

## OPERATIONS STATISTICS – 2018

### REVIEW OF COMPLAINTS

	1 January 2018 to 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
Brought forward	14	14	24
Pursuable complaints received <sup>1</sup>	85	126	118
Completed with no follow-up action <sup>2</sup>	(43)	(10)	(113)
Referred to specified enforcement agencies <sup>3</sup>	(36)	(104)	(4)
Initiated enquiry and/or investigation <sup>4</sup>	(9)	(12)	(11)
In progress at end of period	11	14	14

#### Notes

1. Of these complaints, 50 (2017: 101; 2016: 97) appear to have come from the same source and are directed at a single audit firm.
2. After the FRC reviewed the complaints by reference to the materials provided by the respective complainants and the additional information obtained from the parties concerned, it considered that the complaints had no merit or the parties concerned had provided a satisfactory explanation to support that there was no auditing or reporting irregularities, or non-compliance with accounting requirements.
3. Includes cases that were referred directly to specified enforcement agencies because either the FRC identified potential issues not within the remit of the FRC or cases where auditing/reporting irregularities were identified and the FRC decided not to initiate investigation. According to the FRC Ordinance, "specified enforcement agency" means the Commissioner of Police of Hong Kong, the Commissioner of the Independent Commission Against Corruption, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Exchanges and Clearing Limited, the Securities and Futures Commission, the Registrar of Companies, the Monetary Authority, the Insurance Authority, the Commissioner of Inland Revenue, the Official Receiver, the Mandatory Provident Fund Schemes Authority, or the Market Misconduct Tribunal.
4. After the review of complaints, the FRC identified potential non-compliance with accounting requirements or auditing/reporting irregularities. Hence, enquiries and/or investigations were initiated.