

CPA



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

50th
Anniversary



**FORGING
A NEW PATH
TOGETHER**

STRATEGIC PLAN

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INTRODUCTION

The annual review of the Strategic Plan has been undertaken by Council and it has been updated and refined based on a number of key factors and considerations. Many of these issues were identified in the **Strategic Plan 2022** and continue to remain relevant but are evolving, requiring refinement of the actions taken to address them. A number of the actions and initiatives included in the 2022 plans have been completed but many others are ongoing and will be complemented by newly developed actions to ensure all challenges continue to be addressed. The Vision, Mission and Values of the Institute remain relevant at the highest level.

Major considerations

The **further reform of the regulation of the accounting profession**, that was identified in the Strategic Plan 2022 as the catalyst for significant changes in the role and functions of the Institute has been completed. Effective from 1 October 2022 registration of practice units and PIE auditors, and inspection, investigation and disciplinary sanctions for all CPAs and practice units were transferred to the Accounting and Financial Reporting Council (AFRC). As anticipated in the Strategic Plan 2022 the operational and directional impact is very significant as the inherent tension between regulatory and member support functions no longer exists and we have the opportunity to focus all our efforts on professional qualification and development; standard setting and technical support; member engagement; and enhancing the value and standing of the profession and Institute members. The Institute's relationship with the AFRC will also change but remains important, particularly in respect of the development of the accounting profession in Hong Kong and the extended scope of AFRC oversight.

Other challenges and environmental factors identified in the 2020 and 2022 Strategic Plans remain relevant and have influenced the focus and direction of the 2023 Strategic Plan.



The Covid-19 pandemic appears to have ended and the severe economic impact it had on much of the world seems to have been reversed in many jurisdictions. In Hong Kong and Mainland China, all travel restrictions and social distancing measures were lifted in early 2023 and recovery is beginning to gather pace. There is no doubt that the pandemic will have longer-term impact on working practices. Throughout the period the Institute focused on supporting its members with relevant advice, advocacy and direction to address their ongoing professional needs as well as meeting specific challenges raised by the pandemic. This required innovation and agility will remain a feature of our strategy going forward.

Throughout 2022 the critical importance of **climate change and sustainability** and the opportunity for the profession to play a key role in addressing the issue continued to build momentum. The International Sustainability Standards Board (ISSB), established within the framework of the IFRS Foundation, consulted on its first two sustainability reporting standards. The [Institute's submission](#) was just one of more than one thousand received by the ISSB. The Institute has also pressed forward with its plans to be the Hong Kong sustainability standard setter, has increased its continuing professional development and advocacy on the topic and is working to embed sustainability considerations in the Qualification Programme. As an organization the Institute has committed to reduce its carbon footprint and initiatives to achieve that objective are taking place.

Technology and digital transformation will continue to be central to the operations of our members, the value of their contributions to the economy, the business community and wider society, and the success of their careers. **Financial and sustainability reporting and other professional standards** are critical to successful businesses, economies and financial markets. They remain core to the skillsets of our members and remain the arena where the profession can be a key player and lead developments. It is increasingly clear that across the world the profession is facing a challenge of **attracting and retaining talent** and our strategy has to recognize this by maintaining the value of our qualification and ensuring our communications are effective and our offerings are relevant in member engagement, branding and advocacy activities. Maintaining a relevant and robust **constitution and governance** remains vital for a sustainable profession and effective delivery of our strategy.



Carrying forward success

Taking into account all of the above considerations Council has agreed that repositioning of the Institute and refocus of strategic objectives that started in 2022 remains critical to ensure the Institute continues to provide a relevant value proposition to members and to maintain the value and recognition of the Institute and its members' contribution to Hong Kong's position as an international financial and business centre, and to the wider society.

Council has agreed to carry forward, with some refinements from 2022, the seven strategic focuses for 2023 under the three key topics:

- (a) Deliver member value
 - i. Professional development and member engagement
 - ii. Standard setting and technical support
 - iii. Qualification Programme
- (b) Standing and future of the profession
 - i. Proud to be a CPA – branding and communications
 - ii. Advocacy for the profession
- (c) Be a sustainable and versatile Institute
 - i. Relationship with the AFRC
 - ii. Safekeeping of our constitution, governance and organization

In the context of the above the strategic objectives and initiatives have been revisited and updated and are set out [here](#).

STRATEGIC OBJECTIVES AND INITIATIVES UPDATE



S1. Delivering member value – professional development and member engagement

Objective

- Identify development needs and deliver quality programmes to members.
- Provide service and support meeting the needs of members and students.

Initiatives

- 1.1 Develop and enrich training curriculum that meets the evolving development needs of member (sustainability, valuation, digitalisation etc.).
- 1.2 Improve operation efficiency and financial performance of CPD segment.
- 1.3 Enhance member experience in the Institute's CPD services (awareness, enrolment, record keeping).
- 1.4 Support and engage with members of different segments.

S2. Delivering member value – standard setting and technical support

Objective

- Put to action the role of sustainability standard setter for Hong Kong.
- Our professional standards are of high quality.
- Stakeholders understand and effectively implement and apply our professional standards.

Initiatives

- 2.1 Adopt the ISSB standards as the Hong Kong sustainability disclosure framework through adopting a convergence policy similar to the HKICPA's existing accounting, audit/assurance and ethics standards.
- 2.2 Proactively identify and understand local issues with the application of standards (including sustainability) and design mechanisms to address the issues. Strengthen technical support services through workshops and seminars as well as access to support materials and tools.
- 2.3 Continue to develop and maintain local standards addressing local needs not met by international standards (regulatory, legal, market demand etc.).
- 2.4 Bring Hong Kong aspects into international standard setting. Engage with local stakeholders and participate in key regional and international forums.



S3. Delivering member value – Qualification Programme

Objective

- Our qualification is a premier, internationally recognized designation:
 - Our CPA qualifying process is robust and rigorous.
 - Our professional education and assessment match changing practices and expectations.

Initiatives

- 3.1 Complete implementation of QP re-engineering initiatives to improve financial viability of the segment.
- 3.2 Review the QP against the qualifications of other international accounting bodies and maintain international recognition agreements on terms which are fair and mutually beneficial.
- 3.3 Promote the QP as the programme of choice for a career in both practice and business by equipping newly-qualified CPAs with the necessary professional competences to meet the needs of employers.
- 3.4 Formulate plan for digitalization of the QP including computer-based examinations.
- 3.5 Explore the potential to offer interim qualifications at different exit points of the QP.

S4. Proud to be a CPA – branding and communication

Objective

- Promote a positive image commensurate with the contributions of the profession.
- Keep members and stakeholders abreast of the Institute's contributions.
- Be recognized as a socially- responsible professional body.

Initiatives

- 4.1 Riding on the 50th anniversary celebration, project the positive image of the Institute and the profession among members and the public. Articulate the attributes and value contributions of professional accountants and tell a compelling story.
- 4.2 Expand on projects for social contributions.
- 4.3 Engage various stakeholders to advocate professional and social contributions of professional accountants and the Institute to the society.

S5. Advocacy for the profession

Objective

- Advocate for high standards of governance and ethics.
- Position the Institute as a knowledgeable, credible and the legitimate voice of the accounting profession in Hong Kong.
- Safeguard the interests of members, as well as the public interest, and pursue the long-term sustainability of the profession.

Initiatives

- 5.1 Advocate for the requirement for qualified accountant in listed companies.
- 5.2 Update AML guideline and provide support to members.
- 5.3 Advocate for sustainability assurance to be provided by CPAs.
- 5.4 Promote digitalization of SMPs.
- 5.5 Strengthen public policy research work and advocacy, including the future role and positioning of the profession. Continue to monitor and comment on the HKSAR Government annual budget and other aspects of tax policy.
- 5.6 Set a holistic Mainland development plan and strategic focus on the GBA development and advocate for members interests and promote the opportunities available both from a PAIP and PAIB perspective.

S6. Relationship with regulator

Objective

- Collaborate with AFRC for the betterment of the profession.

Initiatives

- 6.1 Complete remaining disciplinary cases and collaborate with AFRC for the development of the profession.
- 6.2 Establish understanding on AML regulatory responsibilities under the new regime.
- 6.3 Engage with AFRC on an effective approach on information sharing and oversight arrangement.

S7. Safekeeping of our constitution, governance and organization

Objective

- Our constitution, governance and organization structure befits a top-tier professional body.
- Ensure the long term sustainability of the Institute to achieve its objectives.

Initiatives

- 7.1 Ensure governance structure is effective in discharging the Institute's roles and meeting expectations of different stakeholders.
- 7.2 Develop and implement HR strategy to support the Institute's pursuit of its strategic goals.
- 7.3 Identify ways to address the structural financial deficit with clear plans to achieve breakeven to ensure financial viability of the Institute.



KEY ACTION ITEMS

To achieve the strategic objectives and related initiatives, dedicated focus is required. While not exhaustive, the following list summarizes the key action items the Institute has set out to reach those goals.

Professional development and member engagement

1. Continue to upskill members on sustainability.
2. Expand the developments in other specialist areas such as business valuation.
3. Complete implementation of the financial viability initiatives of the professional development segment.
4. Enhance members' awareness of the training courses available and help members locate the resources they need through a more targeted communication strategy.
5. Engage members across segments through various initiatives and flagship events.
6. Promote specialty interest groups and enhance the support on topics of interest such as digitalization, talent acquisition and retention as well as well-being.

Standard setting and technical support

7. Action the sustainability standards setting roadmap as approved by Council in October 2022 to explain to the public the role of the HKICPA as the statutory sustainability standards setter and why HK should adopt the ISSB standards.
8. Optimize the provision of technical support on application of standards.
9. Develop and maintain local pronouncements such as the Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard, Practice Notes, Circulars, HK-Interpretations, Accounting Bulletins, Accounting Guidelines etc. as need be.
10. Bring Hong Kong aspects into international standard setting.

Qualification Programme

11. Implement initiatives to improve financial viability of the Qualification Programme (QP) segment.
12. Review the coverage and content of the QP to better accommodate career development of prospective accountants and employers' expectations and renewal of reciprocal membership agreements with Global Accounting Alliance (GAA) member bodies.
13. Promote the value proposition of accounting profession and QP and engage with universities, secondary schools and employers.
14. Increase digital adoption on the overall CPA Qualifying Process.
15. Offer certificate to QP students by recognition of partial completion of QP for improving employability of QP students and facilitating staff recruitment of employers by understanding the competencies attained with the interim qualifications.

Branding and communication

16. Roll out 50th anniversary events and messages about the Institute's redefined role and sharpened messages of promoting positive image of the profession as well as the industry shall continue to be disseminated to our members, stakeholders and the general public.
17. Demonstrating CPAs in corporate social responsibility as a way of giving back to the community through in-house corporate social responsibility programmes and stakeholder collaborations with enhancements.
18. Engage successful individuals and aspirers for the profession, KOLs, to tell the stories of the profession relating to the contribution of the Institute, and promote through different channels – social media, print/ electronic/ online media with the exploration of media collaboration.
19. Engage members with targeted content of interest and enhanced communications channels.

Advocacy for the profession

20. Consider the way forward for reintroducing the requirement for qualified accountants in listed companies and engage with the government and regulators including Hong Kong Stock Exchange.
21. Complete consultation on updated anti-money laundering (AML) guidelines and continue to run regular AML workshops with updated content and other AML events for members.
22. Promote the resources and campaigns of the International Federation of Accountants, Institute of Chartered Accountants in England and Wales, GAA, Accounting for Sustainability etc. to enhance market awareness of the value of having CPAs provide assurance on sustainability reports.
23. Engage with stakeholders and seek public comments on the International Auditing and Assurance Standards Board's and International Ethics Standards Board for Accountants's respective consultations on sustainability reporting.
24. Engage technology vendors and small and medium practices (SMPs) to identify the latest challenges and opportunities of technology adoption, and identify potential solutions and way-forward to increase the pace of digitalization of SMPs.
25. Continue to monitor and comment on key aspects of local and relevant international tax policy, including the HKSAR Government annual budget and local implementation of international tax developments such as exchange of information and base erosion and profit shifting.
26. Set a holistic Mainland development plan.



Relationship with AFRC

27. Complete remaining disciplinary and appeal cases and establish understanding on sharing of information under the new regime. Engage with the government and Accounting and Financial Reporting Council (AFRC) to establish understanding on respective roles in supporting the development of the profession.
28. Engage with the AFRC to confirm understanding of respective roles and how the Institutes' responsibilities, including setting guidelines for Anti-Money Laundering and Counter-Terrorist Financing Ordinance compliance under AFRC oversight can be effectively fulfilled.
29. Engage with AFRC to obtain clarity and suggest enhancements to their oversight approach and process with a view to avoid duplication of effort and promote effectiveness. Where possible, monitor compliance costs for the Institute.

Safekeeping of our constitution, governance and organization


30. Ride on corporate governance improvements implemented in 2022, to proceed in the 2023 Work Plan for continuous enhancements.
31. Devise and implement recruitment strategy to attract qualified talent in the face of changing talent landscape.
32. Develop and implement talent management and staff engagement programmes to motivate and retain staff members.
33. Ensure statutory compliance and promote continuous improvement for productivity by completing the revamp of human resources information system by Q4 2023.
34. Identify ways to address the structural financial deficit with clear plans to breakeven in the ensuing years to ensure financial viability of the Institute.



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