



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant (practising) and a firm

(Hong Kong, 12 September 2016) - The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against Hui Kin Fai, Stephen, a certified public accountant (practising) (membership number A09754) and Ernst & Young (firm number 0422) for their failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute.

In April 2015, Ernst & Young issued an unqualified review report on the interim accounts of a Hong Kong listed company and its subsidiaries. Hui was the engagement partner. The interim accounts recorded the company's disposal of its interests in a foreign hotel operation. There was an accounting error of reclassifying the cumulative exchange reserve relating to the disposed operation from equity to profit and loss. The error materially understated the gain on disposal and was a breach of Hong Kong Accounting Standard 21. In June 2015, the company published an announcement of the accounting error and the revised financial information. Adjustment was also made in the audited financial statements of the group for the year ended 31 March 2015.

The Institute concluded that Ernst & Young and Hui were in breach of paragraphs 6 and 19 of Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* for failing to perform the review procedures with an attitude of professional skepticism, which led to their failure to identify the accounting error in the interim accounts.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council concluded that the following should resolve the complaint:

1. Ernst & Young and Hui acknowledge the facts of the case and their non-compliance with the relevant professional standard;
2. They be reprimanded; and
3. They jointly pay an administrative penalty of HK\$30,000 and costs of HK\$10,000.

In accordance with Council powers outlined in the Professional Accountants Ordinance and as a part of the regulatory process to handle complaints, a Resolution by Agreement (RBA) may be offered to respondents in cases considered to be moderate after taking into account factors including, but not limited to, the nature and seriousness of a complaint, past disciplinary records of the respondents and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty.

Information on the Institute's complaint handling process and guidelines for Resolution is available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 40,000 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執業會計師及一間會計師事務所作出監管行動

(香港，二零一六年九月十二日) — 香港會計師公會就一名執業會計師許建輝(會員編號: A09754)及安永會計師事務所(事務所編號：0422)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，對他們作出監管行動。

在 2015 年 4 月，安永就一間上市公司及其子公司的中期帳目發出了無保留意見的審查報告。許先生是執業合夥人。中期帳目記錄了該公司出售其一間海外酒店的作業權益。帳目內犯了一個會計錯誤，把與該出售作業相關的累積匯兌儲備由股東權益轉錄至損益表。該錯誤引致出售作業所得的收益被嚴重地少報及違反了 **Hong Kong Accounting Standard 第 21 號**。該公司在 2015 年 6 月公告該會計錯誤及修正後的財務資料。有關的更正亦反映於集團截至 2015 年 3 月 31 日經審核的財務報表。

公會認為安永及許先生沒有抱著專業的懷疑態度進行審查程序，引致他們未能發現在中期帳目中的會計錯誤，因而違反了 **Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity** 第 6 及 19 段。

監管行動 (Regulatory action)

基於上文所述及為省卻進一步的程序，公會理事會決定以下列的方案解決這宗投訴：

1. 安永及許先生承認此個案中的事實及他們所違反的專業準則；
2. 他們被譴責；及
3. 他們受命共同繳交行政罰款港幣三萬元及費用港幣一萬元。

根據《專業會計師條例》對公會理事會權力的概述，以及作為處理投訴的監管程序之一，如公會經考慮答辯人涉及投訴的性質及嚴重程度、答辯人過往的處分紀錄、各種加重和寬減的情況等等之後，認為個案屬輕微的，便可藉解決方案處理。如個案涉及不誠實行為的投訴，則不可藉解決方案處理。

有關公會投訴處理程序及解決方案的指引，可於公會網頁內 **Compliance** 部份查閱，網頁為 <http://www.hkicpa.org.hk>。

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，會員人數超過四萬，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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