

Comments on HKICPA's consultation paper on "Proposed Changes to Auditing Practices"

My comments are as follows:-

Nature and purposes of Practising Certificate

The nature and purpose of practicing certificate would be to identify those members who are qualified to provide professional accounting services to the public (including services on audit, accounting, taxation, consultancy, liquidation etc) and to regulate their services. For example, CIMA also issue practicing certificates to their practising members. HKICPA should promote the MARKETING of such members' services to the public. PC should not be restricted to or monopolize by members providing auditing services and should not be defined as such. Members have the choice what public accounting services they would provide or specialize. It is up to HKICPA to specify the special requirements for certain services, eg auditing, and the PC should specify any exclusion of services to be provided by the PC holder (it is the free choice of members not to provide or not qualified to provide).

Registered Audit Practice

It is wrong in principle to promote or regulate a business name or practice. HKICPA should promote or market its members only and not a business name. Business names (ie names not containing the full personal names of members) are now allowed for audit practices. Business names may be very similar and confusing to the public (like limited companies names). HKICPA should encourage the public to use the services of its members and not a business. Accordingly, HKICPA should just maintain a registered of PC holders in which should specify the specific public accounting services for which a member is qualified to provide to the public. Business or practice names may be listed but should be secondary to the personal names of members. A good index at the end of the register should be adequate to enable quick search of names. HKICPA should emphasis its members and the public should talk to and approach members for public accounting services and not agents or middlemen or any person who are not members of HKICPA. If a business name is promoted or registered, the public may ignorantly approach any officers or employee of the business instead.

Recent Audit Experience

HKICPA should provide any alternative to employment experience to enable members to qualify for a practising certificate. HKICPA should not force members to seek employment with a practice for a minimum period in order to qualify for applying a PC. For example, members may qualify through attending classes and passing exam instead. This would be helpful for matured members who wish to change their work in the middle of their career and would find it difficult or inappropriate to serve as an employee again.

Name for Auditing Services

HKICPA may well consider to revert to history and label their members qualify to provide audit services as "Authorised Auditors" which is simple and very clear. For

other public accounting services, HKICPA should think of a simple name for other services.

Comments submitted by:
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