

# 非政府機構財務匯報及披露 簡明指南

A CONCISE GUIDE ON

## NGO FINANCIAL REPORTING AND DISCLOSURE





## 香港社會服務聯會

香港社會服務聯會（簡稱「社聯」）是一個代表非政府社會服務機構的聯會組織，有逾五百間機構會員，它們透過屬下三千多個服務單位，為本港市民提供優質社會服務。

社聯致力在本港建立一個具高度問責性、有效率、具成效、能照顧社會需要的社會福利界，維護社會的長遠持續發展和市民的福祉。

如欲進一步了解社聯，請瀏覽：

<https://www.hkcss.org.hk>



## About The Hong Kong Council of Social Service

The Hong Kong Council of Social Service (“HKCSS”) is a federation of non-government social service agencies of Hong Kong representing more than 500 Agency Members that provide quality social services through their 3,000 operating units in Hong Kong.

HKCSS’s vision is to build a welfare sector that is highly accountable, efficient, effective and responsive to social needs, safeguarding the long-term sustainable development of society and the well-being of citizens.

*For more information about HKCSS, please visit :*

<https://www.hkcss.org.hk>



本資料僅作一般參考之用，並非作為會計、財務、投資、稅務或其他專業意見的根據，請向您的顧問諮詢具體意見。

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, financial, investment, tax or other professional advice. Please refer to your advisors for specific advice.

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# 序

本簡明指南是社聯繼《非政府機構儲備簡明指南》、<sup>1</sup>《非政府機構投資簡明指南》<sup>2</sup>及《非政府機構財務管治及管理簡明指南》<sup>3</sup>後，出版「簡明指南系列」的第四冊。本指南旨在提供支援及指引，加強非政府機構在財務匯報及披露方面的知識，內容包括以下三個部份：

## 第一部份：一般說明

第一部份扼要地討論與財務匯報及披露有關的基本原則，為讀者需要注意的重要範疇提供一個概覽。這部份以淺白的語言編寫，盡量避免使用專業術語。請注意，本部份探討的主題及內容非詳盡無遺，或未能涵蓋所有機構的情況。

## 第二部份：聲明範例

第二部份是機構於披露非法定財務報表時，按《公司條例》要求所作出聲明的範例。此範例並非標準文件，機構於採用時須按實際情況決定有關內容。

## 第三部份：資源及參考資料

第三部份是機構或感興趣的其他資料，負責財務匯報及披露工作的員工於需要時可作參考。

這本簡明指南的作用是幫助機構提升財務匯報及披露方面的知識，以及了解需進一步改善的範疇。讀者須注意，本指南的適用程度或會視乎機構的規模和成熟程度而有差異，因此在使用時須妥善考慮機構本身的情況，包括但不限於營運環境、服務模式、財務活動的複雜性、財政狀況及管治架構等。

如有疑問，應諮詢專業意見。

<sup>1</sup> 《非政府機構儲備簡明指南》，第二修訂版，2022，香港社會服務聯會。  
<https://governance.hkcss.org.hk/zh-hant/node/468>

<sup>2</sup> 《非政府機構投資簡明指南》，第二修訂版，2022，香港社會服務聯會。  
<https://governance.hkcss.org.hk/zh-hant/node/469>

<sup>3</sup> 《非政府機構財務管治及管理簡明指南》，第二修訂版，2022，香港社會服務聯會。  
<https://governance.hkcss.org.hk/zh-hant/node/465>

# 第一部份

## 一般說明



### 財務匯報及披露

財務匯報是企業管治的必要環節，對機構而言是一項重要的工作及責任。財務匯報的主要目的是提供關於機構財務狀況和表現，以及財務狀況變動的資訊，協助使用者作出決策。

財務報告對各種使用者有以下不同的功用：

- (a) 機構管理層：為規劃、分析、制定基準及決策提供資訊；
- (b) 投資者、推廣者、融資者及債權人：為作出理性和謹慎的投資及貸款決定提供資訊；
- (c) 股東（成員）/ 資金提供者及公眾：提供機構各方面的資訊，包括：
  - 機構的經濟資源類別、對這些經濟資源的申索，及這些方案於特定時間內的變更；
  - 機構如何獲得及使用各種資源；
- (d) 各類持份者：提供關於機構管理績效，以及履行誠信義務責任時是否盡責和合乎道德標準的資訊；及
- (e) 法定的審計師：為機構的審計工作提供信息。

財務匯報並非只關乎牟利組織，而是對所有類型的組織都重要。因此，機構應熟悉財務匯報的原則及特點。一般而言，於財務匯報上表現優異的機構，在其他財務管理範疇上亦會較為卓越，更易達至財務可持續性及實踐其宗旨和目標。

### 財務匯報的重要性

財務匯報的重要性不容置疑。不同的持份者會因應各種原因及目的要求機構進行財務匯報。對機構而言，一個恰當的會計及財務匯報系統（簡稱「匯報系統」）能夠：

- (a) 確保符合不同的法律及監管要求。機構須向不同的政府部門提交財務報表，以滿足相應的監管要求；

- (b) 協助審計師審計機構的財務報表並發表審計意見；
- (c) 為各持份者提供財務規劃、分析、訂定基準及決策的基礎，以配合他們的需要；
- (d) 協助機構獲取撥款及募集捐贈；
- (e) 讓公眾分析機構的表現及管理狀況；及
- (f) 提供反映財政實力及過往表現的財務報表，有利機構競投新的服務項目。



## 財務匯報的責任

大多數香港的非政府機構都是按《公司條例》（第622章）成立的有限公司。條例中列明董事會須負責根據香港會計師公會頒佈的《香港財務報告準則》，擬備真實而中肯的年度財務報表。

為擬備能滿足法定要求的年度財務報表，一個有效的匯報系統實屬必要。設立匯報系統是管理層的責任，該系統需要採集及記錄機構所有經濟活動所衍生的數據，使機構能及時和有效地擬備不同的財務報告，供內部或外部人員作檢討或分析之用。機構應在呈示財務資訊時，統一地採用一套恰當的財務政策。此外，機構亦應建立相應的內部監控程序，確保匯報系統有效地運作，以及財務報表不存在因欺詐或錯誤而引致的重大錯誤陳述。

作為機構的管治單位，董事會須為財務匯報承擔最終責任。管理層的責任則在於確保處理匯報的程序符合誠信操守的要求。董事們須擔當監督管理層的角色，但並非所有董事都擁有與財務相關的背景，因此，他們不需要是會計專家，但要討論及明白所採用的會計處理方法，若有必要，董事們應質疑有關決定。

董事會及管理層必須理解各自於財務匯報上的責任。與此同時，聘用擁有相關知識及經驗的員工亦同樣重要。



## 問責及透明度

對機構而言，問責及具透明度兩項核心價值除涉及法律規定外，亦關乎領導方式是否符合道德規範。

機構領導層應該明白財務透明可以維持捐贈者對機構的信任。同樣重要的是，問責及具透明度的行事方式可以獲取員工的信任，營造正面的工作文化，而這些好處並非基於法律上的要求。

除依法律和監管規定擬備財務報告並向相關政府部門、董事及持份者披露外，機構自願或應要求公開更詳盡的財務或其他資訊，實屬良好的舉措。



為秉持透明度及簡化取得財務資訊的程序，大多數機構會將財務摘要或完整的財務報表等資訊於年報內披露，並上載至其網站。

除提供財務資訊外，機構可以透過以下方式展示其財務透明度：

- (a) 在籌款資料上清晰如實地向捐贈者說明他們所捐出的物資會被如何使用；
- (b) 制訂董事及員工的規避利益衝突政策；
- (c) 採用一個經全體董事通過的機構主管及高級行政人員薪酬政策；
- (d) 按時擬備財務報告及報表，並在遞交前經董事會審閱；
- (e) 採用合理的財務管理政策，包括內部監控，以確立問責性；
- (f) 清楚地列明誰需要為機構的支出負責及明確的開支審批指引，以確保所有支出都是必要和合理的；
- (g) 於機構的網站表明其免稅地位；
- (h) 於機構的網站上公佈董事名單，令董事會的組成具透明度；及
- (i) 妥善處理索取財務報告副本的要求。

當機構選擇披露財務摘要而非完整、經審計的財務報表時，必須注意確保該等資料不會被錯誤闡釋。因此，在披露財務資料時，須同時顯示審計師的意見，讓使用者衡量資料的可信性。

管理層須確保使用者能根據披露的資料，合理地了解機構最近的財務表現及其他相關資訊；然而，最終的責任則由董事會承擔。披露不準確的資料是不恰當的，而且違背原意。我們將於《財務報告框架》的段落討論有用財務資訊的特性。



## 機構的匯報及披露要求

普遍而言，機構擬備財務報表的責任是基於以下文件的規定：

- (a) 成立時所依據的管治章程；
- (b) 所屬司法管轄區的法律及規例；及
- (c) 與資助者、政府部門及其他機構訂立的協議。

本地的非政府機構大多數都是按《公司條例》成立的「公司」、按香港法例成立的「法定團體」、按《社團條例》（第151章）成立的「社團」或按信託契據或信託聲明書成立的「信託」。亦有機構會透過多個以上不同方式成立實體，同時提供多種不同的服務，這種架構稱為「集團」。不論機構是按什麼方式成立，它們的管治章程及 / 或相關法例總會要求它們擬備經審計的財務報表。

## 按《公司條例》成立

非政府機構的目標並不是牟利，所以大多數機構的法律架構都是擔保有限公司（亦稱「擔保公司」）。擔保公司並沒有股本或股東（相比更常見的股份有限公司架構），而是由願意繳付既定金額以償付公司債務的創辦人／成員／擔保人所擁有。除此之外，創辦人／成員／擔保人一般並不會獲分配盈利，因為剩餘資金通常都會用於機構的營運上，協助推廣其非牟利的目標。

### 擬備財務報表的要求

按《公司條例》的要求，公司董事應每年擬備財務報表，真實而中肯地反映公司的財務表現及於年度終結日的財務狀況。<sup>4</sup>

該財務報表必須遵從《公司條例》及相應會計準則的要求。香港會計師公會是香港負責頒佈及訂明相應會計準則的法定組織。

香港會計師公會所頒佈的三套財務報告準則為：

- (a) 《香港財務報告準則》：真實而中肯的表達，此準則列出擬備財務報表的要求，是主要的報告框架，適用於所有公司，而合資格的公司亦可選擇採用以下其他兩套財務報告準則；
- (b) 《私營企業香港財務報告準則》：真實而中肯的表達，此準則提供一個採用擬備財務報表較簡化的報告方式予不需要向公眾問責的實體選擇；及
- (c) 《中小企財務報告框架及財務報告準則》：非真實而中肯的表達，此準則提供一個簡化的報告框架予符合資格的實體選擇採用。

我們將會於稍後段落更詳盡地說明以上的會計準則。

### 於周年會員大會呈示經審計的財務報表

除非沒有營運，否則公司的財務報表必須被審計。

擔保公司須於財政年度結束後的9個月內舉行該年度的周年會員大會，<sup>5</sup>並於周年會員大會上呈示經審計的財務報表。<sup>6</sup>

沒有採取一切合理步驟確保符合財務報表須為真實而中肯的合規要求，即屬犯罪，有關董事可被罰款300,000港元。若董事沒有採取一切合理步驟，確保符合於財政年度結束後9個月內舉行的周年會員大會上，呈示經審計的財務報表的合規要求，有關董事可被罰款同樣的金額。<sup>7</sup>

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<sup>4</sup> 《公司條例》，香港法例第622章，第379（1）條。

<sup>5</sup> 《公司條例》，香港法例第622章，第610（1a）條。

<sup>6</sup> 《公司條例》，香港法例第622章，第429（1）條。

<sup>7</sup> 《公司條例》，香港法例第622章，第379（4）條。

於上述兩個情況，如果董事故意沒有採取一切合理步驟以確保遵從合規要求，可被罰款300,000港元及監禁12個月。<sup>8</sup>

### 披露指明財務報表及非法定帳目的要求

《公司條例》列明：（a）公開「指明財務報表」時，必須連同該財務報表的審計師報告；及（b）公開「非法定帳目」時，必須附帶一份有關「指定財務報表」的聲明，以及不可同時附帶顯示該年度「指明財務報表」的審計師報告。<sup>9</sup>

「指明財務報表」為於公司會員大會上呈示、送遞予成員或由董事擬備並交予公司發表的財務報表。換言之，即公司的法定財務報表。

「非法定帳目」是指非完整「指明財務報表」的財務資訊／報表。「非法定帳目」必須隨附恰當的聲明，內容包括標明：（a）此帳目並非「指明財務報表」；（b）審計師是否已就「指明財務報表」擬備報告；及（c）審計師報告是否有保留或以其他方式修改；或對報告內容沒有保留的情況下，以強調方式提醒使用者注意的事項。本指南的第二部份將會提供一份聲明範例作參考。

沒有遵從以上要求即屬犯罪，公司及每名董事可被罰款150,000港元。<sup>10</sup>

## 按《公司條例》以外的方式成立

機構可以根據《公司條例》以外的方式成立，如按特定法例、《社團條例》或信託協議成立。

### 按特定法例成立

一些歷史悠久的機構是按特定法例成立，如東華三院及保良局，它們的管治受相應的法例及／或法例生效前所採用的章程監管，有關財務匯報的要求會於法例或章程中列明。

以《東華三院條例》（第1051章）及《保良局條例》（第1040章）為例，當中列明它們須為財務報表安排審計，及於特定時間內向包括董事、顧問局成員及有表決權的成員等指定人士提交經審計的報表及審計師報告。

### 按《社團條例》成立

機構亦可按《社團條例》註冊成立。根據《社團條例》，除已經按其他條例註冊的組織外，所有組織都可以按《社團條例》註冊成為社團。機構應考慮其宗旨、性質及實際營運，選擇適合註冊成立的方式。

<sup>8</sup> 《公司條例》，香港法例第622章，第379（5）條。

<sup>9</sup> 《公司條例》，香港法例第622章，第436條。

<sup>10</sup> 《公司條例》，香港法例第622章，第436（5）條。

《社團條例》並沒有列明對註冊社團的財務申報要求，但條例中包含條款指社團事務主任在履行職責時，可以隨時以書面形式要求社團提交合理所需的資料。<sup>11</sup> 由此可見，社團的管治單位及管理層需要確保妥善保存能反映社團業務狀況的財務資料，並能按要求提交。

## 經信託安排成立

簡單而言，信託為受信關係，而非一個擁有法人地位的實體。受託人須為最少兩名獨立人士或公司，他們持有信託資產法定所有權及負責按受益人的利益管理該資產。

財產授予人可以於信託契據中列明，或以口頭方式傳達受託人管理資產時的行為細則。

如信託為慈善目的成立並享有免稅地位，該信託須符合《稅務條例》（第112章）的要求。下一段將會說明相關的規定。

## 《稅務條例》第88條下獲豁免繳稅的慈善組織

根據《稅務條例》第88條，屬公共性質的慈善機構或信託團體如符合與其交易或業務相關的條件，可豁免繳付利得稅。不管其宗旨或目標有多大意義，非政府機構並不一定是慈善機構。實際上，《稅務條例》並沒有條文豁免志願或非牟利組織繳稅。

香港慈善組織的相關法律由案例法組成。按法律對慈善機構的定義，機構或信託須純粹為屬慈善性質的宗旨而成立，而該等宗旨須於嚴格的法律定義上屬慈善性質。根據案例，已確立屬慈善性質的宗旨有四大主要類別：

- (a) 救助貧困；
- (b) 促進教育；
- (c) 推廣宗教；及
- (d) 可令社會得益但非屬以上任何一類的其他屬慈善性質的宗旨。

如果機構的活動屬以上所述的類別，它們可按《稅務條例》第88條向稅務局申請免稅地位。

## 財務申報的要求

稅務局將不時要求獲豁免繳稅的機構提交帳目、年報或其他文件，以審查其宗旨是否仍屬慈善性質，及其行為或活動是否與其管治章程上列明的宗旨相應。

若經過全面的審查後，稅務局認為機構因嚴重違背其屬慈善性質的宗旨（例如使用資金

<sup>11</sup> 《社團條例》，香港法例第151章，第15條。

的方式並沒有用於其慈善性質的宗旨、嚴重違反機構的管治章程，或協助非法的行為或活動）而動搖到其屬慈善性質的地位，並不再屬於真實的慈善機構，稅務局有權取消該機構的免稅地位，及向該機構課稅。

## 政府部門及主要資助組織的要求

機構經常接受來自政府部門及其他非政府組織（例如香港公益金及香港賽馬會慈善信託基金）的資助，這些提供資助的部門或組織必定會於資助協議中列明申報的要求，讓受資助者遵從。

實際的要求會因應資助者而有所不同，但其目的同樣是確保受資助者有妥善的問責及管治。常見的要求包括備有妥當的帳簿和擬備能夠真實而中肯地反映項目財務狀況的帳目表，由合資格的會計師審計財務報表，及於特定時間內提交經審計的財務報表和審計報告。財務報表應包括機構整體和個別受資助服務項目的收支，及其他資助者指定的資料。

倘若審計師報告包含修正式意見，或管理層得悉在審計過程中發現內部監控存在重大缺陷，機構須以書面形式向資助者確認已經或將會實施恰當的措施，以糾正存在的問題。

## 整筆撥款的要求

社會福利署（簡稱「社署」）於《整筆撥款手冊》<sup>12</sup>內列明有關會計、財務報告及內部監控的要求。遵從這些要求是接受整筆撥款的先決條件，以確保機構以合理方式管理財務。

機構必須確保所有交易事項均記錄在適當的帳簿及其他會計記錄內，並把《津貼及服務協議》規定的服務和有關支援服務，以及非《津貼及服務協議》規定的服務分別記帳。

財務申報的基本要求為提交《周年財務報告》，連同由外聘審計師就所有屬《津貼及服務協議》規定的服務所擬備的審查報告，及機構整體經審計的財務報表。這些文件須於財政年度結束（即3月31日）後的10月31日前提交。

為監督及與政府帳目保持一致，《周年財務報告》作為資助者（即社署）用以監察津貼是否被妥善地使用的特定文件，須按《有關管理及控制政府給予資助機構撥款的指引》並以現金收付制擬備。<sup>13</sup>

<sup>12</sup> 《整筆撥款手冊》，2016，社會福利署。  
<https://governance.hkcss.org.hk/zh-hant/node/79>

<sup>13</sup> 《有關管理及控制政府給予資助機構撥款的指引》，2004，財經事務及庫務局。  
[https://www.legco.gov.hk/yr07-08/chinese/pac/reports/49a/app\\_24.pdf](https://www.legco.gov.hk/yr07-08/chinese/pac/reports/49a/app_24.pdf)



## 公眾問責

為提高使用公帑的透明度及向公眾問責，機構須在公眾提出要求時，提供《周年財務報告》。除此之外，機構應設立途徑或方式，於向社署提交的同時，向公眾披露最新的《周年財務報告》。

披露的途徑或方式包括：（a）如機構有出版年報可納入其中；（b）長期張貼最新的《周年財務報告》於中央行政部／總部的當眼處；及（c）於機構的通告、通訊或其他刊物上發佈最新的《周年財務報告》。

機構須於每年的10月31日前，向社署提交該財政年度的《最高級三層人員薪酬條件自我評估報告》。除非機構符合豁免條件，否則亦須提交《最高級三層人員薪酬條件檢討報告》（簡稱「檢討報告」）。豁免提交檢討報告的條件為每年從社署所得的恆常性資助少於10,000,000港元，或該金額少於機構屬社會福利性質服務／項目百分之五十的營運收入。與《周年財務報告》相同，機構須在公眾提出要求時提供檢討報告的資料，及使用同樣的途徑或方式向公眾披露。

在進行檢討時，機構董事會應考慮各方面的因素，如現行人力資源管理安排、機構對員工的合約承擔、高層職位數目和職級的恰當程度、職能和整體員工架構、所涉最高三層人員中每層人員履行的職責性質和複雜程度，以及薪酬條件的恰當程度。

為方便公眾查閱上述報告，社署的網站<sup>14</sup>備有遵從披露要求的機構名單，並羅列瀏覽各機構《周年財務報告》及檢討報告的超連結，或機構獲豁免提交報告的標示。



## 財務報告：內容及頻率

### 財務報表的內容

財務報表（或財務報告）是企業、個人或實體（包括非政府機構）的財務活動及狀況的正式記錄。財務報表應以有系統及易於理解的方式編寫，一套財務報表包含以下內容：

#### 收支表

說明於特定時間內財務表現的報表，當中列出因營運和非營運活動而產生的收入及開支，以及淨盈利或虧損。由於獲取利潤並不是非政府機構運作的首要目的，所以在形容其營運表現時，使用「盈餘」及「赤字」比「盈利」及「虧損」更為合適。

<sup>14</sup> 《非政府機構周年財務報告及最高三層職員薪酬檢討報告》，社會福利署。  
[https://www.swd.gov.hk/tc/index/site\\_ngo/page\\_AFRandRR](https://www.swd.gov.hk/tc/index/site_ngo/page_AFRandRR)

## 綜合收益表

說明於特定時間內的營運成果，並加上於計算盈餘或赤字時，未包括的綜合收益項目的報表。

## 財務狀況表 / 資產負債表

說明於特定時間點（如報告期的最終日）財務狀況的報表，當中列出資產、負債及股東權益，於展示所擁有的資產時，也顯示其負債。資產負債表是按 **資產 = 負債 + 股東權益** 的原則擬備。若機構並沒有股本，其權益則為營運時所使用來自成員的資金、一般性資金及 / 或特定資金。

## 權益變動表

說明於特定時間內權益變更的報表。若機構並不是由股東所擁有及沒有任何股本，此報表會被稱為基金變動表。

## 現金流量表

說明於特定時間內（包括在營運、投資及財務活動上）現金變動的報表，總結於報告時段內現金及現金等價物的收付。

## 財務報表附註

亦稱為帳目附註，是隨財務報表及帳目附上的輔助資料。其中一項重要附註是披露擬備財務報表時所使用的會計政策。另外，法律上亦有要求須於附註提供包括撥備、儲備、折舊、投資、庫存、股本（若為股份有限公司）、員工福利和或然事項等資料。

根據所採用的會計準則要求，附註內也要披露其他資料。財務報表附註可提高讀者對機構財務狀況及表現的理解，並於預測未來表現時作參考。

## 匯報的頻率

財務匯報包括向不同持份者披露機構於特定時間內的財務資訊，該特定時間段會因應報告的目的及要求（例如法律、規例或資助協議上的要求）而有所不同。

一般而言，每間公司在每個財政年度都須擬備財務報表，以符合《公司條例》的要求及作報稅之用。為了內部管理或滿足個別使用者之要求，機構或須在較短的時段（例如每半年或每季）更頻密地擬備財務報告。



## 財務報告框架

財務報告框架是一套於擬備財務表時用作指引的規則，根據業務的大小和性質，以及所在地對其業務的法律和監管要求，列出財務報表中所有重要項目的分類、衡量、確認、表達和披露的定義準則。

當需要制訂會計政策，但現存準則對某些交易或情況未有指引時，此框架可作參考之用。以下是有效的報告框架之三項準則：

- (a) 透明度
- (b) 全面性
- (c) 一致性

具透明度的框架可以確保財務報表能反映所涵蓋的經濟活動；完整及中肯的披露和陳述方式是具透明度的先決條件之一。

全面性準則指框架具備普遍的原則，為記錄於特定時點或時段內，因運作而產生所有類型的財務交易提供指引。

一致性準則強調平等的處理。性質類似的財務交易，不論其地域、行業或時間因素，都應以相同方式分類及衡量。為反映經濟活動的實際狀況，機構可變通處理。

財務報表應按一套通用的原則編製，讀者可以因應資訊的特性而作出相應假設。

## 有用的財務資訊之特點

財務資訊應貼切及忠實地呈示所反映的訊息，相關性及真實反映是兩項重要的性質：

- (a) **相關性**：所提供的會計資訊對持份者有用，能影響他們的決策；及
- (b) **真實反映**：所提供的資訊正確地反映業務狀況。所謂真實的反映具備三種特質：
  - **完整性**：相關的資料沒有被忽略；
  - **中立性**：資料的表達方式沒有偏頗；
  - **不存在重大錯誤**：資料沒有足以影響持份者決策的嚴重錯誤。

財務資訊的有用程度會按其可比性、可核實性、及時性和可理解性而提高：

- (a) **可比性**：會計政策與過往保持一致，並以方便比較的形式呈示資訊；
- (b) **可核實性**：資訊可以獨立地被核證，並獲得同樣的結果；
- (c) **及時性**：適時報告資訊以保持相關性；及
- (d) **可理解性**：資訊的呈現方式能夠被有合理會計知識的使用者理解。



## 基礎假設

閱讀財務報表時，可以假設該報表有遵從兩項通用的原則。財務報告的「根本假設」是依據這兩項通用原則而定，分別是：

- (a) **權責發生制**：收入及支出於承諾發生時、而非於收付現金時被確認。

權責發生制與現金收付制的主要分別在於確認收支的時間。權責發生制著重預期的收入及開支，而現金收付制則會即時確認收支。

按權責發生制擬備的財務報表能較準確地顯示該實體情況，特別是長遠的表現。

- (b) **持續營運**：假設該實體會於可見的未來繼續運作，並沒有出售、清盤或破產的打算。

在持續營運的假設下，由於該實體會繼續運作並以最有效的方式運用其資產，在擬備財務報表時能夠以此為根據，將確認部份開支的時間延後。

擬備財務報表時若認為該實體不會持續營運，便會產生資產減值的問題，使其帳面值撇減至清盤價值。所以，假設會持續營運的實體價值會高於其清算價值，因為它有繼續賺取利潤的潛力。

## 《香港財務報告準則》

「香港財務報告準則」一詞包括所有《香港財務報告準則》、《香港會計準則》及香港會計師公會頒佈的解釋公告。<sup>15</sup>

《香港財務報告準則》列明通用財務報表於記錄重要的交易及事項時，確認、分類、衡量、呈示和披露的要求。通用財務報表為了同時滿足包括公眾等各類使用者的需求，涵蓋他們普遍需要的資訊。《香港財務報告準則》是根據香港會計師公會頒佈的《2018年財務報告概念框架》<sup>16</sup>編寫，可從中了解通用財務報表上應用的基礎概念。

適當地採用《香港財務報告準則》，並輔以所需的披露，財務報表方可被視作真實及中肯的展示。

香港的非政府機構一般都須要按《香港財務報告準則》擬備及呈示財務報表。在特定情況下，機構可按下述兩個替代框架（《私營企業香港財務報告準則》及《中小企財務報告框架及財務報告準則》）擬備及呈示財務報表。

<sup>15</sup> 《香港財務報告準則序言》，2022，香港會計師公會。  
<https://www.hkicpa.org.hk/-/media/HKICPA-Website/Members-Handbook/volumeII/preface.pdf>

<sup>16</sup> 《2018年財務報告概念框架》，2018，香港會計師公會。  
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Members-Handbook-and-Due-Process/HandBook/Volume-II--Financial-Reporting-Standards/Conceptual-Framework-for-Financial-Reporting-2018>

## 《私營企業香港財務報告準則》

《私營企業香港財務報告準則》是由香港會計師公會頒佈，予「私營企業」作擬備通用財務報表之用。「私營企業」一詞指（a）不需要向公眾問責；及（b）會發佈通用財務報表予外部使用者的公司。此準則提供《香港財務報告準則》以外一個簡化的報告方式。

按《私營企業香港財務報告準則》擬備的財務報表，能夠滿足《公司條例》中資料須真實而中肯地展示的要求。香港的非政府機構在擬備財務報表時，亦有採用《私營企業香港財務報告準則》。

## 《中小企財務報告框架及財務報告準則》

《中小企財務報告框架》及《中小企財務報告準則》是由香港會計師公會頒佈，予符合《中小企財務報告框架》中定義為中小型實體採用的會計實務準則。

此會計準則比《香港財務報告準則》及《私營香港財務報告準則》寬鬆。若私人公司及擔保有限公司符合《公司條例》列明的資格，<sup>17</sup> 便可以利用準則中的「報告豁免」，豁免規管董事會報告及財務報表內容上的部份要求。

符合使用此準則資格的實體包括小型私人公司、小型擔保公司，及滿足特定條件的小型擔保公司集團的控股擔保公司。<sup>18</sup>

小型私人公司的定義為滿足以下其中兩項條件的公司，包括（a）年度總收入少於100,000,000港元；（b）總資產少於100,000,000港元；及（c）公司於該財政年度的平均僱員人數少於100人。

小型擔保公司的定義為年度總收入少於25,000,000港元的擔保公司。

小型擔保公司集團的控股擔保公司符合報告豁免及使用簡化的財務報告方式的條件為：集團內每一間公司均為小型擔保公司，及集團的年度總收入少於25,000,000港元。

以下所列為部份簡化財務報表被豁免的內容：<sup>19</sup>

- （a）財務報表不須真實而中肯地展示；
- （b）附屬業務可根據所採用的會計準則而不列載於綜合財務報表之內；

<sup>17</sup> 《公司條例》，香港法例第622章，第359條。

<sup>18</sup> 《按香港公司條例成立的公司的資格準則》，香港會計師公會。  
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Our-views/Standards-Interpretations-Guides-and-PN-Members-Handbook/Reference-Materials/SME-Financial-Reporting-Framework-and-Standard/smeffre2019>

<sup>19</sup> 《常見問題 - 公司條例》，公司註冊處。  
<https://www.cr.gov.hk/tc/faq/companies-ordinance/co-account-audit.htm>

- (c) 財務報表不須審計師發表真實而中肯的意見；及
- (d) 不須披露審計師的薪酬。



## 審計

### 目的及範圍

財務報表審計是由獨立的審計師查核財務報表及相關披露的程序，完成後由審計師發表一份報告，證實財務報表及相關的披露中肯地被呈示。審計師報告必須於發表財務報表時隨附。

本指南已於其他部份說明機構有義務向不同持份者呈交經審計的財務報表。審計的好處在於能保證管理層「真實而中肯地」展示機構的財務表現及狀況，以建立機構管理者與需要理解「真實而中肯」情況的持份者間的互信。

一般而言，審計由被審核的事項及這些事項是否中肯地被展示的意見所組成。除了為符合法定的合規要求外，機構亦可以為其他目的安排審計，包括遵從特定情況下的監管要求及 / 或與資助者訂立的資助協議條款，後者的審計範圍會視乎機構與協議方的協定而有所不同，並沒有統一的標準。

財務報表是按以常用會計原則組成的框架擬備，而該框架被泛稱為會計準則或財務報告準則。財務報表的展示中肯與否，是由獨立審計師按常用審計準則組成的框架驗證，該框架列明進行審計的要求及指引，簡稱為審計準則。

### 審計師的聘任及資格

#### 審計師的聘任

按《公司條例》成立的公司，審計師的聘任（首任除外）都是由公司成員於周年會員大會表決。<sup>20</sup> 首任審計師則是於首屆周年會員大會前由董事委聘，<sup>21</sup> 並須於首屆周年會員大會上卸任，但可以被再次聘任至下屆周年會員大會為止。

處理非法定審計的審計師一般會由董事會委聘，考慮因素包括持份者對審計報告的要求及審計師的經驗。

<sup>20</sup> 《公司條例》，香港法例第622章，第396（1）條。

<sup>21</sup> 《公司條例》，香港法例第622章，第395（2）條。

## 審計師的資格

審計師一般為當地專業機構會員的合資格會計師。合資格會計師須符合學歷要求、完成規定的專業考試，及擁有足夠的執業經驗。在香港提供審計服務的審計師須為香港會計師公會的成員及持有其頒發的執業證明。審計師於職業生涯中必須持續地作專業進修，以保持專業資格。

獲聘任的審計師須獨立於受審計的實體。

## 審計報告：所傳達的訊息

### 審計意見

公司的管理層須負責擬備財務報表。審計師的責任則是在獲得合理保證下發表意見，確認財務報表整體不存在由於欺詐或錯誤而導致的重大錯誤陳述，及按相關會計準則（例如《香港財務報告準則》）中肯地展示。

獨立的審計準則提供清晰的框架，列明進行審計的要求和指引，及其相應程度的保證。審計師的責任是按採用的審計準則策劃及進行審計，並確保取得發表審計意見所需的憑證。於判斷財務報表是否不存在重大錯誤陳述及評估所發現的錯誤陳述時，審計師需要考慮不同的因素，並以其專業能力及經驗，根據財務報表上所得的憑證作出專業判斷。

審計師報告是審計所得的結果，內容通常包括以下段落：

- (a) 意見：說明審計師所審計的財務報表及發表的意見；
- (b) 意見的基礎：說明審計師於審計時所採用的審計框架；
- (c) 董事及管治層就財務報表須承擔的責任；及
- (d) 審計師就審計財務報表須承擔的責任。

附錄一將會提供一份審計師報告範例作參考之用。

### 修正式審計意見

修正式審計意見屬於並不「乾淨」的審計意見。審計師會於與管理層就財務報表有不同意見或認為所審計的範疇受到限制時，發表修正式審計意見。實際上，審計師發表修正式意見的情況並不常見，因為被審計的實體通常都會按需要更正財務報表及披露，從而避免獲得修正式意見。

如審計師認為無法完成所需的工序或無法取得必需的審計憑證時，亦會發表修正式審計意見。

審計師亦可加入提醒使用者注意特定事項的段落，於無發表修正式審計意見的情況下修正審計報告。例如，當審計師認為某部份的財務報表即使在完全披露的情況下，亦會存在重大的不確定性，他可以於審計報告上強調及提請使用者注意此狀況，這部份的內容被稱為強調事項段落。

在檢視一套經審計的財務報表時，讀者應細閱審計師報告中的意見段落，以確認所發表的意見是否「乾淨」。如審計師發表的為修正式意見，則應注意審計師有所保留的事項。

附錄二將會提供審計師於審計師報告上發表不同式樣的意見範例作參考之用。



## 董事會報告

### 目的及內容

《公司條例》列明公司須為每個財務年度擬備董事會報告，<sup>22</sup>並於該年度的周年會員大會上呈示。<sup>23</sup>按《公司條例》成立的機構必須遵從此項要求。

董事會報告的目的在於讓持份者了解公司的財務穩健狀況、其財務表現，以及遵從財務監管、會計準則和社會責任要求的情況。總而言之，董事會報告能增加企業的透明度。

須於董事會報告中披露的內容包括：<sup>24</sup>

- (a) 報告年度內每一位董事的姓名或名稱；
- (b) 公司的主要活動；
- (c) 業務審視；
- (d) 於資產負債表訂明的日期後發生而可能影響公司財務的任何財務活動；
- (e) 公司固定資產的重大變更；及
- (f) 任何其他會影響成員理解公司狀況的重大事宜。

<sup>22</sup> 《公司條例》，香港法例第622章，第388條。

<sup>23</sup> 《公司條例》，香港法例第622章，第391條。

<sup>24</sup> 《公司條例》，香港法例第622章，第390條。

董事會報告必須經董事批核，並須由董事或公司秘書代表董事會簽署。簽署報告的董事姓名或名稱必須於報告上列明。

## 特定披露

本部份將會討論《公司條例》中列明，並適用於非政府機構的特定披露要求：

### 業務審視

業務審視須隨附於董事會報告，內容應包括但不限於以下的公司資訊：<sup>25</sup>

- (a) 對公司業務的中肯審視；
- (b) 對公司面對的主要風險及不明朗因素的描述；
- (c) 於財政年度結束後發生而對公司有影響的重要事件的描述；
- (d) 未來公司業務發展的方向；
- (e) 財務關鍵表現指標的分析；
- (f) 對公司的環境政策和表現，以及公司遵從與其相關並有重大影響的法規情況之討論；及
- (g) 公司與關鍵持份者關係的說明，包括員工、顧客、供應商及其他對公司業務成功與否有重大影響的人士。

部份符合相關條件的公司能獲豁免擬備業務審視，例如符合使用簡化財務報告要求的小型擔保公司。

### 董事從合約中獲得重大利益

如董事從任何公司的交易、安排或合約中，直接或間接地獲得重大利益，有關詳情須錄載於董事會報告。<sup>26</sup>

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<sup>25</sup> 《公司條例》，香港法例第622章，附表5。

<sup>26</sup> 《公司條例》，香港法例第622章，第383條。



## 董事的薪酬

《公司條例》要求公司於財務報表附註披露董事的薪酬、退休福利、於終止服務時所得的款項，及提供服務所得的回報。<sup>27</sup>



## 環境、社會和管治報告

環境、社會和管治（簡稱「ESG」）報告指於環境、社會及企業管治三個範疇上所披露的數據和資訊，能提高企業於這三個範疇上表現的透明度。

ESG報告作質性及量性資料的整體披露，協助持份者，如公眾、受益者、捐贈者、投資者及監管者，理解企業於這三個範疇的表現，讓投資者避免投放資源於可能因ESG常規而引致財務或非財務（如聲譽）風險的公司。

現時關於ESG的討論集中於商界，但機構董事會需知道ESG報告日益重要，並為ESG報告成為業界常規作出準備，例如持份者會期望機構披露關於多元、共融、工作安全和對環境影響的資訊。

於擬備ESG報告時，機構可以參考不同的框架及指引，包括全球報告倡議的《非政府組織披露》、<sup>28</sup>氣候相關財務披露工作小組的建議<sup>29</sup>及香港交易所的《環境、社會及管治報告指引》。<sup>30</sup>

機構亦可於制訂ESG目標時，參考聯合國列出的17項可持續發展目標。<sup>31</sup>



## 其他需考慮的因素

於履行財務匯報的責任時，董事會還需考慮以下因素：

- (a) 將財務數據及報告轉換成容易闡釋的資訊：報告應以清楚簡潔的形式擬備及呈示，讓使用者（例如員工及捐助者）能按其目的獲得合適的資訊；

<sup>27</sup> 《公司條例》，香港法例第622章，第383條。

<sup>28</sup> 《非政府組織披露》，全球報告倡議。  
<https://www.globalreporting.org/search/?query=NGO+Sector+Disclosures>

<sup>29</sup> 《知識中心》，氣候相關財務披露工作小組。  
<https://www.tcfhub.org>

<sup>30</sup> 《環境、社會及管治報告指引》，香港交易及結算所有限公司。  
[https://www.hkex.com.hk/listing/sustainability/esg-academy/rules-and-regulations?sc\\_lang=zh-HK](https://www.hkex.com.hk/listing/sustainability/esg-academy/rules-and-regulations?sc_lang=zh-HK)

<sup>31</sup> 《可持續發展目標》，聯合國。  
<https://www.un.org/sustainabledevelopment/zh>

- (b) **平衡資訊透明及資訊安全**：財務報告包含關於實體的重要資訊，所以需要有足夠的保安程序來確保該資料只供有關或有需要的人士存取。如把資料存放於網絡上，亦需要考慮保安問題；
- (c) **於匯報系統中融合新科技**：應在科技日新月異的年代不斷採用新技術以提升工作效率，並確保員工已接受使用新科技所需的訓練；及
- (d) **了解有關分享數據的最新法律要求**：須注意符合相關的法律及監管要求，包括《個人資料（私隱）條例》（第486章）及《香港國安法》等。





# 第二部份

## 按《公司條例》要求於披露非 法定帳目時須隨附的聲明範例

於此 **[#年報]** 中列載的截至 **[#二零...年三月三十一日 或 其他適用年終日]** 年度的數字及財務報告並非《公司條例》第436條定義的指明財務報表。

**[機構]** 已按《公司條例》第622 (3) 條及附表6第3部的要求向公司註冊處處長提交年度財務報表。

**[機構]** 的審計師已就該等財務報表擬備報告。該審計師報告沒有保留意見；沒有於無發表保留意見的情況下，以強調方式提醒使用者注意任何事項；及沒有包含根據《公司條例》第406 (2)、407 (2) 或 (3) 條作出的陳述。

註 - 如適用，可加入以下內容：

本機構的年度財務報表已上載至機構網站。

# 第三部份

## 資源及參考資料

以下是一些與這簡明指南課題有關的參考資料，可作適當的參照。機構在進行財務匯報及披露時，應熟悉下列資料的內容：

- (a) 公司條例，香港法例第622章。
- (b) 財經事務及庫務局。有關管理及控制政府給予資助機構撥款的指引。2004。
- (c) 全球報告倡議。《非政府組織披露》可持續發展報告指南，第4版。
- (d) 香港交易及結算所有限公司。環境、社會及管治報告指引。
- (e) 香港會計師公會。會計公報 第5號 - 就根據香港《公司條例》（香港法例 第622章）編備及呈報業務審視的指引。2019。
- (f) 香港會計師公會。會計公報 第6號 - 有關「香港公司條例第622章第436條的規定指引」。2019。
- (g) 香港會計師公會。2018年財務報告概念框架。2018。
- (h) 香港會計師公會。私營企業香港財務報告準則。2015。
- (i) 香港會計師公會。香港財務報告準則序言。2022。
- (j) 香港會計師公會。中小型企業財務報告框架及準則。2020。
- (k) 廉政公署。非政府機構的管治及內部監控防貪錦囊。2015。
- (l) 稅務局。屬公共性質的慈善機構及信託團體的稅務指南。2021。
- (m) 社團條例，香港法例第151章。
- (n) 社會福利署。整筆撥款手冊。2016。
- (o) 社會福利署。優化整筆撥款津助制度檢討報告。2021。
- (p) 氣候相關財務披露工作小組。知識中心。

- (q) 香港社會服務聯會。非政府機構財務管治及管理簡明指南，第二修訂版。2022。
- (r) 聯合國。可持續發展目標。

# 附錄一

## 非修正正式意見審計報告範例

以下的範例旨在展示一份審計報告典型的結構及內容。

香港會計師公會制訂的三套財務報告準則（有關說明可參閱第一部份《機構的匯報及披露要求》的段落）分別為《香港財務報告準則》、《私營企業香港財務報告準則》及《中小企財務報告準則》。審計報告所採用的報告準則會於「意見」段落中列明。因應不同的報告準則，所表達的審計意見亦會有所不同。

### 獨立審計師報告

致ABC機構（於香港註冊成立的擔保有限公司）的成員

### 意見

我們已審計列載於第...至...頁的ABC機構（簡稱「貴機構」）的財務報表，此財務報表包括於 **[#二零...年三月三十一日 或 其他適用年終日]** 的財務狀況表與截至該日止年度的收益表、綜合收益表、基金變動表、現金流量表，以及財務報表附註，包括主要會計政策概要。

我們認為，該等財務報表已根據香港會計師公會頒佈的 **[#《香港財務報告準則》/《私營企業香港財務報告準則》]** 真實而中肯地反映了 貴機構於 **[#二零...年三月三十一日 或 其他適用年終日]** 的財務狀況及截至該日止年度的財務表現及現金流，並已遵照《公司條例》妥為擬備。

註 - 如財務報表按《中小企財務報告準則》編制：

我們認為，該等財務報表已就所有重大方面根據香港會計師公會頒佈的香港《中小企財務報告準則》擬備，並已遵照《公司條例》妥為擬備。

## 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告中「審計師就審計財務報表承擔的責任」的部份作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》（簡稱「守則」），我們獨立於貴機構，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## 財務報表及審計師報告以外的信息

機構董事須對包括所有財務報表及我們就該等財務報表而發出的審計師報告以外的其他資料承擔責任。

我們對該等財務報表作出的意見並不包括其他資料。我們也不會對其他資料發表任何形式的核證結論。

就審計該等財務報表而言，我們的責任是閱讀其他資料，並在此過程中，考慮其他資料的內容與該等財務報表或與我們在審計過程中獲得的資料是否存在重大抵觸，或除此以外有否其他疑似重大錯誤陳述。

基於我們所執行的工作，倘若我們認為其他資料出現重大錯誤陳述，我們須如實報告。我們就此並沒有須要報告的事項。

## 董事會就財務報表須承擔的責任

董事們須負責根據香港會計師公會頒佈的 [\[#《香港財務報告準則》/《私營企業香港財務報告準則》\]](#) 及《公司條例》擬備真實而中肯的財務報表，及落實他們認為擬備財務報表所必要的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

註 - 如財務報表按《中小企財務報告準則》編制：

董事們須負責根據香港會計師公會頒佈的《中小企財務報告準則》及《公司條例》擬備財務報表，及落實他們認為擬備財務報表所必要的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在擬備財務報表時，董事們負責評估 貴機構持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事們有意將 貴機構清盤或停止經營，或別無其他實際的替代方案。

董事會須承擔監督 貴機構財務報告過程的責任。

## 審計師就審計財務報表承擔的責任

我們的目標，是對財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並擬備包括我們意見的審計師報告。此報告是按《公司條例》第405條為 貴機構擬備，除此之外並無任何其他用途，我們不會就報告內容向其他人承擔任何責任。

合理保證是高層次的保證，而按照《香港審計準則》進行的審計不一定可以發現所有重大的錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果於合理預期下它們單獨或結集起來，可能影響使用者依賴財務報表所作出的經濟決策，有關的錯誤陳述則可被視為重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業的懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控，因此未能發現因欺詐而導致重大錯誤陳述的風險，較未能發現因錯誤而導致重大錯誤陳述的風險為高。
- 了解與審計相關的內部監控，以設計適當的審計程序，但其目的並非對 貴機構內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出定論。根據所獲取的審計憑證，確定是否存在可能導致對 貴機構的持續經營能力產生重大疑慮的、與事項或情況有關的重大不確定性。如果我們認為存在重大不確定性，則有必要在審計師報告中提請使用者注意財務報表中的相關披露。假若有關的披露不足，我們則應發表非無保留意見。我們的結論是基於審計師報告日止所取得的審計憑證。然而，貴機構可能因未來所發生的事項或情況而導致不能持續經營。

註 - 以下段落只適用於按《香港財務報告準則》或《私營企業香港財務報告準則》編制的財務報表：

- 評價財務報表的整體列報方式、結構和內容，包括披露，以及財務報表是否忠實地反映交易和事項。

除其他事項外，我們就計劃的審計範圍、時間安排、重大審計發現等與董事會溝通，包括我們在審計中識別出於內部監控上的任何重大缺陷。

## XYZ會計師事務所

執業會計師

[香港地址]

[日期]



# 附錄二

## 審計報告中修正式審計意見範例

以下情況為審計師於審計師報告中發表修正式意見的例子：

1. 由於財務報表上的重大錯誤陳述而發表有保留意見
2. 由於財務報表上的重大錯誤陳述而發表否定意見
3. 由於審計師無法取得充足和適當的審計憑證而發表有保留意見
4. 由於審計師無法取得充足和適當的審計憑證而拒絕表示意見

### 例子1：由於財務報表上的重大錯誤陳述而發表有保留意見

「我們認為，除於『意見的基礎』中列明的影響外，該等財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴機構於 **[#二零...年三月三十一日 或其他適用年終日]** 的業務狀況及截至該日止年度的 **[#盈利/損失]** 及現金流，並已遵照《公司條例》妥為擬備。」

### 例子2：由於財務報表上的重大錯誤陳述而發表否定意見

「我們認為，因為於『意見的基礎』中列明的重要因素，該等財務報表未能根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映 貴機構於 **[#二零...年三月三十一日 或其他適用年終日]** 的業務狀況及截至該日止年度的 **[#盈利/損失]** 及現金流。於其他所有上述以外的層面，我們認為該等財務報表已遵照《公司條例》妥為擬備。」

### 例子3：由於審計師無法取得充足和適當的審計憑證而發表有保留意見

「我們認為，除於『意見的基礎』中列明可能出現的影響外，該等財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴機構於 **[#二零...年三月三十一日 或其他適用年終日]** 的業務狀況及截至該日止年度的 **[#盈利/損失]** 及現金流，並已遵照《公司條例》妥為擬備。」



#### 例子4：由於審計師無法取得充足和適當的審計憑證而拒絕表示意見

「因為於『意見的基礎』中列明的重要因素，我們未能取得充足和適當的審計憑證以發出審計意見。因此，我們拒絕對該等財務報表表示意見。於其他所有上述以外的層面，我們認為該等財務報表已遵照《公司條例》妥為擬備。」

# 鳴謝

本指南由社聯「非政府機構董事會網絡計劃」成立之專家小組，藉他們的寶貴指導和意見編撰而成。以下專家小組成員在編寫這本供非政府機構參考的指南上作出了巨大貢獻，特此鳴謝。

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	張振宇先生	香港地球之友董事及綠色金融事務召集人
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# PREFACE

This is the fourth publication of the Concise Guide series produced by HKCSS, after “A Concise Guide on NGO Reserves”,<sup>1</sup> “A Concise Guide on NGO Investment”<sup>2</sup> and “A Concise Guide on NGO Financial Governance and Management”.<sup>3</sup> This guide is intended to provide support and guidance to strengthen NGOs’ knowledge on financial reporting and disclosure, which comprises three sections:

## Section I : General Explanatory Notes

Section I provides a brief discussion of the basic principles relating to financial reporting and disclosure to give readers an overview of the important areas they should be aware of. This section is written in plain language and has avoided the use of professional jargons, to the extent possible. It should be noted that the topics and contents of discussions are by no means exhaustive and may not address all circumstances of every NGO.

## Section II : Sample Statement

Section II provides a sample of the statement, as required by the “Companies Ordinance”, for disclosing financial information that does not constitute the statutory financial statements for reference by NGOs. It is not a standardised document and NGOs must exercise their own discretion when preparing their statements as needed.

## Section III : Resources and Reference Materials

Section III is a list of additional reference materials which NGOs may find useful and of interest. They are provided in case staff responsible for financial reporting and disclosure wish to know more on the relevant subjects.

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<sup>1</sup> “A Concise Guide on NGO Reserves”, Second Revision, 2022, The Hong Kong Council of Social Service.  
<https://governance.hkcass.org.hk/node/468>

<sup>2</sup> “A Concise Guide on NGO Investment”, Second Revision, 2022, The Hong Kong Council of Social Service.  
<https://governance.hkcass.org.hk/node/469>

<sup>3</sup> “A Concise Guide on NGO Financial Governance and Management”, Second Revision, 2022, The Hong Kong Council of Social Service.  
<https://governance.hkcass.org.hk/node/465>

This concise guide is intended to help enhance NGOs' knowledge on their financial reporting and disclosure obligations and identify areas where further advice or assistance may be needed. It is acknowledged that the relevance of this guide to NGOs may vary according to their size and maturity. When using this guide, due consideration must be given to the NGOs' own situation, including but not limited to their operating environment, mode of services, complexities of financial activities undertaken, financial condition and governance structure, etc.

In case of doubt, consultation should be made with professional advisors.

# SECTION I

## General Explanatory Notes



### Financial Reporting and Disclosure

Financial reporting is an important and critical task and obligation of an organisation. It is a vital part of corporate governance. The main objective of financial reporting is to provide information about the financial position, performance and changes in financial position of an organisation which will facilitate users in making decisions.

Financial reporting serves a number of purposes to its users, as follows:

- (a) **Management of an Organisation:** providing information for the purpose of planning, analysis, benchmarking and decision making;
- (b) **Investors, Promoters, Debt Providers and Creditors:** providing information to facilitate rational and prudent decisions on investment and credit be made;
- (c) **Shareholders (Members) / Fund Providers and Public at Large:** providing information on various aspects of an organisation, including:
  - The economic resources of an organisation, claims to those resources and how these resources and claims have undergone change over a period of time;
  - How the organisation procures and uses various resources;
- (d) **Various Stakeholders:** providing information regarding performance management of an organisation and how diligently and ethically they are discharging their fiduciary duties and responsibilities; and
- (e) **Statutory Auditors:** providing information for performing an audit of the organisation.

Financial reporting is important to all types of organisations and is not only relevant to profit-making enterprises. Hence, NGOs are advised to be familiar with the principles and key features of financial reporting. NGOs who are doing well in financial reporting are likely to be stronger in other aspects of financial management. Consequently, they will be in a better position in ensuring its financial sustainability and in the delivery of their missions and goals.



## Importance of Financial Reporting

The importance of financial reporting cannot be over emphasised. It is required by each and every stakeholder for multiple reasons and purposes. For an NGO, a proper Accounting and Financial Reporting System (“the Reporting System”) is instrumental in:

- (a) Ensuring compliance with various statutory and regulatory requirements. NGOs are required to file financial statements to various government departments for specific regulatory purposes;
- (b) Facilitating auditors in auditing the financial statements of an NGO and expressing an audit opinion thereon;
- (c) Forming the backbone of financial planning, analysis, benchmarking and decision making by various stakeholders for their own purposes;
- (d) Helping NGOs in solicitation of grants and donations;
- (e) Enabling the public at large to analyse the performance of an NGO and its management; and
- (f) Supporting the bidding of new service projects by presenting financial statements that reflect an NGO’s financial strength and past performance history.



## Responsibility for Financial Reporting

Most of the NGOs in Hong Kong are established as a limited company under the “Companies Ordinance” (Cap. 622) (“CO”). The Ordinance clearly stipulates that the Board of Directors are responsible for the preparation of a set of annual financial statements that gives a true and fair view in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

An effective Reporting System is essential in fulfilling the statutory obligation to prepare the annual financial statements. Setting up the Reporting System is the responsibility of the management. The system should be capable of capturing and recording all data arising from the NGO’s economic activities. It should also enable various financial reports to be produced timely and presented in a meaningful way for review and analysis by relevant users within and outside of the organisation. Appropriate accounting policies should be adopted and applied consistently in presenting the financial information. Adequate internal controls should be put in place to ensure that the system can function effectively and that the financial statements are free from material misstatements, due to fraud or error.

The ultimate responsibility to discharge the financial reporting obligations of an NGO falls on the Board of Directors, being the governing body. The management is responsible

for creating an environment to ensure the integrity of the entire reporting process. The directors have an oversight role to ensure that this responsibility of the management is properly carried out. However, not all directors will have a financial background to perform their role. While directors are not expected to be accounting experts, they do need to be engaged and seek explanation to support the accounting treatments chosen. Where appropriate, directors should challenge the accounting decisions applied in the financial report.

It is imperative that the Board of Directors and management fully understand their respective responsibilities over financial reporting. It is also important that staff resources with appropriate knowledge and experience be hired to carry out the reporting function.



## **Accountability and Transparency**

For an NGO, embracing the values of accountability and transparency is a matter of ethical leadership, as well as legal compliance.

Leaders of NGOs know that financial transparency will help preserve the very important trust each donor places in the organisation with each contribution. Additionally, and no less importantly, conduct that is accountable and transparent earns employees' trust and creates a positive workplace culture. Earning trust through financial transparency and accountability goes beyond what the law requires.

Other than the preparation and issue of the financial reports and make them available to relevant government departments, Board members and stakeholders, it is a good practice to disclose more information, financial and otherwise, than required by law and regulations to the public on a voluntary basis and / or upon request.

To demonstrate a commitment to transparency and to make it easier for those seeking financial information to view it, many NGOs post a financial summary or the full set of the financial statements, among other things, in their annual reports and on their websites.

Additional to provision of financial information, an NGO can demonstrate financial transparency in the following ways:

- (a) Be honest in solicitation materials and truthful and clear in communications with donors about how their gifts will be or have been used;
- (b) Formulate a conflict of interest policy for board members and staff;
- (c) Adopt an executive compensation policy of the agency head and senior executives which is approved by the board;
- (d) Ensure that the Board of Directors reviews timely financial reports and other financial returns prior to filing;

- (e) Adopt sound financial management policies, including internal controls, to ensure accountability;
- (f) Be clear about who is accountable for the NGO's expenditures as well as the guidelines for their spending and approval to ensure that they are necessary and reasonable;
- (g) Be candid about the tax-exempt status of the NGO on the organisation's website;
- (h) Be transparent with the composition of the Board of Directors by publishing the name list on the organisation's website; and
- (i) Respond appropriately to requests for copies of financial reports.

When an NGO elects to disclose extracts instead of a full set of the audited financial statements, care must be taken in ensuring the information provided will not be interpreted out of context by the readers. It is important to highlight the opinion issued by the auditor on the financial statements, which will enable readers to consider the extent of reliance they can place on the information shown.

It is the responsibility of the management, and ultimately the Board of Directors, of the NGO to ensure information disclosed serve the purpose of giving readers an informed view of the NGO's latest financial performance and other relevant information. Failure to provide accurate data and relevant disclosures will defeat the purpose and is undesirable. The characteristics of useful financial information are discussed in the paragraphs under Financial Reporting Framework.



## **Reporting and Disclosure Requirements for NGOs**

An NGO's obligation to prepare financial statements, in general, arises as a requirement stipulated in the following documents:

- (a) The governing instruments under which it is established;
- (b) Prevailing laws and regulations of the jurisdictions under which it operates; and
- (c) Agreements entered with funding bodies, government departments and other organisations.

NGOs in Hong Kong are usually structured in the form of a "company" incorporated under the "CO", a "statutory body" established by the Hong Kong legislature, a "society" established under the "Societies Ordinance" (Cap. 151) ("SO"), or a "trust" established under a trust deed or a declaration of trust. There are also situations where NGOs engage in multiple lines of services are operating through a number of entities established in more than one of the above-mentioned forms, collectively described as a "group". Regardless the

form of establishment each entity takes, there is always a requirement for it to prepare audited financial statements in accordance with their governing instruments and / or the prevailing laws.

## **Incorporated under Companies Ordinance**

The mission of an NGO is not for profit-making and the legal structure of most NGOs is very often set up as a company limited by guarantee (or known as a “Guarantee Company”). A Guarantee Company does not have any share capital or shareholders (under the more common limited by shares structure) but is owned by founders / members / guarantors who agree to pay a pre-determined amount of money towards company debts. Furthermore, there will generally be no profit distribution to the founders / members / guarantors as they will usually be re-invested in the operations to help promote the non-profit objectives of the company.

### **Requirements to Prepare Financial Statements**

Under the “CO” requirements, a company’s directors must prepare for each financial year financial statements that give a true and fair view of the financial position of the company as at the end of the financial year and their financial performance for the financial year.<sup>4</sup>

The financial statements for a financial year must comply with any other requirements of the “CO” in relation to the financial statements, and the accounting standards applicable to the financial statements. HKICPA is the statutory body responsible for issuing or specifying the applicable accounting standards in Hong Kong.

HKICPA has issued three sets of financial reporting framework:

- (a) **Hong Kong Financial Reporting Standards (“HKFRSs”)** that give a true and fair view, being the main reporting framework setting out the requirements for preparation of financial statements, applicable to all companies. However, eligible companies may choose to adopt either of the two financial reporting standards mentioned below;
- (b) **Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”)** that gives a true and fair view, offering a simplified reporting option for financial statements to be prepared for entities with no public accountability; and

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<sup>4</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 379 (1).

- (c) **Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (“SME-FRF and SME-FRS”)** that do not give a true and fair view, offering a simplified and alternative reporting option for financial statements to be prepared for qualifying entities.

The above accounting standards will be further elaborated in later paragraphs.

### **Audited Financial Statements to Lay before Annual General Meeting**

Another requirement related to financial statements is that they should be subject to an audit unless the company is dormant.

Guarantee Companies are required to hold their annual general meeting each financial year within 9 months after the end of the financial year<sup>5</sup> and have their audited financial statements laid before the members in that annual general meeting.<sup>6</sup>

Failure to take all reasonable steps to secure compliance with true and fair view on financial statements is an offence and a director is liable to a fine of HK\$300,000. Likewise, a director commits an offence and is liable to a fine of the same amount if he or she fails to take all reasonable steps to secure compliance with the requirement to have audited financial statements laid before an annual general meeting held within 9 months from the end of the financial year.<sup>7</sup>

In both cases, a director, if wilfully fails to take all reasonable steps to secure the compliance, is liable to a fine of HK\$300,000 and to imprisonment for 12 months.<sup>8</sup>

### **Requirements for Disclosing Specified Financial Statements and Non-statutory Accounts**

The “CO” has stipulated situations: (a) when “Specified Financial Statements” are made available to others, they must be accompanied by the auditor’s report on these financial statements; and (b) when any “Non-statutory Accounts” are made available to others, they must be accompanied by a statement regarding the “Specified Financial Statements” and must not be accompanied by the auditor’s report on its “Specified Financial Statements” for the same year.<sup>9</sup>

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<sup>5</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 610 (1a).

<sup>6</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 429 (1).

<sup>7</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 379 (4).

<sup>8</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 379 (5).

“Specified Financial Statements” means any financial statements prepared by the directors, a copy of which is laid before the company in general meeting, or a copy of which is sent to members, or is published by the company. In other words, these are the company’s statutory financial statements.

Any financial information or statement presented other than in the entire form of the “Specified Financial Statement” are described as “Non-statutory Accounts”. The “Non-statutory Accounts” must be accompanied by an appropriate statement indicating, inter alia, that (a) those accounts are not “Specified Financial Statements”; (b) whether an auditor’s report has been prepared on the “Specified Financial Statements”; and (c) whether the auditor’s report was qualified or otherwise modified; or referred to any matter to which the auditor drew attention by way of emphasis without qualifying the report. A sample of such statement is shown in Section II.

Failing to comply with this requirement is an offence, the company and each of its directors is liable to a fine of HK\$150,000.<sup>10</sup>

## **Established other than by Incorporation under Companies Ordinance**

NGOs can also be established other than by incorporation under “CO” - by special legislation, registration under the “SO”, or through a trust arrangement.

### **By Special Legislation**

Some long established NGOs were set up under specific legislation. Examples of these NGOs are Tung Wah Group of Hospitals and Po Leung Kuk, the governance of which is subject to specific regulations stipulated in the respective Ordinance and / or their own constitutions adopted prior to the legislation becoming effective. The requirements for financial reporting are either specified in the regulations of the legislation or the constitutional documents.

For example, “Tung Wah Group of Hospitals Ordinance” (Cap. 1051) and “Po Leung Kuk Ordinance” (Cap. 1040) stipulate the requirements for an audit of the financial statements and the presentation of the audited statements of accounts and the auditor’s report to designated parties including the directors, members of the advisory board and voting members within a specified period of time.

### **By Registration under Societies Ordinance**

NGOs can also be established by registration under the “SO”. According to the “SO”, any

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<sup>9</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 436.

<sup>10</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 436 (5).



organisation established in Hong Kong may register as a society under the “SO”, except those have been registered under other ordinances. An organisation, depending on its objects, nature and operations, may decide to register under any appropriate ordinance.

The “SO” does not specify the financial reporting requirements for organisations registered under the “SO”. However, there is a clause in the Ordinance stating that the Societies Officer may, at any time, by notice in writing served on any society, require the society to furnish him in writing with such information as he may reasonably require for the performance of his functions under this Ordinance.<sup>11</sup> It follows that the governing body and management of the society should ensure that the financial information reflecting the society’s business activities be properly maintained and be available for submission if required to do so.

### **Under Trust Arrangement**

In general terms, a trust is a fiduciary relationship, rather than an entity with its own separate legal personality. A trustee being at least two individuals or a corporation holds the legal title to the trust property and has a duty to administer and deal with the trust property in the interests of the beneficiaries.

The terms on which the trustee must act for the beneficiaries are determined by the settlor. These terms may be recorded in the trust deed or may be given orally.

If the trust is established for charitable purposes and has tax-exempt status, it will be subject to the requirements of the “Inland Revenue Ordinance” (Cap. 112) (“IRO”) as explained in the next paragraph below.

### **Tax-exempt Charities under S. 88 of Inland Revenue Ordinance**

Under S. 88 of “IRO”, charitable institutions and trusts of a public character is exempted from profits tax subject to certain conditions to be fulfilled in relation to the trade or business carried on by the charities concerned. An NGO is not necessarily a charity, however worthy its cause may be. In fact, there is no provision in the “IRO” which exempts a voluntary or non-profit organisation from tax.

The law of charity in Hong Kong has been built up by case law. To be a charity at law, the institution or trust must be established for purposes which are exclusively charitable and these purposes of the organisation are charitable in the strict legal sense. It has been established by court cases that there are four principal divisions of charitable purposes:

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<sup>11</sup> “Societies Ordinance”, Hong Kong Legislation Cap. 151, S. 15.

- (a) The relief of poverty;
- (b) The advancement of education;
- (c) The advancement of religion; and
- (d) Other purposes of a charitable nature beneficial to the community not falling under any of the preceding heads.

Accordingly, if the activities of an NGO fall under the above categories, it can apply to Inland Revenue Department (“IRD”) for the tax exemption status under S. 88 of the “IRO”.

### **Financial Reporting Requirements**

The IRD will, from time to time, call for accounts, annual reports or other documents to review whether the objects of a tax-exempt charity are still charitable and if its acts or activities are compatible with its objects stated in its governing instruments.

Where IRD considers, after taking a holistic view, that a charity seriously contravenes its charitable objects (e.g. use of funds not in furtherance of the charity’s charitable objects, serious breach of the charity’s governing instruments, or engaging in or supporting acts or activities which are unlawful) and hence fundamentally changes its charitable status and is not a genuine charity, IRD may withdraw the recognition of tax exemption status of the charity concerned and raise tax assessment where appropriate.

### **Requirements by Government Departments and Major Funding Organisations**

Oftentimes, NGOs receive funding support from government departments, and other non-government organisations (e.g. The Community Chest of Hong Kong and The Hong Kong Jockey Club Charities Trust). These funding bodies, in all cases, set out specific reporting requirements in their funding agreements for the recipients of the funding support to comply with.

The exact requirements may vary by funding bodies. However, they all serve the purpose of ensuring proper accountability and governance. Common requirements include the duty to maintain proper books of accounts and prepare statements of accounts that give a true and fair view of the project’s financial position, conduct audit of the financial statements by qualified Certified Public Accountants, and the submission of the audited financial statements together with the audit report within a prescribed time frame. The financial statements include the income and expenditure of the NGO as a whole as well as on individual supported services; and other specific information required by the funding bodies.

In situations where the auditors' report contains a modified opinion or where significant internal control weaknesses were discovered during the audit and brought to the attention of the management, the NGO will be required to confirm in writing that appropriate measures have been or will be adopted to rectify the issues / deficiencies.

## **Lump Sum Grant Requirements**

Social Welfare Department ("SWD") has set out the funding requirements in respect of accounting, financial reporting and internal control in the "Lump Sum Grant ("LSG") Manual".<sup>12</sup> Compliance with these requirements is a prerequisite for NGOs receiving LSG and is necessary to support sound financial management.

NGOs must ensure that proper books of account and other accounting records are kept for all transactions, separately identified into Funding and Service Agreement ("FSA") activities and support services and non-FSA activities.

The basic financial reporting requirement is the submission of the Annual Financial Report ("AFR") together with a review report thereon issued by the external auditors in respect of all FSA activities, and the audited financial statements of the NGO as a whole. These documents should be submitted not later than 31 October following the end of the financial year, i.e. 31 March.

For stewardship purpose and in line with government account, AFR, which is a separate document required for the purpose of accounting to the funder (i.e. SWD) the proper use of subventions, should be prepared on cash accounting basis in accordance with the terms and conditions of the subvention as specified in the "Guidelines on the Management and Control of Government Funding for Subvented Organisations".<sup>13</sup>

## **Public Accountability**

For the purpose of enhancing transparency and public accountability on use of public funds, NGOs are required to make their AFRs available to the public upon request. In addition, NGOs should establish their own channels of disclosure to the public and disclose the latest versions of the AFRs to the public upon their submission to SWD.

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<sup>12</sup> "Lump Sum Grant Manual", 2016, Social Welfare Department.  
<https://governance.hkcss.org.hk/index.php/node/79>

<sup>13</sup> "Guidelines on the Management and Control of Government Funding for Subvented Organisations", 2004, Financial Services and the Treasury Bureau.  
[https://www.legco.gov.hk/yr07-08/english/pac/reports/49a/app\\_24.pdf](https://www.legco.gov.hk/yr07-08/english/pac/reports/49a/app_24.pdf)

Channels of disclosure include: (a) inclusion in the NGOs' annual report if it is published; (b) posting up a copy of the latest AFR prominently on the notice board(s) at the Central Administration Unit / Head Office at all times; and (c) publishing the latest AFR through special circular(s), newsletter(s) or any other means.

By 31 October of the financial year, NGOs are required to return their "Self-Assessment Report on Remuneration Packages for Staff in the Top Three Tiers" to SWD. Unless the exemption criteria are met, NGOs are further required to submit their "Review Report on Remuneration Packages for Staff in the Top Three Tiers" ("Review Report"). An NGO is exempted from submitting a Review Report if it is receiving recurrent subventions of less than HK\$10 million a year from SWD or such amount accounts for no more than 50% of its total operating income pertaining to services / programs within the welfare purview. Likewise, the Review Report should be made available to the public upon request and to be disclosed through the channels as for the disclosure of AFRs.

In conducting the review, the boards of NGOs are advised to take into account aspects such as the current human resources management practices, their contractual commitment with their staff, the appropriateness of the number and ranking of senior positions, the functions and overall staffing structure, the nature and complexity of duties performed by each of the top three-tier staff in question, and the appropriateness of remuneration packages.

To facilitate the public's access to the above reports, SWD has prepared a summary of NGOs which have complied with the disclosure requirements in its website<sup>14</sup> with the relevant hyperlinks where the AFR and Review Reports can be located or an indication that the reports have either been submitted or exempted from submission.



## **Financial Reporting : Components and Frequency**

### **Components of the Financial Statements**

Financial statements (or financial reports) are formal records of the financial activities and position of a business, person, or entity (including NGO). Relevant financial statements are presented in a structured manner and in a form which is easy to understand. A set of financial statements comprises the following components:

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<sup>14</sup> "NGOs' Annual Financial Reports and Review Reports on Remuneration Packages for Staff in the Top Three Tiers", Social Welfare Department.  
[https://www.swd.gov.hk/en/index/site\\_ngo/page\\_AFRandRR](https://www.swd.gov.hk/en/index/site_ngo/page_AFRandRR)

## Statement of Income and Expenditure

This is the statement of the financial performance of an entity over a specific reporting period. It shows revenue recognised and expenses incurred through operating and non-operating activities as well as net profit or loss result during the reporting period. The purpose of an NGO's operational activities is not primarily for profit generation, the result of its operation is more appropriately described as surplus or deficit rather than profit or loss.

## Statement of Comprehensive Income

This statement shows the operating result for the reporting period plus those comprehensive income items which are not included while determining surplus or deficit.

## Statement of Financial Position / Balance Sheet

This is a statement of the financial position of an entity at a specific point in time (i.e. the end date of reporting period). It shows the assets, liabilities, and shareholders' equity to give an idea of what the entity owns along with the liabilities. The balance sheet is prepared based on the idea that **Assets = Liabilities + Shareholders' Equity**. In the case of an NGO which does not have any share capital, its equity is represented by members' fund, general fund and / or designated funds with which the NGO carries out its operation.

## Statement of Changes in Equity

This statement reports on the changes in equity of the entity over the reporting period. In the case of an NGO which is not owned by individual shareholders and does not have any share capital, this statement is described as a statement of changes in funds.

## Statement of Cash Flows

This statement reports on an entity's cash flow activities, particularly its operating, investing and financing activities over a stated period. It summarises the cash and cash equivalents received and released by the entity during the reporting period.

## Notes to the Financial Statements

Also known as notes to accounts, these are supporting information usually provided along with an entity's financial statements or accounts. An important note to the financial statements is the one that discloses the accounting policies applied by an entity in preparing and presenting financial statements. Some of the notes are required to be provided by law, including details related to provisions, reserves, depreciation, investments, inventory, share capital (for company limited by shares), employee benefits, contingencies, etc.

Other information may be required under the relevant accounting standards being followed by the entity. Notes to financial statements help users of accounting information to better understand the financial position and financial performance of an entity for the most recent reporting period of an entity and act as a reference for its estimated future performance.

## Frequency of Reporting

Financial Reporting involves the disclosure of financial information to various stakeholders of the organisation over a specified period of time. Depending on the purpose of the reporting and the requirements under which reporting is to be made (whether by law, regulations or by funding agreement), the reporting period may vary.

Generally speaking, annual financial statements are required to be produced for each financial year for entities incorporated under the “CO” and for tax filing purpose. More frequent financial reports covering a shorter period of time (semi-annual or quarterly) are produced for internal management use or meeting requirements of the specific group of users.



## Financial Reporting Framework

The financial reporting framework is a set of rules used as guidelines in the preparation of financial statements. The framework is based on the size, nature of business, location, and governing laws and regulations. It sets out criteria for defining the classification, measurement, recognition, presentation, and disclosure of all material items in a set of financial statements. The framework is vital to ensure that the financial statements meet its users’ needs. It can also help in developing accounting policies for transactions or events not specifically addressed in the existing standards. There are three criteria of effective reporting framework:

- (a) Transparency
- (b) Comprehensiveness
- (c) Consistency

A transparent framework ensures the financial statements to reflect the underlying economic events. One of the prerequisites for transparency is full disclosure and fair representation.

Comprehensive criterion means the framework contains universal principles. It provides



guidance on recording all types of financial transactions undertaken at a point in time or over time, as a result of the entity's activities.

Consistency criterion emphasises equal treatment. Financial transactions of similar nature must be classified and measured in the same manner, regardless of the type of geography, industry, and period. Flexibility may be possible so that reporting reflects the underlying economic activities.

Financial statements should abide by a common set of general principles, whereby readers can assume certain things about certain information demonstrating certain common characteristics.

## Characteristics of Useful Financial Information

If financial information is to be useful, it must be relevant and faithfully represent what it purports to represent. Relevance and faithful representation are the two qualitative characteristics of useful financial information:

- (a) **Relevance:** The accounting information provided is useful to stakeholders. The information may influence their decision making; and
- (b) **Faithful Representation:** The information accurately reflects the financial state of the business. Faithful representation has three attributes:
  - **Completeness:** Relevant information is not omitted;
  - **Neutrality:** Information is presented in a manner that is unbiased;
  - **Free from Material Error:** Information does not have any errors big enough to affect the decisions of the stakeholders.

The usefulness of financial information is enhanced if it is comparable, verifiable, timely and understandable:

- (a) **Comparability:** Accounting policies are kept consistent from year to year, and information is presented in a manner that makes comparison meaningful;
- (b) **Verifiability:** Information can be verified by other independent users to produce the same results;
- (c) **Timeliness:** Information should be reported in a timely manner, so that it remains relevant; and
- (d) **Understandability:** Information should be presented in a way such that users with reasonable knowledge of accounting should be able to understand what are being presented.

## Underlying Assumptions

Readers of financial statements can assume two general principles. These two principles form the basis of what are called the "Underlying Assumptions" of financial reporting. These two assumptions are:

- (a) **Accrual Basis:** Revenues and expenses are recognised when they are incurred and not necessarily when cash is received or paid.

The main difference between accrual and cash basis accounting lies in the timing of when revenue and expenses are recognised. The accrual basis focuses on anticipated revenue and expenses, while the cash basis is a more immediate recognition of revenue and expenses.

Financial statements prepared under the accrual basis present a more accurate picture of the performance of an entity, particularly in the long term.

- (b) **Going Concern:** It is assumed that the entity shall continue to operate for the foreseeable future and is not preparing for sale, liquidation or bankruptcy.

By making this assumption, the preparer is justified in deferring the recognition of certain expenses until a later period, when the entity will presumably still be in business and using its assets in the most effective manner possible.

If the preparer believes that an entity may no longer be a going concern, then this brings up the issue of whether its assets are impaired, which may call for the write-down of their carrying amount to their liquidation value. Thus, the value of an entity that is assumed to be a going concern is higher than its breakup value, since a going concern can potentially continue to earn profits.

## Hong Kong Financial Reporting Standards

The term "Hong Kong Financial Reporting Standards" (HKFRSs) includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and the relevant Interpretations issued by the HKICPA.<sup>15</sup>

HKFRSs set out recognition, classification, measurement, presentation and disclosure requirements dealing with transactions and events that are important in general purpose financial statements. General purpose financial statements are those directed towards the common information needs of a wide range of users including the public at large. HKFRSs

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<sup>15</sup> "Preface to Hong Kong Financial Reporting Standards", 2022, Hong Kong Institute of Certified Public Accountants.  
<https://www.hkicpa.org.hk/-/media/HKICPA-Website/Members-Handbook/volumell/preface.pdf>

are based on “Conceptual Framework for Financial Reporting 2018”<sup>16</sup> issued by the HKICPA, which addresses the concepts underlying the information presented in general purpose financial statements.

The appropriate application of HKFRSs, with additional disclosure when necessary, results in financial statements that give a true and fair view.

NGOs in Hong Kong are generally expected to prepare and present their financial statements in compliance with HKFRSs. Under special situations and as more elaborated in the following paragraphs, NGOs can prepare and present their financial statements under two alternative frameworks, namely, HKFRS for Private Entities and SME-FRF and SME-FRS.

## **HKFRS for Private Entities**

HKFRS for Private Entities is a separate standard issued by the HKICPA intended to apply to general purpose financial statements of “Private Entities”, which are companies that (a) do not have public accountability; and (b) publish general purpose financial statements for external users. It offers a simplified reporting option for financial statements preparation besides HKFRSs.

Financial statements that are prepared in accordance with HKFRS for Private Entities meet the “CO” requirement for financial statements to give a true and fair view. HKFRS for Private Entities is also used by NGOs in Hong Kong when preparing their financial statements.

## **Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard**

The Small and Medium-sized Entity Financial Reporting Framework (“SME-FRF”) and Financial Reporting Standard (“SME-FRS”) issued by the HKICPA are standards of accounting practices for Small and Medium-sized Entities that qualify for simplified reporting under the SME-FRF.

The accounting standards are less onerous than HKFRSs and HKFRS for Private Entities. Private companies and companies limited by guarantee are able to take advantage of

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<sup>16</sup> “Conceptual Framework for Financial Reporting 2018”, 2018, Hong Kong Institute of Certified Public Accountants. <https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Members-Handbook-and-Due-Process/HandBook/Volume-II--Financial-Reporting-Standards/Conceptual-Framework-for-Financial-Reporting-2018>

“reporting exemption” if they meet certain qualifying criteria set out in “CO”.<sup>17</sup> The reporting exemption takes the form of exemption from certain requirements for the contents of the directors’ report and financial statements that would apply if the entities did not qualify for exemption.

Entities qualified for simplified financial reporting include Small Private Company, Small Guarantee Company and Holding Guarantee Company of a group of Small Guarantee Companies meeting certain conditions.<sup>18</sup>

**A Small Private Company** is a company which meets any two of the following conditions: (a) total annual revenue not exceeding HK\$100 million; (b) total assets not exceeding HK\$100 million at the end of the reporting period and (c) average number of employees during the year does not exceed 100.

**A Small Guarantee Company** is a company limited by guarantee with a total revenue of not exceeding HK\$25 million in a financial year.

**A Holding Guarantee Company of a group of Small Guarantee Companies** falls within the reporting exemption and qualifies for simplified financial reporting if each company in the group qualifies as a Small Guarantee Company and the aggregate annual revenue of the group does not exceed HK\$25 million in a financial year.

The following are some of the reporting exemptions that are granted to a company preparing simplified financial reports:<sup>19</sup>

- (a) Financial statements are not required to give a true and fair view;
- (b) Subsidiary undertakings may be excluded from consolidated financial statements in accordance with applicable accounting standards;
- (c) Auditor is not required to express a true and fair view on the financial statements; and
- (d) Disclosure of auditor’s remuneration is not required.

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<sup>17</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 359.

<sup>18</sup> “Qualifying criteria for the companies incorporated under the Hong Kong Companies Ordinance”, Hong Kong Institute of Certified Public Accountants.  
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Our-views/Standards-Interpretations-Guides-and-PN-Members-Handbook/Reference-Materials/SME-Financial-Reporting-Framework-and-Standard/smeffre2019>

<sup>19</sup> “FAQ - Companies Ordinance”, Companies Registry.  
<https://www.cr.gov.hk/en/faq/companies-ordinance/co-account-audit.htm>



## Audit

### Purpose and Scope

A financial statement audit is the examination of an entity's financial statements and accompanying disclosures by an independent auditor. The result of this examination is a report by the auditor, attesting to the fairness of presentation of the financial statements and related disclosure. The auditor's report must accompany the financial statements when they are issued to the intended recipients.

As explained in the earlier sections, NGOs are obliged to file audited financial statements with various stakeholders. The benefit of an audit is that it provides assurance that management has presented a "true and fair" view of an NGO's financial performance and position. An audit underpins the trust and obligation of stewardship between those who manage an NGO and those who have a need for a "true and fair" view, the stakeholders.

In general, an audit consists of evaluation of a subject matter with a view to expressing an opinion on whether the subject matter is fairly presented. In addition to auditing a set of financial statements in compliance with statutory requirements, an audit can be commissioned by an NGO for other purposes, such as meeting requirements of regulators under specific circumstances and / or in accordance with funding agreement with donors. The scope of the latter audits may differ case by case and shall be subject to agreement between the NGO and the recipient(s) of the audit report.

Financial statements are prepared in accordance with a framework of generally accepted accounting principles, referred to broadly as accounting standards or financial reporting standards. The fair presentation of those financial statements is evaluated by independent auditors using a framework of generally accepted auditing standards which set out requirements and guidance on how to conduct an audit, also referred to simply as auditing standards.

### Appointment of Auditors and their Qualifications

#### Appointment of Auditors

For entity incorporated under the "CO", the statutory auditor is appointed by members of the entity at its annual general meeting except for the appointment of the first auditor.<sup>20</sup> The first

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<sup>20</sup> "Companies Ordinance", Hong Kong Legislation Cap. 622, S. 396 (1).

auditor is appointed by the directors at any time before the holding of the first annual general meeting.<sup>21</sup> At the first general meeting, the first auditor shall retire and may be reappointed to serve as auditor until the end of the following annual general meeting.

Appointment of auditor for non-statutory audit is normally made by the Board of Directors, taking into consideration specific instructions from the stakeholder(s) requesting for the audit report and the relevant experience of the auditor.

### **Auditors Qualifications**

Auditors are generally qualified accountants who are members of a professional institute in the countries they practice. Qualified accountants must meet certain educational requirements, complete the required professional examinations and possess sufficient practical experience. To carry out audit services in Hong Kong, an auditor has to be a member and holder of a practising certificate issued by the HKICPA. Throughout their careers, all auditors must undertake continuing professional development to maintain their qualifications.

The appointed auditor should be independent of the entity to be audited.

## **Audit Report: What Messages it Conveys**

### **Audit Opinion**

The management of a company is responsible for preparing the financial statements. The auditor is responsible for expressing an opinion indicating that reasonable assurance has been obtained that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and that they are fairly presented in accordance with the relevant accounting standards (e.g. HKFRSs).

There are clear frameworks from independent auditing standard setters which provide rules and guidelines for how an audit should be carried out and the level of assurance obtained. It is the auditor's responsibility to plan and conduct the audit in such a way that it meets the applicable auditing standards and sufficient appropriate evidence is obtained to support the audit opinion. The auditor considers a number of factors in determining whether financial statements are free of material misstatement, and in evaluating any misstatements identified. These factors require professional judgement, where auditors use their skill and experience to form a view based upon the evidence gathered on the financial statements taken as a whole.

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<sup>21</sup> "Companies Ordinance", Hong Kong Legislation Cap. 622, S. 395 (2).

The final product of an audit is the auditor's report, which typically contains the following paragraphs:

- (a) **Opinion:** Stating the financial statements on which the audit was carried out and opinion expressed;
- (b) **Basis of Opinion:** Stating the auditing framework under which the audit was carried out by the auditor;
- (c) **Responsibilities of Board of Directors and Those Charged with Governance for Financial Statement;** and
- (d) **Auditor's Responsibilities for the Audit of Financial Statements.**

A sample auditor's report is included in Appendix I for reference.

### **Modified Audit Opinion**

An audit opinion that is not considered "clean" is one that has been modified. Auditors issue a modified audit opinion if they disagree with the management about the financial statements or if there is scope limitation while performing the audit. In practice this may be unusual as the entity being audited will typically make the necessary amendments to the financial statements and disclosures rather than receiving a modified opinion.

Auditors will also issue a modified opinion if they have not been able to carry out all the work they consider necessary, or if they have been unable to gather all the evidence they need.

Auditors can also modify the audit report without modifying the opinion by adding additional paragraphs to draw users' attention to specific significant matters. For example, if the auditors believe that there is some aspect of the financial statements that is subject to a material degree of uncertainty, even if fully disclosed, they may draw attention to and emphasise this in the audit report. This is known as an emphasis of matter paragraph.

When reviewing a set of audited financial statements, it is important to read the opinion paragraph in the auditor's report to ascertain if a "clean" opinion is given. If the auditor issues a modified opinion, the issues that the auditor is having reservations should be noted.

Examples of different types of opinions expressed by auditors in the Auditors' Reports on Financial Statements are shown in Appendix II for reference.





## Directors' Report

### Purpose and Contents

The “CO” requires a directors’ report to be prepared for each financial year of a company<sup>22</sup> and laid before the company in its annual general meeting.<sup>23</sup> NGOs established under the “CO” are required to comply with this requirement.

The purpose of the report is to help stakeholders understand the company’s financial health situation, its business performance and how well it is complying with financial regulations, accounting standards and social responsibility requirements. In other words, it facilitates greater corporate transparency.

Required disclosures in a directors’ report include:<sup>24</sup>

- (a) The names of each director who served during the reporting year;
- (b) The principal activities of the company;
- (c) A business review;
- (d) Any financial events that occurred after the date on the balance sheet, if these events could affect the company’s finances;
- (e) Significant changes to the company’s fixed assets; and
- (f) Any other matter that is material for the members’ appreciation of the state of the company’s affairs.

A directors’ report must be approved by the directors, and must be signed on the directors’ behalf by a director or by the company secretary. The name of the signing director must be stated in the report.

### Specific Disclosures

This section discusses certain specific disclosures as required by the “CO” and applicable to NGOs:

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<sup>22</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 388.

<sup>23</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 391.

<sup>24</sup> “Companies Ordinance”, Hong Kong Legislation Cap. 622, S. 390.

## Business Review

A business review is required to be contained in a directors' report and should include, inter alia, the following information of a company:<sup>25</sup>

- (a) A fair review of its business;
- (b) A description of the principal risks and uncertainties facing the company;
- (c) Particulars of important events affecting it that have occurred since the end of the financial year;
- (d) An indication of likely future development in its business;
- (e) An analysis using financial key performance indicators;
- (f) Discussion of its environmental policies and performance, and its compliance with relevant laws and regulations that have a significant impact on the company; and
- (g) An account of its key relationships with employees, customers, suppliers and others that have a significant impact on the company and on which its success depends.

A company satisfying certain criteria are exempted from the preparation of the business review. For example, a Small Guarantee Company, if qualified for simplified financial reporting, is eligible for this reporting exemption.

## Directors' Material Interest in Contracts

If any director has, directly or indirectly, a material interest in any transaction, arrangement or contract entered into by the company, the particulars should be disclosed in the directors' report.<sup>26</sup>

## Directors' Emoluments

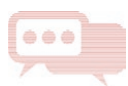
The "CO" requires disclosure of, in the notes to the financial statements, specific information relating to directors' emoluments, retirement benefits, payments in respect of termination of directors' services, and consideration provided for making available the services of a person as a director.<sup>27</sup>

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<sup>25</sup> "Companies Ordinance", Hong Kong Legislation Cap. 622, Sch. 5.

<sup>26</sup> "Companies Ordinance", Hong Kong Legislation Cap. 622, S. 383.

<sup>27</sup> "Companies Ordinance", Hong Kong Legislation Cap. 622, S. 383.



## ESG Reporting

ESG reporting refers to the disclosure of data and information covering an entity's operations in three areas: environmental, social and corporate governance. It provides transparency of the performance of a company in these three areas.

The ESG report summarises quantitative and qualitative disclosures and helps stakeholders, e.g. public, beneficiaries, donors, investors and regulators to understand the performance of a company under the three aspects. ESG reporting helps investors avoid companies that might pose a greater financial and non-financial (e.g. reputational) risk due to their environmental performance or other social or governance practices.

The discussion on ESG reporting has been mainly on the business sector. However, the NGO boards are advised to be aware of the increasing emphasis on ESG reporting and be prepared to work on it when it becomes a practice in the sector. For example, disclosures on diversity and inclusion, workplace safety and environmental impact are widely expected by stakeholders.

When preparing ESG reports, an NGO can make reference to different reporting frameworks and guides, such as the Global Reporting Initiative Standards (GRI NGO Sector Disclosures),<sup>28</sup> Task Force on Climate-related Financial Disclosures framework (TCFD Recommendations),<sup>29</sup> the ESG Reporting Guide issued by the Hong Kong Stock Exchange, etc.<sup>30</sup>

Reference can also be made to the 17 Sustainable Development Goals<sup>31</sup> set out by the United Nations when an NGO starts to set its ESG goals.



## Additional Matters for Consideration

In discharging the responsibility of financial reporting, the Board of Directors have to be aware of the following additional considerations:

- (a) **Translate financial data and reports to facilitate correct interpretation:** The reports should be prepared and presented in a clear and concise manner so that the right messages are put across to users (such as the employees and donors) for their purposes;

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<sup>28</sup> "GRI G4 NGO Sector Disclosures", Global Reporting Initiative.  
<https://www.globalreporting.org/search/?query=NGO+Sector+Disclosures>

<sup>29</sup> "TCFD Knowledge Hub", Task Force on Climate-related Financial Disclosures.  
<https://www.tcfhub.org>

<sup>30</sup> "ESG Reporting Guide", Hong Kong Exchanges and Clearing Limited.  
[https://www.hkex.com.hk/Listing/Rules-and-Guidance/ESG-Academy/Rules-and-Regulations?sc\\_lang=en](https://www.hkex.com.hk/Listing/Rules-and-Guidance/ESG-Academy/Rules-and-Regulations?sc_lang=en)

<sup>31</sup> "Sustainable Development Goals", United Nations.  
<https://www.un.org/sustainabledevelopment>

- (b) **Balance information transparency with security:** Financial reporting involves important data of the entity, it is important that sufficient security measures are put in place to ensure that the data will only be available for those entitling to and in need of the information; consideration should also be given to security concern when storing data on the internet;
- (c) **Integrate new technological advances into the reporting systems:** This is essential in the current age of technological development in pursuit of work efficiency and effectiveness, and staff should be properly trained to cope with new technology; and
- (d) **Stay up-to-date on evolving legal requirements for sharing data:** Care must be taken to ensure compliance with the applicable laws and regulations including “Personal Data (Privacy) Ordinance” (Cap. 486), “National Security Law”, etc.



## SECTION II

# Sample Statement for Disclosing Non-statutory Accounts as Required by the Companies Ordinance

The figures and financial report relating to the year ended **[# 31st March 20XX OR other year end date as applicable]** included in this **[# Annual Report]** are not specified financial statements as defined in Section 436 of the Companies Ordinance.

**[NGO]** has delivered the annual financial statements to the Registrar of Companies as required by Section 662(3) of, and part 3 of Schedule 6 to, the Companies Ordinance.

**[NGO]**'s auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under Section 406(2), 407(2) or (3) of the Companies Ordinance.

**Note** - Include the following statement, where applicable:

*The annual financial statements of our organisation has been uploaded to our website.*



# SECTION III

## Resources and Reference Materials

The documents listed below are useful reference related to NGOs' financial reporting and disclosure. Organisations should be familiar with their contents as appropriate:

- (a) *Companies Ordinance*, Hong Kong Legislation Cap. 622.
- (b) Financial Services and the Treasury Bureau. *Guidelines on the Management and Control of Government Funding for Subvented Organisations*. 2004.
- (c) Global Reporting Initiative. *GRI G4 NGO Sector Disclosures*.
- (d) Hong Kong Exchanges and Clearing Limited. *ESG Reporting Guide*.
- (e) Hong Kong Institute of Certified Public Accountants. *Accounting Bulletin 5 - Guidance for the Preparation and Presentation of a Business Review under the Hong Kong Companies Ordinance Cap.622*. 2019.
- (f) Hong Kong Institute of Certified Public Accountants. *Accounting Bulletin 6 - Guidance on the Requirements of Section 436 of the Hong Kong Companies Ordinance Cap.622*. 2019.
- (g) Hong Kong Institute of Certified Public Accountants. *Conceptual Framework for Financial Reporting 2018*. 2018.
- (h) Hong Kong Institute of Certified Public Accountants. *Hong Kong Financial Reporting Standard for Private Entities*. 2015.
- (i) Hong Kong Institute of Certified Public Accountants. *Preface to Hong Kong Financial Reporting Standards*. 2022.
- (j) Hong Kong Institute of Certified Public Accountants. *Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard*. 2020.
- (k) Independent Commission Against Corruption. *Best Practice Checklist on Governance and Internal Control in Non-Governmental Organisations*. 2015.
- (l) Inland Revenue Department. *Tax Guide for Charitable Institutions and Trusts of a Public Character*. 2021.

- (m) *Societies Ordinance*, Hong Kong Legislation Cap. 151.
- (n) Social Welfare Department. *Lump Sum Grant Manual*. 2016.
- (o) Social Welfare Department. *Review Report on Enhancement of Lump Sum Grant Subvention System*. 2021.
- (p) Task Force on Climate-related Financial Disclosures. *TCFD Knowledge Hub*.
- (q) The Hong Kong Council of Social Service. *A Concise Guide on NGO Financial Governance and Management*, First Revision. 2022.
- (r) United Nations. *Sustainable Development Goals*.





# APPENDIX I

## Sample Unmodified Audit Report on Financial Statements

The sample audit report presented below is intended to give an illustration of the structure and typical contents of an audit report.

HKICPA has issued three sets of financial reporting standards for preparation of financial statements, namely, Hong Kong Financial Reporting Standards, Hong Kong Financial Reporting Standards for Private Entities, and Small and Medium-sized Entity Financial Reporting Standards (as explained in the paragraphs under Reporting and Disclosure Requirements for NGOs of Section I). The opinion paragraph in the audit report shall state the reporting standard being adopted for preparing the financial statements. The audit opinion to be expressed also differs accordingly.

### Independent Auditor's Report to the Members of ABC NGO

(incorporated in Hong Kong with liability limited by guarantee)

#### Opinion

We have audited the financial statements of ABC NGO ("the Organisation") set out on pages ..... to ....., which comprise the statement of financial position as at **[# 31st March 20XX OR other year end date as applicable]**, and the income statement, statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation as at **[# 31st March 20XX OR other year end date as applicable]**, and of its financial performance and its cash flows for the year then ended in accordance with **[# Hong Kong Financial Reporting Standards ("HKFRSs") / Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities")]** issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Note** - For financial statements prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standard:

*In our opinion, the financial statements of the Organisation are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.*

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Information other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with [\[# HKFRSs / HKFRS for Private Entities\]](#) issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Note** - For financial statements prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standard:

*The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

In preparing the financial statements, the directors are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Organisation's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

**Note** - The following paragraph is only applicable to financial statements prepared under HKFRSs or HKFRS for Private Entities:

- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## XYZ AUDIT COMPANY

Certified Public Accountants

*[Hong Kong Address]*

*[Date]*

# APPENDIX II

## Examples of Modified Audit Opinions in Audit Report

Following are examples of situations where an auditor issues a modified opinion in the auditor's report:

1. Qualified Opinion due to a Material Misstatement of the Financial Statements
2. Adverse Opinion due to a Material Misstatement of the Financial Statements
3. Qualified Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence
4. Disclaimer of Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence

### Example 1: Qualified Opinion due to a Material Misstatement of the Financial Statements

"In our opinion, **except for the effects of the matter** described in the Basis for Qualified Opinion paragraph, the **financial statements give a true and fair view** of the state of the Company's affairs as at **[# 31st March 20XX OR other year end date as applicable]**, and of its **[# profit / loss]** and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

### Example 2: Adverse Opinion due to a Material Misstatement of the Financial Statements

"In our opinion, **because of the significance of the matter** discussed in the Basis for Adverse Opinion paragraph, the **financial statements do not give a true and fair view** of the state of the Company's affairs as at **[# 31st March 20XX OR other year end date as applicable]**, and of its **[# profit / loss]** and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Hong Kong Companies Ordinance."

### Example 3: Qualified Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence

"In our opinion, **except for the possible effects of the matter** described in the Basis for Qualified Opinion paragraph, the **financial statements give a true and fair view** of the state of the Company's affairs as at

*[# 31st March 20XX OR other year end date as applicable]*, and of its *[# profit / loss]* and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance."

#### **Example 4: Disclaimer of Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence**

"Because of the **significance of the matter** described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we **do not express an opinion** on the financial statements. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Hong Kong Companies Ordinance."

# ACKNOWLEDGEMENT

This Guide was developed with the valuable guidance and inputs from an Expert Group formed under the NGO Governance Platform Project of HKCSS. Special thanks are due to the following Expert Group members for their tremendous contribution in compiling this Guide for reference of concerned NGOs:

<b>NGO representatives</b>	Ms Jane CHAN	<i>Vice Chairman, Fu Hong Society</i>
	Mr Anthony CHEUNG	<i>Governor and Green Finance Convenor, Friends of the Earth (HK)</i>
	Ms Loretta FONG	<i>Vice Chairman, Finance &amp; Administration Committee, Hong Kong Young Women's Christian Association</i>
	Ms Sabrina HO	<i>Chairperson, The Child Development Centre</i>
	Ms Serena MAK	<i>Honorary Secretary, Friends of the Earth (HK)</i>
<b>HKICPA representatives</b>	Mr Arthur CHAN	<i>Partner, Assurance, PwC Hong Kong</i>
	Mr Gary POON	<i>Partner, Poon &amp; Co</i>
	Mr David SAMY	<i>Partner, Consulting, EY</i>
	Mr Richard TSE	<i>Chairman of Community Services Working Group, HKICPA</i>
<b>HKCSS representative</b>	Mr Peter WAN	<i>Member, Steering Committee on NGO Governance Platform Project, HKCSS</i>
<b>Researcher of the "Survey on Financial Reserves of Social Service Agencies"</b>	Ms Melissa FUNG	<i>Southern Region Leader, Risk Advisory, Deloitte</i>







## **非政府機構董事會網絡計劃**

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二〇二二年七月

July 2022



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