內進行。</p> <p>(iii) 初步評估已呈交的主要文件</p> <p>審核人員將會要求執業單位提供若干資料及客戶名單作初步評估。審核人員將對主要文件進行初步評估，並會通知會計師事務所將接受實地審核的審計項目名單。</p>	<p>符合*（見第14頁）</p> <p>審核人員應獨立於執業單位，而且就剛離職會計師事務所向新加入香港會計師公會的審核人員，必須先通過冷卻期，才可對該事務所進行審核。</p> <p>專業會計師條例授權香港會計師公會對審計事務所（包括負責上市實體審計的會計師事務所）進行執業審核；根據適用專業準則、獨立性規定及其他法例、規則及規例進行合規評估。</p>

(1) 香港會計師公會第1,401號 (2006年3月) 執業審核 - 附錄表第3段有關成員的審核及行為指出，所有執業單位均須每年完成執業審核自我評估問卷。問卷將收集有關執業單位的三大類別資料：i) 執業單位的組織及管理；ii) 執業單位的質量控制政策和程序；及iii) 執業單位的客戶組合。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

歐洲委員會等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是不符合歐洲委員會／獨立審計監管機構國際論壇的規定？
1 質量認證制度			
1.3 (c) 質量認證制度應擁有足夠資源；	<b>獨立審計監管機構國際論壇原則第5條的解釋性資料：</b> 為使審計監管機構有效運作，先決條件是有足夠的合格員工。這亦意味著檢查人員之間須有充分諮詢及討論安排。	設有一組全職審核人員向專業水平審核部總監匯報。審核工作的時間分配視乎執業單位的性質、規模及客戶基礎而定。 審核人員小組與專業水平審核部總監會討論實地審核安排、執業審核結果及建議的詳情。	符合* 香港會計師公會擁有一組執業審核人員專責實施執業審核工作。
1.4 (d) 執行質量認證的審核人員須接受適當專業教育及擁有有關法定審計及財務報告方面的相關經驗；並日接受質量認證審核的特別培訓；	<b>獨立審計監管機構國際論壇原則第5條的解釋性資料：</b> 負責審核會計師事務所的質量認證制度的審核人員須接受適當專業培訓及具備審計及財務匯報的經驗，以及接受監管質量認證審核的培訓。這亦意味著檢查人員之間須有充分諮詢及討論安排。新聘用的審核人員亦須受適當監督及培訓。	專業水平審核部審核人員均為擁有審計經驗的合資格會計師，並須定期接受技術培訓及最新資訊。審核人員具有審計背景，並會透過學習和發展活動掌握最新專業標準，提升以公平及敏銳手法進行執業審核的技能。	符合* 審核人員均為擁有審計背景的合資格註冊會計師，並須定期接受專業培訓及最新專業資訊。

\* 請注意：倘若香港會計師公會符合獨立監管機構的獨立性要求，則符合該等規定。

## 2. 香港－獨立審計監管機構國際論壇 －歐洲委員會差距分析 (續)

	歐洲委員會 等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立 審計監管機構國際論壇的規定？
1	質量鑒證制度			
1.1			<p>執業審核由香港會計師公會專業水平審核部的全職僱員進行，向執業審核委員會作出報告。執業審核委員會是根據專業會計師條例第32A條至第32I條的規定，負責執行香港會計師公會作為香港核數師監管機構的權力及職能的委員會。由專業水平審核部的部門總監和專業及行政審核員工所組成。根據專業會計師條例第32D條的規定，執業審核委員會可決定執業審核須遵守的常規及程序；就執業審核或某個別執業審核的任何有關事宜，向任何審核人員發出指示；或實施其認為有必要的程序。執業審核委員會亦已為審核人員編製審核人員手冊，當中載有審核人員應採納的執業審核程序。</p> <p>專業水平審核部向執業審核委員會匯報審核執業單位的結果。香港會計師公會的執業審核計劃可識別被審核的執業單位在質量控制及審計工作方面的不足之處。如發現有不足之處，則執業單位將會被要求針對對不足之處制定行動計劃或具體的補救措施。倘為該不足之處屬於嚴重或該執業單位未採取補救措施或其視為無效，則可對執業單位採取紀律處分。專業會計師條例載有香港會計師公會可對會員或執業會員行使紀律處分的執行權力。</p> <p>有關執業審核過程的詳情，請參閱下文第1.5項。</p> <p>香港會計師公會的資金來自會員及學員的會費、註冊費和考試及持續專業發展的收入。</p>	<p>不符合歐洲委員會及獨立審計監管機構國際論壇的規定。</p> <p>香港會計師公會的營運資金主要來自其會員及學員，而會費金額由理事會釐定。理事會成員是由會員投票選出，其中約三分之一成員為執業會計師（見香港會計師公會管治架構第3.4項）。因此，這似乎不符合獨立審計監管機構國際論壇及歐洲委員會等效標準中有關質量鑒證制度的資金來源完全不受核數師及會計師事務所任何可能不當影響的規定。</p>
1.2	(b) 質量鑒證制度的資金來源應受保障且完全不受法定核數師或會計師事務所的任何可能不當影響；	<p>獨立審計監管機構國際論壇憲章：資金應不受會計專業的不當影響</p> <p>獨立審計監管機構國際論壇原則第2條的解釋性資料： 審計監管機構應擁有受保障且不受核數師及會計師事務所影響的穩定資金來源，且足以執行其權力及履行責任。</p>		

# 2. 香港－獨立審計監管機構國際論壇－歐洲委員會差距分析

## 香港現行審計監管制度與取得歐洲委員會監管等效資格及獨立審計監管機構國際論壇會員資格兩者規定的比較分析

歐洲委員會 等效資格規定	獨立審計監管機構國際論壇	香港現行審計監管制度的特點	香港現行制度是否符合歐洲委員會／獨立 審計監管機構國際論壇的規定？
<p><b>1</b> 質量鑒證制度 (歐盟法定審計指令第 29條)</p>			
<p><b>1.</b> 各成員國須確保所有 法定核數師及會計師 事務所至少符合下列 標準的質量鑒證制 度：</p>	<p><b>獨立審計監管機構國際論壇原則 第4條：</b>審計監管機構應擁有全 面執行權力，包括確保其檢查結 果或建議獲適當處理；該等執行 權力應包括實施一系列的處分， 如罰款及撤銷審計牌照及／或註 冊資格。</p> <p><b>獨立審計監管機構國際論壇原則 第4條的解釋性資料：</b>審計監管 機構應至少為監管制度負責，並 對為公眾利益貫徹進行審計的會 計師事務所作經常性檢查。</p>	<p>香港會計師公會是根據載有其法定責任的專業會計師條例註冊成立，是目前香港唯一負責會計專業人士的專業培訓、發展及監管的法定會計師發牌組織。</p> <p>於1992年，香港會計師公會根據專業會計師條例的授權及權力引入執業審核計劃，旨在提升香港會計師公會會員於審計及相關鑒證業務的工作質量。</p> <p>執業審核計劃是香港審計監管整個體系中的重要一環。執業審核涵蓋由事務所、執業法團及個人執業證書持有人（即執業單位）於香港提供審計及其他相關鑒證服務。該計劃旨在評估執業單位是否擁有完備的質量控制制度，以確保於各項鑒證及相關服務保持工作質量。鑒於國際發展及對核數師的監管及監控期望不斷提高，執業審核計劃於2006年作出修改。經修改計劃更加重處理重大公眾利益，例如上市公司的審計，並且在篩選為審核執業單位及個別審計項目時，經修訂的審核過程較以往重視風險考慮。執業審核著重審核為較高知名度的公眾利益實體（主要是上市公司）提供審計服務的執業單位。</p>	<p>不符合－歐洲委員會及獨立審計監管機構國際論壇</p> <p>執業審核是由香港會計師公會專業水平審核部的全職職員遵照執業審核委員會的指示進行，向該委員會作出報告，同時亦向執業審核委員會匯報執業審核結果。與歐洲委員會及獨立審計監管機構國際論壇兩者的規定（有關詳情見第3.4項及第3.9項）相比，由於執業審核委員會大部份成員由香港會計師公會的執業會員組成，對相關的專業水平審核計劃存在（被視為）客觀性及獨立性的差距，而客觀性及獨立性是獨立公眾監管機構的基本原則。</p>
<p><b>1.1</b></p> <p><b>(a)</b> 質量鑒證制度應以獨立於被審閱的法定核數師及會計師事務所的方式建立，並須受第8章規定的公眾監管所規限；</p> <p>歐盟法定審計指令第8章包括第32條：公眾監管原則（見下文）及第33條至第36條，列載有關社區層面的合作、成員國之間相互認可、指定合資格機構和專業保密以及成員國之間監管合作的規定。</p>			



## 2. 香港—獨立審計監管機構國際論壇 —歐洲委員會差距分析

## 1.3 報告摘要：考慮因素 (續)

### 對核數師監管進行改革的原則

- 修訂香港審計監管制度及走出先前的自我監管模式的過程經已展開。我們相信本比較性研究將為整個過程提供寶貴的資料及指引。
- 要發展有效的審計質量框架，並與受規管市場維持開放及具建設性的關係乃主要的考慮因素。然而，監管機構必須被視為健全及獨立，而平衡這兩項元素需要作出審慎判斷。
- 監管機構應就最終希望與審計行業維持的關係性質作出審慎考慮。該等考慮將有助判斷及決定實施新監管職能的最佳方法，以及從其他監管制度吸取經驗。
- 我們了解對於制定方法及推出制度時需要考慮行政事宜。因此，我們已包括有關資金模型的資料。
- 可採納的規管方法的範圍可視為由「同行平等授權模式」延伸至「法律條文主義模式」，而確保任何架構恰如其份亦是重要的考慮因素，並保持可見性及透明度，亦不會扼殺競爭力及創新。
- 概念、文化及其他考慮因素亦同樣重要，且應緊記上文第2點所述的平衡性。

# 1.3 報告摘要：考慮因素

## 其他考慮要點

### • 註冊

— 我們審閱的司法權區一致使用的方法乃是區分公眾利益公司（實體）（公眾利益實體）及私人公司。獨立監管機構主要針對前者，而大部分司法權區涵蓋所有上市公司（股權及債務發行人）、主要金融機構及於若干實例包括更廣泛類別的公眾利益實體，而專業團體則針對其他實體的法定審計。此舉令資源及監管重心得以平衡，並有利於支持獨立監管的成本。

### • 檢查

— 於研究各司法權區時，我們注意到各司法權區均重視對會計師事務所作出獨立挑戰。儘管各有不同的機制，增加透明度、嚴謹度及獨立性是大勢所趨。英國的做法值得特別注意，因其針對最大型會計師事務所刊發年報，並會同時提供個別檢查報告的副本予實體的審核委員會。而美國則須根據美國上市公司會計監督委員會規則第4010條，刊發個別核數師的檢查報告以及概要報告。這些做法顯示在作出改進和增加結論透明度之間取得平衡的不同方法。

### • 調查及執行

— 對紀律程序及潛在處分的制度的需要在各司法權區中顯然易見，雖然程序會因各司法權區的焦點及對「公眾利益」的詮釋而異，惟於運作上均一致認為具知名度的上市公司屬公眾利益，正如最大型會計師事務所亦然。各司法權區一般採納類似法律方式進行紀律程序，認同公平聆訊及上訴的權利。

— 處分範圍一般很廣，由譴責、罰款至若干形式的禁止執業。罰款於若干情況下不設上限，其中一個司法權區可不遵從通知規定而判處監禁。公開報導通常是處分之一，且只會在特殊情況下作匿名處分。

### • 準則制定

— 監管機構一般負責實施適用的審計準則，且一般將進行公開審議。隨著監管事項日趨全球化，於大多數情況下，監管機構一般會實施國際準則而不會僅為當地草擬全新的準則。

### • 資金

— 在大多數情況下，監管機構的資金來源組合包括公司直接徵費、會計師事務所為其成員的專業團體的徵費及會計師事務所直接徵費。除一個司法權區以外，通常來自政府的資金來源較少；監管機構擬獨立運作及自負盈虧。

# 1.2 報告摘要：可能未來變動

## 未來獨立審計監管機構國際論壇及歐洲委員會規定的可能變動

- 現時審計行業及其監管安排正受到嚴密監察，其中以英國（競爭委員會）和歐盟為甚。於歐盟討論會上，監察審議是有政治動機，以及市場集中度、選擇及質量也帶動此審議。我們密切參與此等討論，並一直致力保留及加強審計質量的措施，由此推動行業競爭及選擇。

- 就我們對香港的目前狀況與獨立審計監管機構國際論壇-歐洲委員會規定（第2節）的評估而言，有見環球對審計行業及其監管進行持續監察，我們意識到該等要求可能會出現變動。

- 我們於第6節詳細說明英國及歐盟的審計監管改革內容（亦包括其他司法權區的額外資料，特別是有關核數師強制性輪換／投標的資料），相關要點如下：

- 我們的評估是：由於這些建議（特別是於歐洲）存在高度不確定性，為「可能」發生事項作決定性結論屬不切實際。然而，我們可就現正進行討論的可能變動作出合理評估。

- 因此，雖然我們已對現正討論的內容作出分析，並載於第6節，我們必須就分析作出解說，強調「可能」事項僅具有有限可見性。「可能」事項的三大主題為(1)質量，(2)市場影響及(3)投資者的參與。

- 第6節所載的事項包括以下各項的可能性：健全的核數師檢查及加強其透明度；增加審計市場流動的措施（例如：除了審計項目合夥人須輪換外，更對核數師的委任進行強制投標及輪換）；核數師與審計委員會／股東之間更緊密的聯繫（例如：由審計委員會（由獨立非執行董事組成）而非由董事會委任核數師）；增加核數師對股東作出匯報（誠如國際審計及鑒證準則理事會於2012年就核數師報告所發出的徵求意見稿）；於監管制度中剔除專業團體及執業會計師的參與。

- 歐洲證券及市場管理局亦可能擔任歐洲核數師監管機構小組的角色，或修改及加強歐洲核數師監管機構小組，將可能更正式地協調跨國審計網絡的規管方式。該等建議不會直接影響歐洲委員會等效資格。

# 1.1 報告摘要：香港差距分析 (續)

## 香港與英國、美國、加拿大、澳洲及新加坡的制度比較分析

我們了解香港任何新監管制度的最低要求是須符合：

- 獨立審計監管機構國際論壇成員資格；及
  - 歐洲委員會認可等效資格一即要求達致香港核數師將無須受歐洲經濟區審計監管機構分開監管的水平，從而讓他們可以審計於歐洲經濟區以外地區（例如香港）註冊成立而其證券獲准於歐洲經濟區監管市場買賣的公司。
- 在歐洲委員會等效資格的強制性要求上實施額外的改革以符合歐盟規定；有助改善香港的審計監管水平。然而，這將不會減輕有意為歐洲註冊成立或上市的公司進行審計的香港核數師的負擔。同樣地，歐洲經濟區監管機構於接納海外實體的海外核數師報告前，不能堅持實施超過歐洲委員會等效資格的最低要求的額外規定。其他司法權區亦大致相似一例如，美國上市公司會計監督委員會並無等效機制；故香港核數師為美國證券交易監督委員會（美國證監會）註冊成員進行審計，亦須於美國上市公司會計監督委員會註冊。

香港的制度與其他司法權區的其他主要差距為：

- 註冊一英國及美國規定一系列其他類型實體的核數師（超過「法定審計」）需要註冊。
- 檢查一多個監管制度的檢查週期較短一最大型的會計師事務所一般為12至18個月，較小型的會計師事務所一般為三年。
- 執行一其他所有監管制度的紀律處分制度較為詳細，絕大部份包括罰款、譴責及取消或限制條件。英國、澳洲、加拿大及新加坡擁有較廣泛權力可取消或限制會計師執業資格。英國、澳洲及美國表明可能施加限制條件，或會包括不得為若干類型的客戶提供服務／進行額外的內部或外部質量控制審核。
- 準則制定一英國、澳洲及新加坡均有某種形式的會計及審計之間的聯合準則制定。英國及美國亦有審計及職業道德準則之間的聯合準則制定。所有制度均提出具體資金機制，以針對獨立審計監管機構國際論壇的原則，即資金不應受審計行業的影響。

# 1.1 報告摘要：香港差距分析 (續)

## 香港現行制度與獨立審計監管機構國際論壇及歐洲委員會規定的比較分析 (續)

- 1. 執業審核委員會的組成 (第3.4項及第3.9項) — 執業審核委員會成員主要由各會計師事務所的執業成員挑選組成。專業水平審核部門 (及由香港會計師公會全職僱員擔任的審核人員) 按執業審核委員會的指示進行執業審核，繼而向其匯報。此導致有關專業水平審核計劃與歐洲委員會及獨立審計監管機構國際論壇規定存在 (被視為) 客觀性及獨立性的差距。
- 2. 審核次數 (第1.7項) — 上市實體 (包括於歐洲經濟區上市的實體) 的核數師需要每三年被審核一次，這符合歐洲委員會等資格規定。然而，該制度並不保證定期或在一個最小週期內對所有從事審計業務單位都進行執業審核，這未能符合獨立審計監管機構國際論壇成員資格 (原則第8條) 的規定。
- 3. 紀律機制 (第1.11項及第2.4項) — 除執業審核委員會及調查委員會向香港會計師公會理事會作出投訴以考慮作紀律處分外，其他針對香港會計師公會會員及執業會員的投訴，則由專業操守委員會 (成員主要為執業會計師) 負責審閱。專業操守委員會有權撤銷認為無法跟進的投訴、裁定投訴及發出正式不獲接納信件或建議香港會計師公會理事會向紀律小組轉介較嚴重的投訴。這亦與歐洲委員會及獨立審計監管機構國際論壇的規定有所差距，因為香港現時仍未設立可對專業操守委員會進行特定監管及就調查結果對核數師執行紀律處分的獨立公眾監管機構。
- 4. 紀律處分是由紀律小組釐定，而紀律小組由來自紀律小組A (由政府委任) 的三名人士及來自紀律小組B (由香港會計師公會理事會委任) 的兩名人士組成，這與獨立監管紀律機制存在差距，因為紀律小組B的成員 (會計師) 是由香港會計師公會理事會委任，而僅香港會計師公會理事會可以向紀律小組轉介事項。此項差距尤其相關，因為歐洲委員會規定設立一個具備調查及執行處分權力 (尤其是撤銷註冊處分須屬獨立監管機構的最終責任範圍內) 的獨立監管機構。獨立審計監管機構國際論壇原則第4條更要求審計監管機構本身應有權調查及實施處分。
- 5. 公眾監管制度 (第3.5項) — 歐洲委員會等效資格規定公眾監管制度須就監管法定核數師或會計師事務所負責註冊、準則制定、持續教育、質量保證及調查以及紀律處分制度的最終責任的獨立公眾監管機構。附註：歐洲委員會的規定准許委派另一專業團體執現時仍未設立一個具備上述監管功能的最終責任的獨立公眾監管機構。香港就此亦與歐洲委員會等效資格的規定存在差距，因為香港部分監管職能 (例如有關法定核數師及會計師事務所的註冊行政管理；建議專業準則；制定持續教育計劃)，惟須受獨立公眾監管。這表示專業團體負責執行監管職能，並須向監管機構匯報工作及/或接受工作審核，以進行運作監察。此外，監管機構於專業團體罕有地處理不當時，將有權自行行事或勒令專業團體按其指示行事。

# 1.1 報告摘要：香港差距分析

## 香港現行制度與獨立審計監管機構國際論壇及歐洲委員會規定的比較分析

- 香港現時並未符合獨立審計監管機構國際論壇的會員資格要求。
- 於2013年6月，我們獲悉歐洲委員會已修改其第2011/30/EU號的決定。該決定進一步批准十個國家的監管制度被歐洲委員會視為等效（連同現有的十個國家-詳細名單載於本研究報告前部份「環球狀況」一頁）；七個國家的過渡期獲得延長（百慕達、開曼群島、埃及、毛里求斯、新西蘭、俄羅斯及土耳其）；惟香港、印度及以色列的過渡期未獲延長。涉及美國的等效性（及充分性）決定再獲續期。因此，香港的過渡期已不適用於2012年8月1日或其後開始的財政年度的審計報告。
- 根據第2節所載的詳細分析，德勤認為主要差距如下：

— **香港會計師公會的管治架構** (第3.4項及第3.9項) — 香港會計師公會理事會現時約三分之一的成員 (22名非執行理事中有8名) 為執業會計師。餘下成員現時並非執業會計師，惟香港會計師公會理事會的章程並無規定「非執業」理事會成員須於過往三年並無進行法定審計、並無於會計師事務所持有投票權、並非會計師事務所的行政或管理部門成員、並無受僱於會計師事務所或與會計師事務所所有其他聯繫。這表示於某特定時間，香港會計師公會理事會的大部份成員實際為「非執業會計師」，但任何理事會成員變動都可能導致其不再符合此項要求 (即大部份成員為非執業會計師) — 例如一名近期退休的審計合夥人被委任為理事會成員。這項差距尤其相關，鑒於：(a)歐洲委員會規定公眾監管制度須主要由非執業會計師管治；及(b)獨立審計監管機構國際論壇規定審計監管機構於行使其職能及權力時應獨立運作，不受外界政治干擾及不存在商業或其他經濟利益，包括其管治不受執業會計師控制。要注意的是，倘若歐盟按照歐洲委員會提出的建議進行改革，則執業會計師將不可再參與監管制度的管治。

— **香港會計師公會的資金來源** (第1.2項、第3.4項及第3.8項) — 香港會計師公會的資金來源存在差距，未能符合獨立審計監管機構國際論壇及歐洲委員會所規定，資金來源必須不受核數師及會計師事務所的任何可能不當影響。

# 1. 報告摘要



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財務匯報局

主席

潘祖明太平紳士

香港金鐘道 66 號

金鐘道政府合署高座29樓

副主席：

### 為香港財務匯報局提供的獨立顧問服務：獨立審計監管

我們欣然呈報根據截止2013年6月的資料作出的獨立審計監管研究報告。

本研究旨在理解其他司法權區如何符合歐洲委員會對等效資格的規定以及獨立審計監管機構國際論壇對會員資格的要求，並且研究這些司法權區的制度特色，從而識別它們與香港現行審計監管制度的差距，冀望香港能取得歐洲委員會等效資格及獨立審計監管機構國際論壇會員資格。

本研究涵蓋六個司法權區（歐盟、美國、英國、加拿大、澳洲及新加坡）的有關資料，是德勤按照財務匯報局提供的一系列問題收集而來的。我們的比較研究包括差距分析，首先比較香港現行制度與獨立審計監管機構國際論壇-歐洲委員會規定之間的差距，其次是比較香港與上述司法權區制度上的差距。本研究亦提供審計監管的可行方法及專題比較。

誠如本研究所載，為了取得歐洲委員會等效資格及獨立審計監管機構國際論壇會員資格，獨立審計監管機構必須擁有在註冊、檢查、調查、執行、準則制定以及持續專業教育各方面的最終監管責任，而本研究所審閱的司法權區均符合此要求。鑒於歐洲委員會等效資格的規定及獨立審計監管機構國際論壇原則所允許，部份司法權區把監管功能委派相關監管機構進行，惟須受另一獨立監管機構所監管。本研究表明主要司法權區採納的國際標準做法是把註冊、檢查、調查、執行、準則制定以及持續專業教育這些基本的監管責任納入獨立法定監管機構的職權範圍內。

此致

David Barnes  
Deloitte LLP

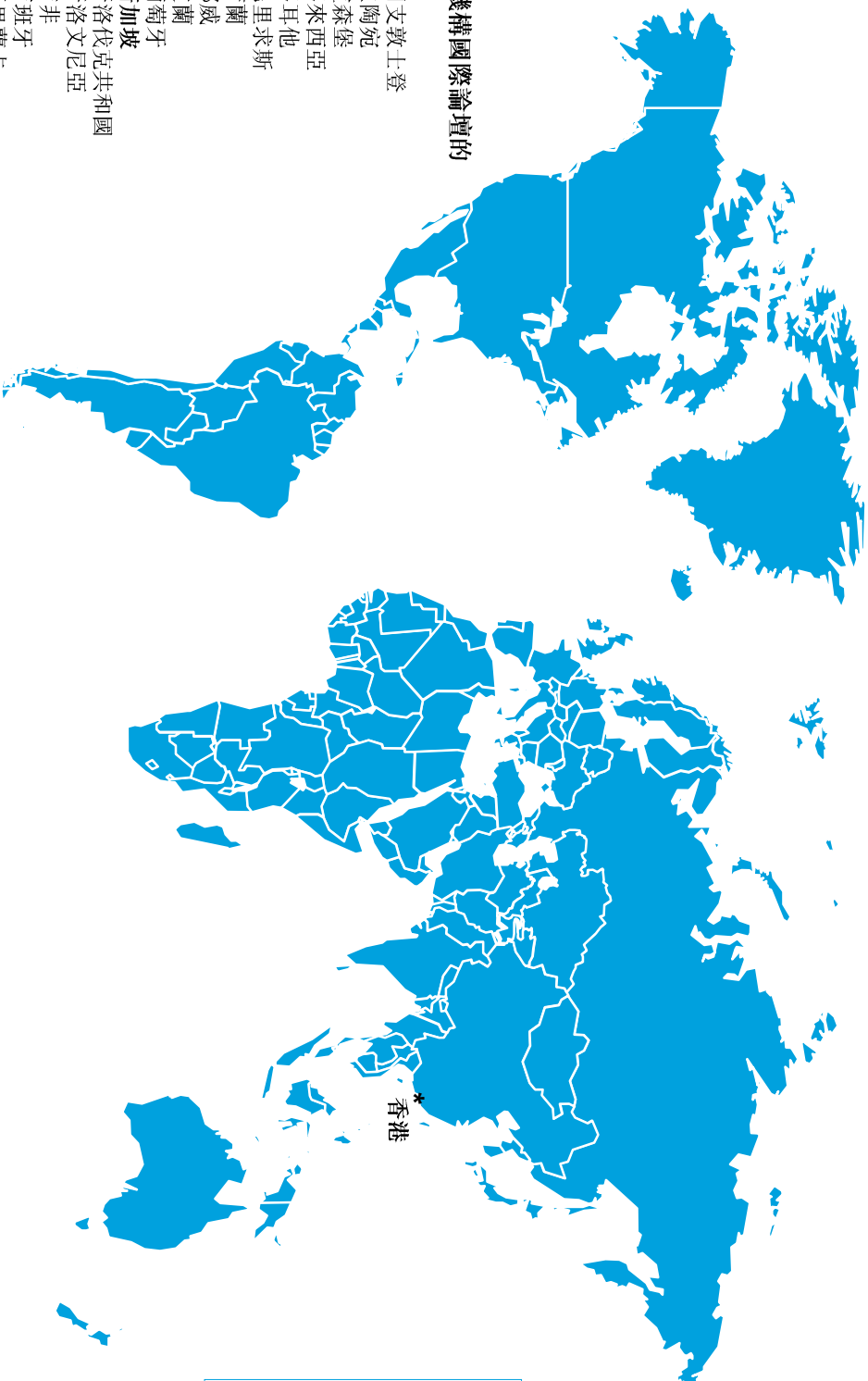
# 環球狀況

## 獨立審計監管機構國際論壇的

### 會員：

阿布拉扎比亞  
阿爾巴尼亞  
澳洲  
奧地利  
比利時  
巴西  
保加利亞  
加拿大  
克羅地亞  
丹麥  
杜拜  
埃及  
芬蘭  
法國  
德國  
直布羅陀  
希臘  
匈牙利  
印度  
意大利  
日本  
韓國

列支敦士登  
立陶宛  
盧森堡  
馬來西亞  
馬耳他  
毛里求斯  
荷蘭  
挪威  
波蘭  
葡萄牙  
新加坡  
斯洛伐克  
斯洛文尼亞  
南非  
西班牙  
斯里蘭卡  
瑞典  
瑞士  
泰國  
土耳其  
英國  
美國



\* 第三方國家的監管制度的等效資格乃由歐盟的執行機構歐洲委員會釐定。於歐洲經濟區（歐盟加挪威、列支敦士登以及冰島）境外註冊成立而在歐洲經濟區監管市場上市的實體的核數師通常須註冊成為第三方國家的核數師。然而，倘有關國家的公眾監管制度、質量保證、調查以及處分制度被歐洲委員會視為等效，該等要求可獲豁免。

（黑體指本研究涵蓋的司法權區）

## 歐洲聯盟（歐盟）成員國：

奧地利  
比利時  
保加利亞  
塞浦路斯  
捷克  
丹麥  
愛沙尼亞

芬蘭  
法國  
德國  
希臘  
匈牙利  
意大利

拉脫維亞  
立陶宛  
盧森堡  
馬耳他  
荷蘭  
波蘭  
葡萄牙

羅馬尼亞  
斯洛伐克  
斯洛文尼亞  
西班牙  
瑞典  
英國

## 擁有歐洲委員會等效資格地位的第三方國家\*：

阿布拉扎比亞  
澳洲  
巴西  
加拿大  
中國  
克羅地亞  
杜拜  
國際金融中心  
印度  
馬

日本  
澤西島  
馬來西亞  
新加坡  
南非  
南韓  
瑞士  
台灣  
泰國  
美國

# 獨立審計監管 報告