



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

Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes regulatory action against two certified public accountants (practising) and a corporate practice

(HONG KONG, 15 August 2017) — The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against Yip Kai Yin, certified public accountant (practising) (membership number A23951), Edmund Siu, certified public accountant (practising) (membership number A15356) and Elite Partners CPA Limited (corporate practice number M0269) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Elite audited the consolidated financial statements of a Hong Kong listed company and its subsidiaries for each of the five years ended 30 June 2011 to 2015. Yip was the engagement director and Siu was the engagement quality control reviewer.

Elite issued modified auditor's opinions on the financial statements for each of the two years ended 30 June 2013 and 2014 due to a limitation of audit scope resulting from the auditor's inability to attend the physical count of inventory and asset inspection at 30 June 2013 and its consequential effect. The effect of the audit scope limitation remained unresolved in the year ended 30 June 2015, but Elite issued an unmodified auditor's opinion on the financial statements for that year. The Institute concluded that Yip, Siu and Elite were in breach of Hong Kong Standard on Auditing 710 *Comparative Information – Corresponding Figures and Comparative Financial Statements* in reporting on the financial statements for the year ended 30 June 2015.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council concluded that the following should resolve the complaint:

1. Yip, Siu and Elite acknowledge the facts of the case and their non-compliance with the relevant professional standards;
2. they be reprimanded;
3. each of Yip and Elite pay an administrative penalty of HK\$50,000 and Siu pay an administrative penalty of HK\$10,000; and
4. the three respondents jointly pay costs of HK\$10,000.

In accordance with Council powers outlined in the Professional Accountants Ordinance and as a part of the regulatory process to handle complaints, a Resolution by Agreement (RBA) may be offered to respondents in cases considered to be moderate after taking into account factors including, but not limited to, the nature and seriousness of a complaint, past disciplinary records of the respondents and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty.

Information on the Institute's complaint handling process and guidelines for Resolution are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

– End –

About the Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 40,000 members and 20,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

Hong Kong Institute of CPAs' contact information:

Margaret Lam
Head of Member and Public Relations
Phone: 2287-7053
Email: margaret@hkicpa.org.hk