



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Hong Kong Institute of Certified Public Accountants settles regulatory proceedings involving a certified public accountant (practising)

(HONG KONG, 2 Aug 2022) The Hong Kong Institute of Certified Public Accountants has settled regulatory proceedings with Mr. Ip Pui Sum, certified public accountant (practising) (A02807) concerning alleged non-compliance with its professional standards.

The matter concerns the compliance reporting and financial statements audit conducted by Sum, Arthur & Co. on an insurance broker for the year ended 31 December 2018. The firm expressed an unmodified auditor's opinion on each of the two engagements. Mr. Ip was the engagement partner.

The Institute concluded a practice review of Sum, Arthur & Co. in November 2021 and identified deficiencies in the above two engagements. There were inadequate procedures carried out in testing the insurance broker's compliance with statutory requirements on professional indemnity insurance, handling of client monies and reconciliation of brokerage debtor and creditor balances. Deficiencies pertaining to the audit of the financial statements were also found in the firm's procedures relating to planning and tests of internal controls, material account balances and maintaining of proper audit documentation.

As a result of the above, Mr. Ip failed or neglected to observe, maintain or otherwise apply the following professional standards:

- Hong Kong Standard on Auditing ("HKSA") 230 *Audit Documentation*;
- HKSA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*;
- HKSA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*;
- HKSA 320 *Materiality in Planning and Performing an Audit*;
- HKSA 330 *The Auditor's Responses to Assessed Risks*;
- HKSA 500 *Audit Evidence*;
- HKSA 530 *Audit Sampling*; and
- the fundamental principle of professional competence and due care as specified in section 110.1 A1(c), as elaborated in section R113.1, under Chapter A of the Code of Ethics for Professional Accountants.

Settlement Agreement

The Council of the Institute has agreed with Mr. Ip that:

1. Mr. Ip acknowledge the facts of the case and areas of non-compliance with professional standards;
2. Mr. Ip be reprimanded;
3. Mr. Ip pay a financial penalty of HK\$120,000 and costs of HK\$50,000.

The Institute considers a settlement on the agreed basis to be in the public interest. In the circumstances, the Institute is satisfied that there is no purpose to be served in pursuing disciplinary proceedings.

HKICPA Settlement Process

The interests of the public, the profession and Council's regulatory function may be best served by early resolution of complaints which are either anticipated to result in disciplinary proceedings or are already the subject of disciplinary proceedings. Settlement requests will be assessed based on established criteria. Appropriate sanctions will be based on the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. The HKICPA will not agree to a settlement unless the matter is subject to publicity in A Plus, press release, and other means deemed appropriate.

- End -

About HKICPA

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has nearly 47,000 members and 14,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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香港會計師公會與一名執業會計師就監管程序達成協議

(香港，二零二二年八月二日) 香港會計師公會與執業會計師葉沛森先生 (會員編號：A02807) 就被指控違反專業準則而進行的監管程序，達成協議。

相關投訴涉及沛森沛林會計師行就一間保險經紀公司截至二零一八年十二月三十一日止年度所發出的合規報告，及審計該公司期內的財務報表。該會計師行分別就該兩項目發出無保留的核數師意見。葉先生是負責該兩個項目的合夥人。

公會於二零二一年十一月完成對沛森沛林會計師行的執業審核，發現上述兩個項目有違規情況。該會計師行未有執行充分程序，以查核該保險經紀公司在專業彌償保險、處理客戶款項及經紀業務的債務人及債權人結餘對帳等方面是否符合法規。此外，該會計師行在審計有關財務報表時，其擬定計劃及測試內部控制、重大帳戶結餘及編備完備審計底稿等方面之程序亦存在缺失。

基於上文所述，葉先生沒有或忽略遵守、維持或以其他方式應用以下專業準則：

- Hong Kong Standard on Auditing (「HKSA」) 230 「Audit Documentation」；
- HKSA 240 「The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements」；
- HKSA 315 「Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment」；
- HKSA 320 「Materiality in Planning and Performing an Audit」；
- HKSA 330 「The Auditor's Responses to Assessed Risks」；
- HKSA 500 「Audit Evidence」；
- HKSA 530 「Audit Sampling」；及
- Code of Ethics for Professional Accountants內第 A 章第 110.1 A1(c)及第R113.1條所闡述有關「Professional Competence and Due Care」的基本原則。

協議

公會理事會與葉先生達成以下協議：

1. 葉先生承認此個案所述事實及違反專業準則之處；
2. 葉先生被譴責；及
3. 葉先生須向公會繳付罰款 120,000 港元，並支付公會費用 50,000 港元。

公會認為在議定基礎上達成監管協議符合公眾利益，並信納此情況無需進行紀律程序。

香港會計師公會的監管協議程序

為符合公眾、會計專業及理事會監管職能的最佳利益，預期會導致紀律程序或處於紀律程序的投訴應儘早解決。公會會根據既定準則對監管協議請求進行評估，並按投訴的性質及嚴重性、答辯人過去的處分紀錄及任何加重或減輕處罰的情況，以釐定適當的處分。公會同意以監管協議方式處理的個案，均會以《A Plus》月刊、新聞稿及其他恰當的形式向外公佈。

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關於香港會計師公會

香港會計師公會是根據《專業會計師條例》成立的法定機構，負責培訓、發展和監管本港的會計專業。現時公會會員近 47,000 名，學生人數近 14,000。

公會開辦專業資格課程，確保會計師的入職質素，同時頒佈財務報告、審計及專業操守的準則，以鞏固香港作為國際金融中心的領導地位。

CPA 會計師是一個獲國際認可的頂尖專業資格。公會是全球會計聯盟及國際會計師聯合會的成員之一，積極推動國際專業發展。

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