

Sixth

Long Range Plan



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

FOREWORD

When HKICPA launched its Fifth Long Range Plan in December 2006 there was little indication of the tumultuous events that were to shake the world economy to its core in the next few years. The Global Financial Crisis broke surface in 2008 resulting in the demise of internationally known financial institutions and government bail-out of many more, turmoil in many international financial and capital markets and the bankrupting of national economies. These occurrences formed the background to all of our activities over the last five years.

Asia, and particularly China, weathered the crisis largely unscathed, suffering little of the pain felt in the USA and Europe. Indeed, in 2010 and 2011 Hong Kong claimed the top spot as the world's favourite location for IPOs.

However, as a global capital market, Hong Kong was not immune to what was happening elsewhere in the world. In the fallout from the crisis the accounting and auditing profession has, internationally, been subject to criticism and scrutiny by regulators, governments and the public. The debate has been long and rigorous and HKICPA has been an active contributor locally, regionally and internationally.

In these circumstances we are very pleased to report that HKICPA has achieved many of the aims set out in the Fifth Long Range Plan. As part of the preparation of this, the Sixth Long Range Plan, we critically reviewed the Vision, Mission, Values and Strategic Goals of the Fifth Long Range Plan. We concluded that subject to some minor modifications they remained relevant and appropriate and therefore form the basis for the Sixth Long Range Plan.

We are proud of the achievements of the last six years. In December 2007 the formal convergence of Mainland China accounting and auditing standards with HKICPA standards was announced. This was achieved through a huge effort by HKICPA members and staff and the event brought Mainland China standards into line with international standards. A great deal of effort continues to be expended to ensure this is maintained.

HKICPA continues to work closely with HKSAR Government to ensure that CEPA is utilized as fully as possible to provide professional and commercial opportunities in Mainland China for its members. In October 2011, after many years of discussion and negotiation, HKICPA signed a Mutual Recognition Agreement with the U.S. International Qualifications Appraisal Board representing the state boards of accountancy and the AICPA, giving members the opportunity to qualify as U.S. CPAs and enjoy the resources and facilities offered by the state boards. Internationally, HKICPA continues to

exercise influence with representatives on IFAC committees, IFRS Foundation Board of Trustees and IFRS Advisory Council. HKICPA played a leading role in the formation of the Asian-Oceania Standard-Setters Group and in 2011 took on its vice-chairmanship. In early 2013, we were confirmed as one of the members of the newly formed IASB Accounting Standards Advisory Forum.

Looking forward for the next five years HKICPA will continue to face many challenges. Asia is now widely regarded as the driving force of the world economy with China firmly established as the world's second largest national economy. However, there are clear signs that the phenomenal levels of growth seen in the China economy over the last ten years are falling. As key players in the economies of Hong Kong and China, HKICPA members may find they have to adapt to new realities to continue to succeed. HKICPA will do all that it can to equip its members with relevant skills and identify opportunities for them to utilize.

The international debate on audit profession reform continues and there will be inevitable changes in the regulatory environment. In Hong Kong there will be a major change to the system of auditor regulation, with establishment of an independent oversight body and a system that meets international benchmarks. HKICPA is committed to working with HKSAR Government and other stakeholders to introduce a system that is internationally recognized but is appropriate for Hong Kong.

China will remain central to HKICPA strategy. Plans are being developed and implemented to develop the HKICPA brand in Mainland China and to better support members and identify opportunities for them to utilize their skills in this market. Internationally, HKICPA will seek to enhance its influence in key forums, bringing Hong Kong, China and regional issues to the table.

We are grateful for the efforts of Council members, volunteer members and management over the last 18 months in the development of the Sixth Long Range Plan. The aims are ambitious but can be achieved with effective leadership by the Council and senior management of HKICPA and full support of members. Communication of the plans started with a series of member forums that began in April. The Council is aware that communication of plans must be matched by communication of achievements. Accordingly, the Council is committed to performing an annual review of progress made with development and implementation of strategic goals and related action plans and reporting the results of that review to members.

The Council, HKICPA
October 2013

VISION, MISSION, VALUES AND STRATEGIC GOALS

Vision

The Institute is internationally recognized as a world class, top quality professional body that serves the business community and public interest of Hong Kong and contributes to the sustainable development of Hong Kong as a leading international business and financial centre.

Mission

The Institute will contribute to and influence the future of the global profession. It will contribute to the development of the profession in Mainland China. The Institute will give clear, decisive and innovative leadership to a financially- and business-attuned accountancy profession in Hong Kong. It will support Hong Kong's role as one of the world's leading financial centres and will uphold the core values and public spirit of accountancy.

Values

Professionalism, integrity, expertise, quality and thought leadership.

Strategic goals

1. Our governance structure befits a top-tier accounting body and supports the sustainable development of the Institute and the profession.
2. Our qualification is a premier, internationally recognized designation.
3. Our professional standards and ethics and quality of our members' work command public trust and confidence.
4. Our ideas, products and services serve the needs of our members and support the development of their professional careers.
5. Our presence in Mainland China and global forums enhances Hong Kong's unique role in serving and globally connecting the Greater China market.
6. Our statutory roles, mission, values and brand are effectively communicated to a broad audience.
7. Our activities and role in the wider community are recognized as a valued contribution to society by a caring profession.

STRATEGIC AIM

Constitution and Governance

Our governance structure befits a top-tier accounting body and supports the sustainable development of the Institute and the profession.

STRATEGIC AIM

1. Act as a role model for best governance practice and ethics in the public and not for profit sector.
2. Ensure that the Institute's constitution and by-laws and all elements of its structure have clearly defined scope, purpose, powers and authority to ensure Institute affairs are conducted effectively and efficiently and are continuously refreshed to ensure they remain fit for purpose and to allow us to adapt to a changing market place.
3. Adopt best governance structure and decision-making practice for developing, monitoring and communicating strategy.
4. Build an operational culture which is proactive, responsive and innovative and embraces strong leadership and management and highly motivated staff.

Council has asked the Governance Committee to focus its agenda on best governance practice and make recommendations for enhancing the quality of our governance and functions of Council.

The reform of audit profession will require substantial amendments to the Professional Accountants Ordinance so we will take the opportunity to consider the need for PAO and by-law changes in respect of other activities including membership, practising certificate and graduate entry requirements.



Qualification and Education

Our qualification is a premier, internationally recognized designation.

STRATEGIC AIM

1. Ensure our qualification programme (QP) remains an internationally recognized top-quality professional accounting education programme.
2. Ensure our programmes train professional accountants with the skills, expertise and ethics that can uphold Hong Kong as an international financial centre.
3. Ensure our Accredited Accounting Technician (AAT) qualification and designation remains relevant and meets the market needs.

At the end of 2012 we had 16,000 QP students, a great success story for the only Hong Kong originated professional accountancy qualification programme. We will ensure that QP remains relevant to the local market and continues to be recognized as one of the top international programmes.

We will undertake a comprehensive review of the entire suite of our professional qualifications to ensure that we are providing cohesive and relevant programmes that address the needs of the market and members at different professional levels and in different locations.



Standards, Ethics and Regulation

Our professional standards and ethics and quality of our members' work command public trust and confidence.

STRATEGIC AIM

1. Enhance public trust and confidence in the accounting and auditing profession in Hong Kong by demonstrating the effectiveness of the Institute's role in setting high quality standards and overseeing the professional conduct of our members.
2. Engage the business community and the public by promoting an understanding of the Institute's role and responsibility in setting professional standards and assuring the quality of service provided by professional accountants in business.
- 3 Enhance our position as a respected leader in Asia in meeting international benchmarks in all areas of professional standards, ethics and conduct and to share our knowledge and experience with other regional professional bodies and jurisdictions.

We will work closely with the Hong Kong SAR Government and local independent regulators (SFC, FRC and HKEx) to ensure that as the Hong Kong regulatory and practising environment evolves to meet international expectations and best practice it remains relevant and appropriate for Hong Kong.

We will reinforce our international presence to ensure that Hong Kong's interests are properly represented at relevant forums and that developments in professional standards are fully understood in Hong Kong.



Member Support and Development

Our ideas, products and services serve the needs of our members and support the development of their professional careers.

STRATEGIC AIM

1. Provide focused services to cater for the needs and challenges of all members in different roles, geographical locations and stages of their professional careers.
2. Strengthen member engagement in Institute activities to draw on the wide skills and knowledge base therefore ensuring the provision of top quality output and relevant services to members and creating a strong sense of pride, loyalty and inclusiveness among the membership.

We will focus our efforts on providing the right level of technical and other professional support, in the most appropriate format to our members at all stages of their professional careers. To do this we must fully engage with all members to understand their needs and to draw on the wide reserves of skill, knowledge and enthusiasm that they have.



Our presence in Mainland China and global forums enhances Hong Kong's unique role in serving and globally connecting the Greater China market.

STRATEGIC AIM

1. Maintain our special relationship with Mainland China in the field of standard setting and to maximize respective contributions to international activities.
2. Position the Institute as the premier choice of provider for international accountancy qualification in Mainland China so as to maintain the Institute's presence and sustain its influence in China.
3. Enhance the Institute's global leadership and influence by full participation in international and regional bodies.
4. Identify opportunities to create more demand for Hong Kong CPAs in Mainland China and help members expand their career and business opportunities outside Hong Kong.

Our work on convergence of Mainland China standards with HKICPA and international standards will continue. We consider this work to be of great importance, emphasising the special role HKICPA can play in facilitating Mainland China's continuing emergence as a key member of the international accounting community.

We have already established the HKICPA Development in China Advisory Group to co-ordinate all of our activities in and relating to Mainland China to enable us to develop consistent and effective promotion of the HKICPA brand in Mainland China.

We will strive to enhance our representation and participation in international and regional bodies, particularly standard setting boards. We believe that this is the best way to ensure that Hong Kong's views are heard and listened to. However, we will ensure that our resources are properly utilized so that the quality of our local activities and support for members is not diminished.



Communication and Branding

Our statutory roles, mission, values and brand are effectively communicated to a broad audience.

STRATEGIC AIM

1. Develop campaigns to publicize the key messages and images that we need to communicate in respect of:
 - Diversity of skills and values that can be provided and contributed by our members
 - Professional competence, ethical behaviour and integrity of our members
 - International status and influence
 - Our special relationship with Mainland China
 - Accountants' contribution to the public interest
2. Enhance engagement with members through effective communication.
3. Build relationships with stakeholders to develop conduits for communication of position and views on public policy and professional issues.

To ensure our communication and dialogue with all stakeholders is effective we will develop an enhanced stakeholder engagement plan covering Hong Kong, Mainland China and international. Already in 2013 we have increased the use of member forums to facilitate face-to-face communication between members and HKICPA Council and senior management.

We recognize that our members' preferred mode of communications has changed significantly over the last few years and will continue to explore ways to best utilize electronic communication, including social media.



Making a Difference to Society and Thought Leadership

Our activities and role in the wider community are recognized as a valued contribution to society by a caring profession.

STRATEGIC AIM

1. Be recognized as the thought leader for the profession, business and the wider community:
 - On matters relating to accounting and auditing;
 - In areas of specialization where professional accountants can excel; and
 - In the sphere of business and areas of community development relevant to the skills and expertise of the profession.
2. Use the unique position of the Institute as the only statutory and largest accountancy body in Hong Kong to be the leading voice of a united accounting profession.
3. As the statutory body for professional accountants in Hong Kong, create a platform to facilitate and empower members to use their professional skills, expertise and knowledge to make a proactive and positive contribution to the development and well-being of the community.
4. Contribute an influential, non-partisan and independent voice to public policy debate to ensure the Institute and its members' relevance to society is understood and valued.

We have added this additional strategic aim to the Sixth Long Range Plan in recognition of the influential role that HKICPA and its members play in the wider Hong Kong society. We will explore ways to bring the particular skills and expertise of the accountancy profession, in a non-partisan and independent way, to relevant areas of public policy debate.



Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2287 7228
Fax: (852) 2865 6603
Email: hkicpa@hkicpa.org.hk
Website: www.hkicpa.org.hk

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