



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

(HONG KONG, 21 December 2021) The Hong Kong Institute of Certified Public Accountants has settled regulatory proceedings concerning alleged non-compliance with its professional standards involving a certified public accountant (practising), Mr. Edmund Siu (A15356).

The complaint concerns audit deficiencies identified in the 2019 practice review conducted on **Elite Partners CPA Limited**. **The Practice Review Committee of the Institute raised a complaint pertaining to the audit of the consolidated financial statements of a Hong Kong listed entity and its subsidiaries for the year ended 31 December 2018, on which Elite issued an unmodified opinion.** The entity was principally engaged in investing in listed and unlisted companies. Mr. Siu was the engagement director of the audit. There is no evidence to suggest that the audit deficiencies below resulted in the wrong audit opinion being issued by Elite.

The entity's 2018 financial statements included a **material amount of equity investments recorded at fair value through profit or loss. This amount comprised the entity's investments in three unlisted companies.** The practice reviewer found that in performing the audit, Mr. Siu failed to:

- Properly test or evaluate the reasonableness of assumptions and estimates made by management in the fair value estimation of the entity's investments in the three companies;
- Obtain sufficient appropriate audit evidence for the investments in the three companies, including adequate evaluation of the work done by the valuer in relation to one of them;
- Prepare adequate audit documentation in respect of the investment in one of the companies; and
- Identify that the entity did not make adequate disclosures with respect to the equity investments as reported in the financial statements in accordance with the relevant requirements.

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

- Hong Kong Standard on Auditing (“HKSA”) 230 *Audit Documentation*;
- HKSA 500 *Audit Evidence*;
- HKSA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*; and
- the fundamental principle of Professional Competence and Due Care in sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants.

Settlement agreement

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

1. Mr. Siu acknowledges the facts of the case and areas of non-compliance with professional standards;
2. Mr. Siu be reprimanded; and
3. **Mr. Siu pay a financial penalty of HK\$120,000 and costs of HK\$155,000.**

Before determining that a settlement was appropriate, the Institute considered past disciplinary and regulatory actions taken against Mr. Siu, and reviewed past, similar cases pertaining to other respondents. The Institute concluded a settlement on the agreed basis would be the probable outcome of disciplinary proceedings and would be in the public interest.

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 over 47,000 members and 17,000 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，二零二一年十二月二十一日) 香港會計師公會與執業會計師蕭俊文先生 (會員編號：A15356) 就被指控違反專業準則而進行的監管程序，達成協議。

相關投訴涉及開元信德會計師事務所有限公司，在二零一九年公會的執業審核中被發現審計缺失。公會的執業審核委員就開元信德對一間香港上市實體及其附屬公司截至二零一八年十二月三十一日止年度的綜合財務報表所進行的審計，及發表的無保留核數師意見作出投訴。該實體主要從事上市及非上市公司的投資。蕭先生為負責該審計項目的執業董事。所得證據未有顯示有關審計缺失導致開元信德發表錯誤的核數師意見。

該上市實體的二零一八年財務報表列有一項透過損益按公允值列賬的重大股本投資。該項目為該實體向三間非上市公司所作的股本投資，執業審核人員發現蕭先生進行審計時未有：

- 適當測試或評估管理層估量該三間公司投資的公允值過程中所作出的假設及估計是否合理；
- 就該三間公司投資獲取充分、適當的審計證據，包括充分評估由估值師對其中一項投資進行的估值工作；
- 就其中一間公司的投資編備完備的審計記錄；及
- 發現該上市實體未有按照相關規定，在財務報表中就該股本投資作出充分披露。

基於上文所述，蕭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 500 「Audit Evidence」；
- HKSA 540 「Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures」；及
- Code of Ethics for Professional Accountants 內第 100.5(c) 及 130.1 條有關「Professional Competence and Due Care」的基本原則。

協議

公會理事會與蕭先生達成以下協議：

1. 蕭先生承認此個案中的事實及違反專業準則之處；
2. 蕭先生被譴責；及
3. 蕭先生須向公會繳付罰款 120,000 港元，並支付公會費用 155,000 港元。

公會考慮過去對蕭先生採取的紀律處分和監管行動，及參照過往關於其他答辯人的類似案件後，認為達成監管協議為合適做法。公會認為在上述議定基礎達成協議，能合理地反映紀律處分程序結果，並符合公眾利益。

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。公會會員逾 47,000 名，學生人數逾 17,000。

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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