



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

(HONG KONG, 25 May 2020) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against **Miss Fok Joyce Sing Yan**, certified public accountant (practising) (A37795) for her failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Fok was the engagement quality control reviewer (“EQCR”) in the audit of the consolidated financial statements of Ceneric (Holdings) Limited (**now known as TFG International Group Limited**), a Hong Kong listed company, and its subsidiaries (collectively “Group”) for the year ended 31 December 2014 **undertaken by a corporate practice that has now been deregistered.**

The Group entered into a very substantial acquisition during the year, and the assets acquired included a hotel in mainland China of which the right to operate, manage and maintain had been granted to a hotel management company.

The audit engagement team failed to appropriately assess the audit risks associated with the transaction and hence the planned audit procedures were inadequate to address the risks of material misstatement in respect of the acquisition. Consequently, **the audit engagement team failed to properly evaluate the fair values of the assets acquired. They also failed to identify the non-compliance with accounting requirements in relation to the gain on bargain purchase and the erroneous classification of the hotel.** Those areas were material and involved significant judgements. **As EQCR, Fok failed to properly perform an objective evaluation of the significant judgements made by the audit engagement team and the conclusions reached in formulating the auditor’s report.**

The Institute concluded that Fok failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing 220 *Quality Control for an Audit of Financial Statements*.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. Fok acknowledge the facts of the case and her non-compliance with professional standards;
2. Fok be reprimanded; and

3. Fok pay an administrative penalty of HK\$50,000 and costs of the Institute and the Financial Reporting Council totalling HK\$50,403.

About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants ("HKICPA") ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 more than 45,000 members and 19,000 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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香港會計師公會對一名執業會計師作出監管行動

(香港，二零二零年五月二十五日) 香港會計師公會就執業會計師霍丞欣小姐(會員編號：A37795) 沒有或忽略遵守、維持或以其他方式應用公會頒佈的專業準則，對她作出監管行動。

霍小姐曾就一間香港上市公司新嶺域(集團)有限公司(現稱富元國際集團有限公司)及其附屬公司(統稱「該集團」)截至二零一四年十二月三十一日止年度綜合財務報表的審計，擔任質量控制覆核人，而進行該審計的執業法團現已撤銷註冊。

該集團在該年內進行了一項非常重大的收購，所收購的資產包括一間位於中國內地的酒店，而該酒店的經營、管理及維護權利已授予一間酒店管理公司。

審計團隊並沒有適當地評估該項交易相關的審計風險，故所計劃的審計程序不足以應對該項收購帶來的重大錯誤陳述風險。最終審計團隊沒有正確地評估所收購資產的公允價值，並且沒有發現有關議價收購的收益及該酒店被錯誤地分類的會計違規。此等屬重要事項並涉及重大判斷。作為質量控制覆核人，霍小姐沒有對審計團隊所作重大判斷及就核數師報告所作結論適當地進行客觀評估。

公會認為霍小姐沒有或忽略遵守、維持或以其他方式應用 Hong Kong Standard on Auditing 220「Quality Control for an Audit of Financial Statements」。

監管行動

基於上文所述及為省卻進一步程序，香港會計師公會理事會決定以下列的方案解決這宗投訴：

1. 霍小姐承認此個案中的事實及違反了專業準則；
2. 霍小姐被譴責；及
3. 霍小姐須繳交行政罰款 50,000 港元以及公會及財務匯報局的費用共 50,403 港元。

有關解決方案

為保障公眾及會計界的利益，香港會計師公會以有效及具透明度的方式處理投訴個案。根據《專業會計師條例》概述的公會理事會權力，公會在考慮投訴個案的性質與嚴重性、答辯人的過往處分紀錄，以及加重與寬減等因素後，若認為個案屬中度嚴重，便可在答辯人不抗辯的情況下藉解決方案處理。然而，如個案涉及不誠實行為的投訴，則不可藉解決方案處理，而須另按紀律處分程序處理。

對於所有解決方案，公會均作出強制性的公開譴責及公佈答辯人的姓名、個案涉及的事實和所違反的專業準則。公會投訴處理程序及解決方案的指引，可於公會網頁（www.hkicpa.org.hk）內「Compliance」部份查閱。

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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。公會會員超過 45,000 名，學生人數逾 19,000。

公會開辦專業資格課程，確保會計師的人職質素，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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