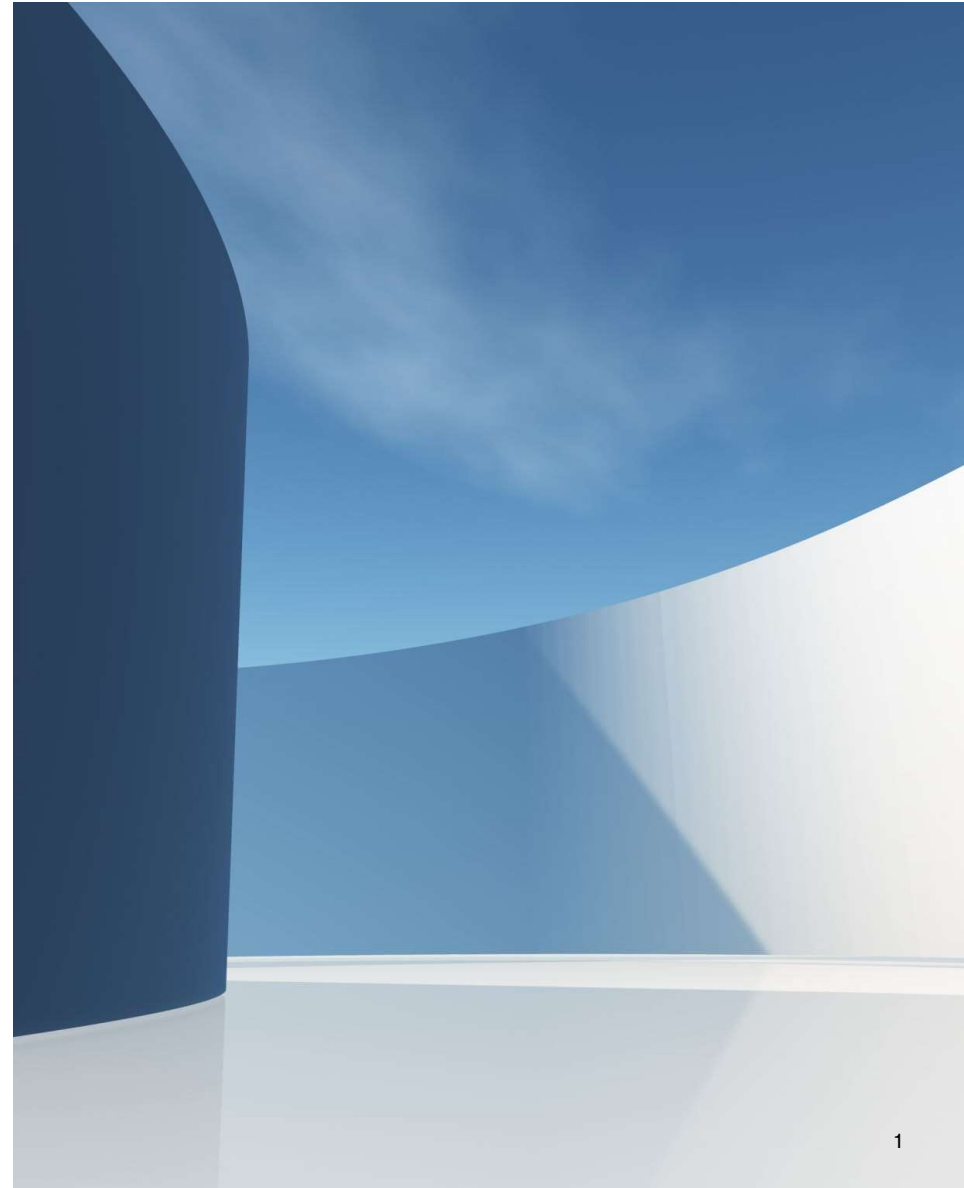




Tips and Guidance to Completing the  
AFRC Inspection Questionnaire  
(Updated on September 18, 2023)

# AFRC INSPECTION QUESTIONNAIRE - SUPPLEMENTARY WEBINAR



# 4 Important Points in Revised FAQ

1. Cut-off time is no longer based on Report Signing Date
  - 2021 / 2022 is based on the period from engagement letter date / initial planning date up to report signing date
  - The same audit report can fall within both years (FAQ Q.14)
2. The same client may fall within multiple categories in Q.5 & 6, thus total number of clients not equal to the practice's total number of clients (FAQ Q.13)
3. AUP, Tax services, certified true copies, accounting and company secretary services are not covered in the questionnaire (FAQ Q.15)
4. Service fees only limited to audit and assurance services (FAQ Q.12)

# Q5 & 6. Cut-off Period for 2021 / 2022

AFRC: If planning work completed in 2021 and audit report signed in 2022

→ Add 1 Client to each of 2021 and 2022

## What to consider:

→ New Clients – AML Sanction Screening date / Engagement letter date

→ Recurring Clients – Bank confirmation received date / initial planning date (See AP3.0)

→ Not many CPA Practices would keep track of initial planning date

→ Audit report date after 31.12.2022 **Up to Professional Judgement**

## Q5 & 6. Audit / Non-Audit Clients

audit of the consolidated financial statements of the holding company and its five subsidiaries,  
audit of the separate financial statements of subsidiaries A and B,  
assurance engagement on report for a licensed insurance broker company on compliance with the insurance rules for subsidiary B  
assurance engagement on a greenhouse gas statement of subsidiary C, and  
agreed-upon procedures report on turnover figures of subsidiary E.

	Total number of audit clients	Total number of non-audit clients
Audit of PIEs	1 (H)	0
Audit of entities other than PIEs	2 (A & B)	0
Assurance engagements	1 (B)	1 (C)

## Q5 & 6. Audit / Non-Audit Clients (Corrected)

5. Please provide the information regarding the professional service provided by your practice unit **during the period from 1 January to 31 December 2021.** \*

### Conditions:

	Total service fees # (HK\$'000 or equivalent)	Total number of audit clients	Total number of non-audit clients
Audit of historical financial information (Audit) ( <b>Note 1</b> ) of Public Interest Entities (PIEs) as defined in section 3(1) of the Accounting and Financial Reporting Council Ordinance	1A	1B	1C
Audit of historical financial information (Audit) ( <b>Note 1</b> ) of Entities other than PIEs	2A	2B	2C
Assurance engagements other than audits or reviews of historical financial information (Assurance) ( <b>Note 2</b> )	3A	3B	3C
Investment circular reporting engagements (ICR) ( <b>Note 3</b> ) for initial public offerings	4A	4B	4C
ICR for other than initial public offerings	5A	5B	5C

1. Check any audit services provided to the client, if yes, then define it as an **audit client**.

If these **conditions** are met **and** it is an audit client:

- always add 1 to **1B** to **5B**

2. If audit and assurance engagements performed for the same client, then add 1 to **2B** and **3B**

3. If only assurance service provided to a client, only add to **3C** (As it is a non-audit client)

4. If only AUP, Tax, Accounting, Co-Sec, Certified True copies provided, exclude from Q.5 & 6

# Q5 & 6. Total Service Fees

5. Please provide the information regarding the professional service provided by your practice unit **during the period from 1 January to 31 December 2021.** \*

	Total service fees # (HK\$'000 or equivalent)	Total number of audit clients	Total number of non-audit clients
Audit of historical financial information (Audit) <b>(Note 1)</b> of Public Interest Entities (PIEs) as defined in section 3(1) of the Accounting and Financial Reporting Council Ordinance	1A	1B	1C
Audit of historical financial information (Audit) <b>(Note 1)</b> of Entities other than PIEs	2A	2B	2C
Assurance engagements other than audits or reviews of historical financial information (Assurance) <b>(Note 2)</b>	3A	3B	3C
Investment circular reporting engagements (ICR) <b>(Note 3)</b> for initial public offerings	4A	4B	4C
ICR for other than initial public offerings	5A	5B	5C

1. Only limited to Audit & Assurance Engagement Fees
2. Does NOT include AUP, Tax, Accounting, Co-Sec, True Copies, Admin services

### What to Consider:

- Service fees billed in 2023 but services commenced in 2021 / 2022 – then mismatch against Debit Notes
- Add debit note date in engagement list