

Press Release

17 March 2023

AFRC's Briefing at LegCo Panel on Financial Affairs on 2023-24 budget

The Accounting and Financial Reporting Council (AFRC) today briefed Members of the LegCo Panel on Financial Affairs on its [budget](#) for 2023-24.

At the briefing, Dr Kelvin Wong, Chairman of the AFRC shared with Members the latest developments, work progress and accomplishments of the AFRC. Dr Wong remarked, "With 115 passionate and competent staff, the AFRC has been able to overcome budget constraints and effectively discharge regulatory functions covering both Public Interest Entity (PIE) auditors and non-PIE practice units."

In 2022, the AFRC organised 50 stakeholder engagement activities in the Consultation for the further reform, which were with 6,000 accounting and auditing professionals. It has also conducted 55 PIE engagement inspections, 6 non-PIE engagement inspections and 26 firm-wide quality control inspections. The AFRC also conducted policy research that contributes to the enhancement of audit quality and corporate governance.

Mr Marek Grabowski, CEO of the AFRC, presented the budget and explained that in 2023-24, the AFRC would moderately increase the headcounts from the existing 115 to 145 to deal with the continuing progressive implementation of the non-PIE related functions (26 new heads) and an increasing investigation workload in the PIE-related functions (4 new heads).

Mr Grabowski said, "The AFRC has been prudent in our expenditure. However, due to (i) fluctuation in the securities market turnover; (ii) the lower-than-expected PIE levy income from the PIE auditors; and (iii) the depletion of the Grant by the end of March 2024, the AFRC estimates an operating deficit of \$77 million for 2023-24. Going forward, the AFRC will explore new income sources with the Government."

Dr Wong expressed heartfelt thanks to the Legislative Council and the Government for their unfailing trust and support in AFRC's regulatory roles. He said, "Hong Kong is on the road of economic recovery. The AFRC will continue to play its pivotal role in protecting the public interest and safeguarding Hong Kong's status as a competitive international financial centre."

- [Chairman's Speech at LegCo Panel on Financial Affairs on 2023-24 budget](#)
- [CEO's Speech at LegCo Panel on Financial Affairs on 2023-24 budget](#)

About the Accounting and Financial Reporting Council

The Accounting and Financial Reporting Council (AFRC) is an independent body established under the Accounting and Financial Reporting Council Ordinance. As an independent regulator, AFRC spearheads and leads the accounting profession to constantly raise the level of quality of professional accountants, and thus protects the public interest.

For more information about the statutory functions of the AFRC, please visit www.afrc.org.hk.

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