



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant

(HONG KONG, 6 February 2015) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 22 January 2015 that the name of Chow Chi Hung (membership number A24218) be removed from the register of certified public accountants for 12 months with effect from 3 March 2015 and pay a penalty of HK\$30,000 to the Institute. In addition, Chow was ordered to pay costs of the disciplinary proceedings of HK\$20,499.

Chow was employed as a senior manager of a firm of certified public accountants at the relevant time. The Institute received information about Chow having signed the auditor's reports on the financial statements of a private company for three consecutive years in the name of his employer without its knowledge and permission. After considering the information available, the Institute lodged a complaint against Chow under sections 34(1)(a)(vi) and 34(1)(a)(x) of the Professional Accountants Ordinance.

Chow admitted the complaint against him. The Disciplinary Committee found that Chow failed or neglected to observe, maintain or otherwise apply the fundamental principle of integrity in sections 100.4(a) and 110 of the Code of Ethics for Professional Accountants, and that he was also guilty of dishonourable conduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Chow under section 35(1) of the ordinance.

Under the ordinance, if Chow is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at www.hkicpa.org.hk.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. Three members of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

- End –

About the Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 38,000 members and more than 18,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world’s leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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致：編採主任／新聞／財經版編輯

香港會計師公會對一名會計師作出紀律處分

(香港，二零一五年二月六日) — 香港會計師公會轄下紀律委員會於二零一五年一月二十二日命令將周志雄先生(會員編號：A24218)的名字由二零一五年三月三日起從專業會計師註冊紀錄冊中除名，為期12個月，並命令他須繳付罰款三萬港元予公會。此外，周先生須支付紀律程序的費用二萬零四百九十九港元。

周先生在有關期間受僱為一間會計師事務所的高級經理。公會收到資料，指周先生在沒有知會該事務所及沒有獲其許可的情況下，以該事務所的名義簽署了一間私人公司連續三年的財務報表的相關核數師報告。公會經考慮所得資料，根據《專業會計師條例》第34(1)(a)(vi)第34(1)(a)(x)條對周先生作出投訴。

周先生承認投訴中的指控屬實。紀律委員會裁定周先生沒有或忽略遵守、維持或以其他方式應用公會頒布的專業準則 – **Code of Ethics for Professional Accountants** 中第100.4(a)及110條的Fundamental Principle - "Integrity"。紀律委員會同時裁定周先生犯下不名譽行為。

經考慮有關情況後，紀律委員會根據《專業會計師條例》第35(1)條向周先生作出上述的命令。

根據《專業會計師條例》，如周先生不服紀律委員會對他作出的命令，可於命令文本送達後30天內向上訴法庭提出上訴。

紀律委員會的書面判決可於公會網頁內Compliance部份查閱，網頁為 <http://www.hkicpa.org.hk>。

公會的紀律程序是根據《專業會計師條例》第V部份，由五位成員組成的紀律委員會執行。每個紀律委員會的大多數成員，即包括主席在內的三名成員，是由香港特別行政區行政長官從業外人士組成的紀律小組中選派委任，另外兩名成員由專業會計師出任。

除非負責的紀律委員會因公平理由認為不恰當，否則紀律聆訊一般以公開形式進行。紀律聆訊的時間表可於公會網頁查閱。如當事人不服紀律委員會的裁判，可向上訴法庭提出上訴，上訴法庭可確定、修改或推翻紀律委員會的裁判。

紀律委員會有權向公會會員、執業會計師事務所會員及註冊學生作出處分。紀律處分範圍包括永久或有限期地將違規者從會計師註冊紀錄冊中除名或吊銷其執業證書、對其作出譴責、下令罰款不多於五十萬港元，以及支付紀律程序的費用。

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關於香港會計師公會

香港會計師公會是香港唯一獲法例授權負責專業會計師註冊兼頒授執業證書的組織，會員人數超過三萬八千，註冊學生人數逾一萬八千。公會會員可採用「會計師」稱銜（英文為 **certified public accountant**，簡稱 **CPA**）。

公會(**Hong Kong Institute of Certified Public Accountants**)於一九七三年一月一日成立，當時的英文名稱為 **Hong Kong Society of Accountants**。

公會根據《專業會計師條例》履行職責，以公眾利益為依歸。其職能廣泛，包括開辦專業資格課程(**Qualification Programme**)以確保會計師的入職質素，以及頒布香港的財務報告、審計及專業操守準則。此外，公會亦負責在香港監管和推動優良而有效的會計實務，以鞏固香港作為國際金融中心的領導地位。

香港會計師公會是全球會計聯盟 (**Global Accounting Alliance, GAA**) 的成員之一。全球會計聯盟於二零零五年成立，聯合了全球頂尖的專業會計團體，推動優質服務，並積極與各地監管機構、政府及關連人士就國際重要議題共同合作。

香港會計師公會聯絡資料

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IN THE MATTER OF

A Complaint made under Section 34(1)(a) and 34(1A) of the Professional Accountants Ordinance (Cap.50) (“the PAO”) and referred to the Disciplinary Committee under Section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong Institute of
Certified Public Accountants COMPLAINANT

AND

Mr. Chow Chi Hung
Membership No. A24218 RESPONDENT

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants

Members: Ms. Lam Po Ling Pearl (Chair)
Mr. Cheung Kwok Kwan
Mr. Lui Hon Kwong
Ms. Yeung Kit Kam Lesley
Mr. Pak Chi Hoi Dick

ORDER & REASONS FOR DECISION

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (the “**Institute**”) against Mr. CHOW Chi Hung, a certified public accountant. Section 34(1)(a)(vi) of the PAO applied to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 27 June 2014 (the “Complaint”) from the Registrar to the Council of the Institute for consideration of referring the Complaint to the Disciplinary Panels, are as follows:-

BACKGROUND

- (1) The Institute received a complaint concerning the auditor's reports on the financial statements of Company A for the periods ended 30 September 2006, 30 September 2007 and 31 December 2008 (“**Auditor's Reports**”). The Auditor's Reports were issued in the name of the company's then auditor, a CPA Firm, without the firm's authority and were therefore invalid.

- (2) The Institute's enquiry of the CPA Firm revealed that the Respondent, then a staff member of the CPA Firm, had signed the Auditor's Reports in the name of the CPA Firm without authority on the following financial statements:

<u>Period covered by the financial statements</u>	<u>Date of auditor's report</u>
25 November 2005 to 30 September 2006	15 May 2007
1 October 2006 to 30 September 2007	28 April 2008
1 October 2007 to 31 December 2008	7 August 2009

RELEVANT PROFESSIONAL STANDARDS

- (3) The Code of Ethics for Professional Accountants (Effective on 30 June 2006 until 31 December 2010) provides the following:

"100.4 A professional accountant is required to comply with the following fundamental principles:

(a) Integrity

A professional accountant should be straightforward and honest in all professional and business relationships."

"110.1 The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in professional and business relationships. Integrity also implies fair dealing and truthfulness.

110.2 A professional accountant should not be associated with reports, returns, communications or other information where they believe that the information:

(a) Contains a materially false or misleading statement;

(b) Contains statements or information furnished recklessly; or

(c) Omits or obscures information required to be included where such omission or obscurity would be misleading."

THE COMPLAINTS

First Complaint

- (4) Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard on the fundamental principle of integrity as stated in paragraph 100.4(a) (under section 100) and section 110 of the then applicable Code of Ethics for Professional Accountants for having signed the Auditor's Reports in the name of the CPA Firm, a firm of certified public accountants (practising), without the firm's knowledge or authority.

Second Complaint

- (5) Section 34(1)(a)(x) of the PAO applies to the Respondent for being guilty of dishonourable conduct in that he had signed the Auditor's Reports in the name of the CPA Firm, a firm of certified public accountants (practising), without the firm's knowledge or authority.

FACTS AND CIRCUMSTANCES IN SUPPORT OF THE COMPLAINTS

- (6) In late February or early March 2010, the CPA Firm discovered that the Respondent had signed the Auditor's Reports without the knowledge or authority of the firm. At the relevant time, the Respondent was a senior manager of the CPA Firm. The Respondent left the CPA Firm in January 2010.
 - (7) According to the CPA Firm, the firm's practice was that senior managers or below were not given authority to sign any auditor's report in the name of the CPA Firm.
 - (8) According to the Institute's records, the Respondent did not hold a practising certificate at the material times.
 - (9) The Respondent admitted to signing the Auditor's Reports in the CPA Firm's name on his own volition without the CPA Firm's authority. He also admitted that as a senior manager at the time, he was prohibited from signing auditor's reports unless specifically authorized by the firm's partners.
 - (10) The Respondent apologized for his conduct which he claimed to have been committed due to his imprudence and intense working pressure during that time. He claimed to have not received any benefits on this matter.
3. On 5 September 2014, the Respondent admitted the complaints against him. He did not dispute the facts as set out in the complaints. The parties agreed that the steps set out in paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules ("DCPR") be dispensed with.
 4. On 16 October 2014, the Disciplinary Committee agreed to the parties' joint application to dispense with the steps set out in Rule 17 to 30 of the DCPR in light of the admission made by the Respondent and the parties should make written submissions on sanctions and costs.
 5. In considering the proper order to be made in this case, the Disciplinary Committee has had regard to all the aforesaid matters, including the particulars in support of the Complaints, the Respondent's personal circumstances, and the conduct of the Complainant and the Respondent throughout the proceedings.

6. The Disciplinary Committee orders that:-
- (1) the name of the Respondent be removed from the register of certified public accountants for 12 months on the 40th day from the date of this order under Section 35(1)(a) of the PAO;
 - (2) the Respondent do pay a penalty of HK\$30,000 under Section 35(1)(c) of the PAO;
 - (3) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$20,499 under Section 35(1)(iii) of the PAO.

Dated the 22nd day of January 2015