

Corporate Governance Statement

公會管治概述

Responsibilities of Council

The objects of the Society are stipulated in section 7 of the Professional Accountants Ordinance, which include, inter alia, regulation of the practice of the accountancy profession, encouraging the study of accountancy, representing the views of the profession and preserving the profession's integrity and status.

The Council is responsible for carrying out the objects of the Society and for the management and control of the Society.

The general and particular powers of the Council are stipulated in sections 17 and 18 of the Professional Accountants Ordinance.

The Council consists of 16 members, of whom 12 are elected from amongst the membership, 2 co-opted by the Council from amongst the membership and 2 ex-officio members who shall be the Financial Secretary or his representative and the Director of Accounting Services or his representative.

The Council, with a view to discharging its responsibilities, is advised by committees and working groups that it appoints for specific areas and functions. For certain functions, the Council may delegate its powers to these committees and working groups. Each committee and working group performs its tasks in accordance with prescribed terms of reference.

The execution of the Council's policies and decisions is vested upon the Registrar, who is appointed by the Council under section 21 of the Professional Accountants Ordinance.

The Registrar serves as the secretary to the Council and is responsible to the Council for the effective management and operation of the secretariat. He is also charged with providing advice to the Council and committees generally.

理事會的職責

公會的宗旨詳述於《專業會計師條例》第7條，其中包括規管會計專業的執業、鼓勵研究會計學、反映會計專業的意見及維持會計專業的誠信及地位。

理事會負責履行公會的宗旨，以及管理和監控公會事務。

理事會的一般及特定權力詳述於《專業會計師條例》第17條及第18條。

理事會由14位理事及兩位當然理事組成。其中12位理事由會員選出，另外兩位由理事會從會員中增選。兩位當然理事分別為財政司司長或其代表以及庫務署署長或其代表。

理事會為了履行其職責，按個別事務和職責委任多個委員會及工作小組，向其提交意見。理事會亦可就若干職責將其權力授予該等委員會及工作小組。每個委員會及工作小組均依據既定的職權範圍執行工作。

註冊主任由理事會根據《專業會計師條例》第21條委任，負責執行理事會的政策及決定。

註冊主任作為理事會秘書，須就秘書處的有效管理及運作向理事會負責，亦需為理事會及委員會提供意見。

The Council met 12 times during the reporting period. The frequency of meetings of each of the committees and working groups is shown elsewhere in this Report.

Internal Financial Control

The Council is responsible for the Society's system of internal financial control. The key elements of the system are:

- (a) Budgets - Detailed annual budgets are prepared by the Registrar, reviewed by the Administration and Finance Committee and approved by the Council. Actual performances are measured against the budget and reported to the Administration and Finance Committee on a quarterly basis. Revised annual forecasts are also prepared and reported quarterly. These quarterly financial reports include an analysis of the performance of designated functional areas. All minutes of the Committee are submitted to the Council.
- (b) Authorisation limits - The Council delegates its day to day administration responsibility to the Administration and Finance Committee and the Registrar. There are prescribed guidelines referring to the authorisation limits of both the Committee and the Registrar with regard to revenue and capital spendings. There is also strict control over the bank signatories. Unbudgeted spendings have to be approved by the Council or the Administration and Finance Committee depending on the amount. Budgeted spendings with particulars are approved by the Council, the Administration and Finance Committee or the Registrar depending on their level and nature.
- (c) Audit Committee.

理事會於期內共舉行 12 次會議。每個委員會及工作小組舉行會議的次數，於本年報內另有載述。

內部財務監管

理事會負責制訂公會內部財務監管系統。該系統主要包括：

- (a) 預算 — 註冊主任負責編製公會每年的詳盡預算，經行政及財務委員會審核後，提交理事會通過。公會實際收支與預算的差異，每季需向行政及財務委員會匯報。註冊主任亦需經常修訂公會的年度財政預測，並需作出季度匯報。該等季度財務報告包括按不同功能的分類表現分析。委員會所有會議記錄亦須呈交理事會審閱。
- (b) 核准開支的權限 — 理事會委派行政及財務委員會和註冊主任負責執行日常行政工作。就經常性收入和資本支出而言，公會有指引明確列明委員會及註冊主任核准開支的權限。在指定銀行文件簽署人方面亦有嚴格監控。凡未列入預算的開支，視乎金額多寡須獲理事會或行政及財務委員會批准。已列入預算中的開支，視乎其金額及性質，由理事會、行政及財務委員會或註冊主任負責批准。
- (c) 審核委員會。

Audit Committee

The Council set up an Audit Committee in 1999. The Committee consists of five members who are Past Presidents of the Society. Its membership is reviewed every year by Council. The current members are Sir Gordon M. Macwhinnie (Chairman), P.M. Kam, Joseph M. Lai, Tim T.L. Lui and Aloysius H.Y. Tse.

The duties of the Committee are:

- (a) to consider the appointment of the auditor and the audit fee.
- (b) to discuss with the auditor before the commencement of an annual audit the nature and scope of the audit.
- (c) to discuss any problems or matters arising from the audit that the auditor may raise.
- (d) to review the auditor's management letter and the Council's response, and ensure that recommendations made by the auditor are actioned.
- (e) to review the operation and effectiveness of the Society's internal control systems and procedures, and make recommendations to the Council.
- (f) to review the appropriateness of accounting policies adopted and the adequacy of disclosures made in the Society's financial statements, and make recommendations to the Council.
- (g) to perform other related duties as deemed appropriate for the betterment of corporate governance.

The Committee may request the Society's auditor, the Chairman of the Administration and Finance Committee and any member of the staff to attend its meetings. The auditor may request a meeting if deemed necessary.

審核委員會

理事會於一九九九年成立審核委員會。委員會由五位公會前任會長組成。委員會的成員每年由理事會作出委任。委員會現任成員包括麥蘊利爵士（主席）、甘博文、黎明、雷添良及謝孝衍。

審核委員會的職責包括：

- (a) 考慮委任核數師及釐定核數師酬金。
- (b) 在每年核數工作開始前，與核數師討論核數的性質及範圍。
- (c) 討論於核數過程中由核數師提出的任何問題或事項。
- (d) 審閱核數師致管理層的函件及理事會所作的回應，並確保公會經已實施由核數師提出的建議。
- (e) 檢討公會內部監控系統及程序的運作及其成效，並向理事會提供建議。
- (f) 就公會財務報表所採用的會計政策是否適合以及其所作的披露是否足夠作出檢討，並向理事會提供建議。
- (g) 履行其他對改善公會管治有幫助的職責。

審核委員會可要求公會核數師、行政及財務委員會主席及任何秘書處職員出席會議。在有需要的情况下，核數師可要求召開會議。

During the reporting period, the Audit Committee held two meetings in May and September 2003 respectively. In the May meeting, the Committee considered the nature and scope of the audit exercise for Year 2003 and matters relating to the preparation of the Society's Financial Statements for the year ended 30 June 2003. In the September meeting, the Committee reviewed the Audited Financial Statements.

Council Members' Interest

Council members are not remunerated. A disclosure of financial interests of Council members appears in Note 15 to the Financial Statements.

Being the governing body of a self-regulatory professional institute, the Council has applied strict rules to prohibit a member of the Council or of a committee to take part in any discussion and decision of a matter in which that member has an apparent conflict of interest.

Staff Remuneration

The remuneration of the general staff is determined by the Council upon the recommendation of the Administration and Finance Committee, which is in turn advised by the Registrar who makes his recommendation for individual staff based on documented assessment.

The remuneration of the director grade staff is determined by the Council with reference to the recommendation of the Registrar. The Council is in a good position to make a considered decision of the remuneration of such staff, who are responsible for serving various committees, as their performance is known to at least some Council members who serve on the respective committees.

The remuneration of the Registrar is determined by the Council.

Remuneration at all levels is determined with reference to market conditions and staff performance.

在本報告期內，審核委員會分別於二零零三年五月及九月舉行兩次會議。在五月的會議上，委員會考慮了二零零三年度核數的性質與範圍，以及公會截至二零零三年六月三十日止年度財務報表的編製工作。委員會在九月的會議上審閱了經審核財務報表。

理事的利益

理事並無收取酬金。理事的財務利益披露載於財務報表附註 15。

理事會作為一個自我監管專業團體的管理層，實施嚴格的規定，禁止理事會或委員會成員參與任何與其本身利益有明顯衝突的討論或決定。

職員薪酬

註冊主任根據員工的工作表現評核報告，就秘書處一般員工的薪酬，向行政及財務委員會作出建議。行政及財務委員會在審閱有關建議後，向理事會另行作出建議，由理事會釐定該等員工的薪酬。

總監級員工的薪酬，由理事會參考註冊主任的建議而釐定。由於總監級員工負責各個委員會的秘書工作，理事會可通過參與有關委員會工作的理事，直接了解總監級員工的工作表現，從而釐定合適的薪酬水平。

註冊主任的薪酬由理事會釐定。

各級員工的薪酬乃參考市場狀況及員工表現而釐定。