PRESIDENT’S STATEMENT
The year 2001 saw some significant events that will go down in the history of the Society. These events have marked the conclusion of important consultations and opened up new ways of communication between the Society and its membership.

It is also a year when the Organising Committee of the World Congress of Accountants and its six sub-committees have put in a great deal of effort to prepare for the official launch of the Congress to the local and world media this November.

During the year Hong Kong’s business environment and the outlook for accountants generally have become more pessimistic as inward investment, the capital market and the GDP growth rate have slackened. While the market for traditional tax, accounting and audit work, the bread and butter of most of our small and medium-sized practitioners, remains stable, there are increasing pressures for fees and other add-ons.

The difficult times the profession faces today will not quickly disappear tomorrow as the process of economic restructuring must necessarily take its normal course. Hence the challenge for members of our profession in both public and private practice is to take the lead in helping our business organisations and clients change so as to become more efficient and competitive.

Recent events around the world are having an impact on the way we think and how we position ourselves in anticipation of these changes. The Mainland’s accession to the WTO will create opportunities for Hong Kong accountants but, as many of our fellow members will know, there are still a number of issues our counterparts in the Mainland have to address and the Society has a definite role to play in helping our members overcome these barriers. The ‘911 air attacks’ have changed our sense of security and forced us to reassess our risk management systems. Accountants can contribute as companies address these issues.
Turning to the business of the Society, we have made some important decisions and spearheaded the development of several projects during the year.

Following consultation, the Council decided to endorse the recommendations contained in the White Paper proposed by the task force led by Past President David Gairns. Our decision to proceed with the proposed changes to the self-regulatory system was announced in a press conference in July. Subject to changes to the Professional Accountants Ordinance, we hope to have in place next year a much more open and transparent system of dealing with disciplinary hearings. A task force has been formed to study and establish sentencing guidelines and the Society will publish an explanatory leaflet explaining the Society’s process of dealing with complaints and the rights and obligations of the members involved.

In light of many years of operating experience and feedback from members, the secretariat has begun to address the methodology for tackling complaints and referrals and for selecting auditors to be subject to a practice review. Our current thinking is to adopt a risk-based approach concentrating on practices with a high risk profile so that resources are directed to those practices that have clients with a wider public interest. When the proposals are ready, the Council will deliberate and consult before deciding on any future direction.

The most significant development of the year was the publication of a consultation paper on rebranding of the Society’s name, member designations and membership structure. Having regard to the long-lasting impact of the proposed changes, we decided to seek members’ feedback through a referendum and a members’ forum. The referendum results showed clear majority support for both the name change and a new three collegiate structure. When reviewing the feedback received, the Council noted the concerns of some members and after careful consideration of their views, the Council decided to modify the original proposals that were announced in early July to our general membership.
The revised changes included:

- The name of the Society is to be changed to The Hong Kong Institute of Certified Public Accountants (HKICPA);

- For those members from IFAC member bodies joining us, they will be referred to as International Affiliates of the HKICPA. This category of membership will have access to the Society’s information and services exclusive to members, professional training and educational opportunities but will not have voting rights; and

- The membership granting powers of Accounting Technician graduates will be entrusted to the Society’s wholly owned subsidiary, the Hong Kong Association of Accounting Technicians, instead of the Society granting such membership directly. Our intention is to ensure that this college of membership will not be confused with our core CPA membership.

However, in light of the concerns raised by some of our practising members over the potential loss of goodwill and misconception of their role by their clients and the public if they share with the non-practising members a common CPA designation, the Council has decided to discuss with these members and work out a designation that can distinguish between the practising and non-practising members. The Council has also undertaken to work together with these members to ensure that their clients and the public are not misguided by the common designation since the intention of the Society is to promote the professionalism required in statutory and non-statutory practices.

We believe that this issue will be resolved and that the revised proposals will gain even greater support from our membership. An extraordinary general meeting will then be organised to formally endorse the above changes and the consequential changes to the By-laws under the Ordinance.
On the subjects of technical and professional development, the Council decided to revise its standard-setting strategy during the year. We have a clear commitment to harmonise with International Accounting Standards and should complete this process on the 30 core IASs before the end of 2002. With respect to auditing and ethical standards, our plan is to keep pace with international developments and work with local regulators and government bureaux and/or departments in making Hong Kong’s financial markets more efficient and competitive. Work on a small GAAP is nearing completion but there are still residual issues we have to address before its formal promulgation.

The formal launch of the WebTrust licensing service in February marked a new era in the Society’s efforts to help members move towards diversification of assurance services in the increasingly technology-driven world of business. The accountancy profession worldwide is addressing issues related to technical innovation and how they can offer business opportunities in a knowledge-based economy. The Society is mindful of these trends and it is in this spirit that we have joined the international movement to develop an Extensible Business Reporting Language, or XBRL.

The publication of the sixth Guide on Best Practice in Corporate Governance has been widely acclaimed by users and represents another major effort to promote transparency in a director’s roles and obligations in financial reporting, particularly for listed companies. The second annual Best Corporate Governance Disclosure Awards, with prizes being given to the winners at the Annual Dinner by the Financial Secretary in October, reflects the importance we attach to recognising those firms and organisations that lead the industry in this area.

In the professional development area, the Council has implemented a new structure for career development. This is aimed at improving the career prospects of members and ensuring that our members are equipped with the necessary skills to meet the demands of the global marketplace.

In the area of public service, the Society is committed to promoting professionalism and ethical conduct among its members. This includes the development of a code of ethics and the implementation of a system of peer review to ensure that members adhere to the highest standards of professional conduct.

In summary, the Council is committed to ensuring that the Society remains relevant and responsive to the needs of its members and the business community. We believe that by focusing on these key areas, we can continue to provide our members with the support and guidance they need to succeed in their careers.
During the year, we completed a survey on Continuing Professional Development (CPD), the last one having been done in 1998, and a sample audit of compliance with CPD requirements. It is clear from the survey results that we are on the right track in the administration of CPD courses, with e-Manager and e-Seminar/Conference courses introduced on the Society’s homepage since February and May 2001 respectively. These web-based courses are the first of its kind for professional bodies in Hong Kong.

The Society’s Qualification Programme to train a new generation of ‘forward thinking accountants’ is gaining wider recognition among major employers and the registered student population. By October enrolment numbers had doubled from the same time last year. We need to continue to further promote this qualification among the academic institutions that prepare students for accountancy degrees and among major employers in both the public and private sectors. During the year we were proud to register our first group of members who were trained under the Qualification Programme.

On the subject of the international mutual recognition of our professional qualifications, the Council has commissioned a review team from the Institute of Chartered Accountants in Scotland to come to Hong Kong in November to review our Qualification Programme and the regulatory environment that supports it. If the review results are positive, graduates from the Qualification Programme will be internationally recognised by more first-tier accountancy bodies for the training they have obtained from the Society.

The Council has endorsed the recommendations put forward by a practical experience task force to introduce a competency-based model of assessing the specific skill-sets for membership admission purposes. We are working out the implementation details with a view to introducing it in early 2002.
One of the most significant developments in the Society’s effort to improve communication with the general membership is the revamping of the Society’s homepage. The new website is now interactive, allowing secure access for members and registered students to update their personal particulars, chat with their fellow members in different chat rooms and update new SSAPs and other types of information in the Members’ Handbook. If members choose to update their information in the Handbook via the Society’s homepage, they will be eligible for a one-off reimbursement of $200 in their membership dues for 2002.

The Society is proud to play host to the 16th World Congress of Accountants in November next year. Preparations for this milestone event are under way. The Organising Committee under Past President Peter H. Y. Wong and its six subcommittees have been making headway in preparations for the exhibition, finance and sponsorship, logistics, promotion and publicity, social events and technical programme.

I would like to extend our warm congratulations to member Dr. the Honourable Li Kwok-po, David, for being awarded the Gold Bauhinia Star by the Hong Kong SAR Government. Congratulations also go to member Lau Mo-kaye for receiving the Medal of Honour.

I am very honoured to be able to serve as President in the first Millennium year. I would like to record my thanks to all Council members, committee members and staff of the secretariat for their support and team work, particularly the two Vice-Presidents, Alvin Wong and David Sun. Together we have achieved a lot and I expect next year to be even more eventful as we implement the important decisions taken this year.

Lastly, I have to record with deep regret the passing away of our Past President Felix Chow, who contributed tremendously to the development of the accountancy profession and the Society. His death is a great loss to the profession.

Andy S.C. Lee
30 October 2001

President’s Statement

One of the most significant developments in the Society’s effort to improve communication with the general membership is the revamping of the Society’s homepage. The new website is now interactive, allowing secure access for members and registered students to update their personal particulars, chat with their fellow members in different chat rooms and update new SSAPs and other types of information in the Members’ Handbook. If members choose to update their information in the Handbook via the Society’s homepage, they will be eligible for a one-off reimbursement of $200 in their membership dues for 2002.

The Society is proud to play host to the 16th World Congress of Accountants in November next year. Preparations for this milestone event are under way. The Organising Committee under Past President Peter H. Y. Wong and its six subcommittees have been making headway in preparations for the exhibition, finance and sponsorship, logistics, promotion and publicity, social events and technical programme.

I would like to extend our warm congratulations to member Dr. the Honourable Li Kwok-po, David, for being awarded the Gold Bauhinia Star by the Hong Kong SAR Government. Congratulations also go to member Lau Mo-kaye for receiving the Medal of Honour.

I am very honoured to be able to serve as President in the first Millennium year. I would like to record my thanks to all Council members, committee members and staff of the secretariat for their support and team work, particularly the two Vice-Presidents, Alvin Wong and David Sun. Together we have achieved a lot and I expect next year to be even more eventful as we implement the important decisions taken this year.

Lastly, I have to record with deep regret the passing away of our Past President Felix Chow, who contributed tremendously to the development of the accountancy profession and the Society. His death is a great loss to the profession.

Andy S.C. Lee
30 October 2001

公會網站經已重整，在加強公會與會員溝通方面踏出重要一步。新的網站更具互動性，使會員和註冊學生在網上更改個人資料，在各會員網上聊天室與其他會員交流，以及更新會計實務準則和《會員手冊》其他部分的資料，並選透過公會網頁更新《會員手冊》資料的會員，其二零零二年度會費，可獲減免200元。

公會榮獲來年十一月第十六屆世界會計師大會的主辦權，目前正在進行這項盛事的籌備工作。在前會長黃匯源的領導下，大會籌備委員會及其六個小組委員會在展覽、財務及贊助、後勤、推廣宣傳、交流活動及大會程序等籌備方面均取得了一定的進展。

本人謹藉此機會，恭賀會員李國寶獲得香港特別行政區政府頒發金紫荊星章，同時也祝賀會員劉順基獲頒榮譽勳章。

本人謹向所有理事會成員，尤其是黃德偉和孫德基兩位會長、委員會成員及秘書處職員的支持和合作，致以衷心謝意。在我們的合作取得了豐碩的成果之餘，本人預期公會在明年實施今年所作出的多項重要決定時，定必更添姿采。

最後，本人對前會長周福基不幸辭世，表示哀悼。周先生對會計專業和公會貢獻良多，他的辭世實在是會計專業的重大損失。

李兆銘
二零零一年十月三十日