

# Guidance Notes for filing a complaint

## Objectives of this Guidance Note

1. Explain the scope of the matters that are within the jurisdiction of the Institute.
2. Suggest factors to consider before lodging a complaint with the Institute.
3. Explain how to make a complaint against a member of the Institute.

## What the Institute can do

The Institute's power to regulate its members, under the Professional Accountants Ordinance, Cap 50, allows the Institute to pursue a complaint against a member if the complaint is:

- related to the actions of one of our members, member practices or registered students;
- supported by evidence showing a reasonable suspicion that professional standards issued by the Institute have been breached or other improper acts have been committed; and
- within the [jurisdiction](#) of the Institute in accordance with Cap 50.

A list of the names of the members, corporate practices and firms are available at our [website](#).

You may lodge a complaint against our members for the following:

- non-compliance with ethical, financial reporting, and auditing standards.
- improper conduct (e.g. conviction of one or more offences in or outside Hong Kong).



## Matters outside the jurisdiction of the Institute

### 1. Listed companies matters

The Financial Reporting Council (FRC) conducts investigations or enquiries into possible auditing and reporting irregularities or non-compliances with financial reporting requirements relating to listed companies in Hong Kong. You should report to the FRC for the aforementioned irregularities of listed companies. Matters involving listed companies may also warrant the attention of the Hong Kong Stock Exchange or the Securities and Futures Commission of Hong Kong.

### 2. Criminal matters

If you suspect that a CPA is involved in any criminal activities, you should report the matter to the police.

### 3. Civil and employment matters

Fee disputes and employment matters are examples of civil issues that are outside the Institute's jurisdiction. You may consider seeking legal advice to determine how to proceed.

The Institute does not have the authority to direct members to pay damages to a complainant.

### 4. Possessory liens

A lien is a right of a person to retain possession of the owner's property until the owner pays what he owes to the person in possession.

Where a legal right exists, the Institute supports that lien. On the contrary, a lien should not be exercised over the following documents:

- books of a company which have to be made available for public inspection or be kept at the registered office or some other specified places.
- books of accounts which the company must keep under the Companies Ordinance.

For further details, please refer to Statement 1.301 "Books and papers – ownership, disclosure and lien" of [Volume 1 of the Members' handbook](#).

### 5. Companies Ordinance matters

The following are examples of the duties of directors, not the auditors, under the jurisdiction of the Companies Ordinance, Cap 622:

- ensuring shareholders are given copies of the audited financial statements upon demand.
- ensuring that statutory records are kept at the company's registered office for public inspection.
- circulating proposed resolutions and resolutions that have been passed.

### Unsubstantiated allegations

The Institute cannot pursue assertions that are not supported by sufficient evidence. The Institute will not write up a complaint for the complainant.



### How can you make a complaint against a CPA?

Before lodging a complaint, you should approach the CPA responsible for the practice unit. A template letter designed to assist the complainant is attached at the back page of this document. CPAs are required to maintain a system for handling complaints against them under the Institute's professional standards.

If the member fails to address your concern, you may then consider lodging a complaint with the Institute following these procedures:

- Fill out a complaint form which is available at our [website](#). Please read the instructions carefully.
- Set out the factual circumstances of the matters leading to your complaint.
- Provide all relevant information and evidence to support your allegations. Insufficient information may delay the process or result in dismissal of the case.

## What happens after we receive your complaint?

The Compliance Department is responsible for handling complaints received by the Institute.

The evidence provided by the complainant will be assessed to ascertain if there is reasonable suspicion that the member concerned has failed to comply with the Institute's professional standards or committed other improper acts. Enquiry letters may be issued to the member concerned to enable the Institute to obtain representation from both parties and analyse the subject matter objectively.

The Compliance Department will follow up with the complainant if, after assessing the available information, further evidence is needed.

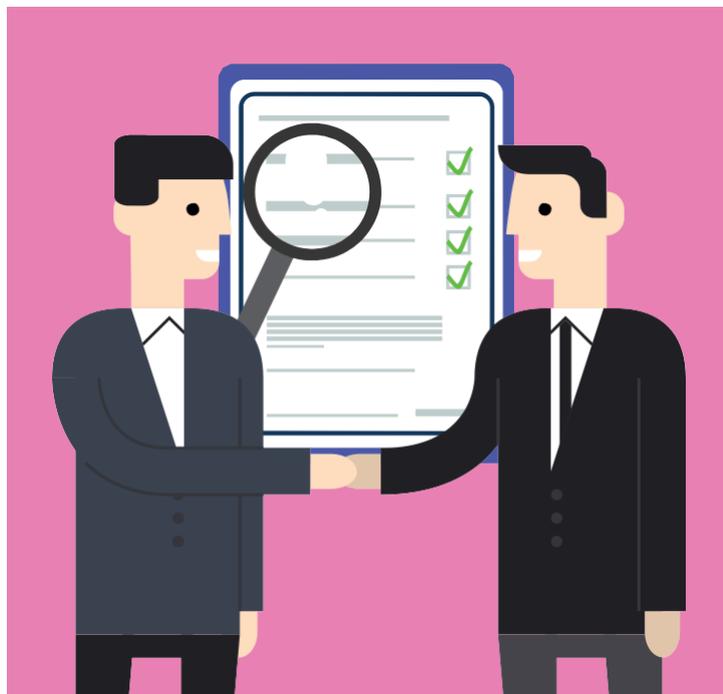
The time required for completing complaints varies, depending on the complexity of the issues involved and the extent of correspondence with the relevant parties. We aim at submitting cases to the Professional Conduct Committee for consideration within approximately 6 months after receipt. Please note that some cases may take longer due to their complexities and other reasons.

The Compliance Department will report the case summary, along with findings to the Professional Conduct Committee. They are delegated authority by Council to:

1. dismiss the complaint.
2. issue a letter of disapproval to the CPA for minor breaches.
3. determine if moderate breaches should be resolved by a Resolution by Agreement.
4. recommend serious breaches to the Council for consideration of referring the matter to the Disciplinary Panels.

The complainant will be informed of the final course of action taken by the Institute.

(See our [complaint handling process](#).)



## Anonymous complaints

The Institute will process anonymous complaints against a member only if they are supported by sufficient and reliable evidence showing that a member has breached standards or committed a wrongful act.

As a matter of fairness, the CPA should be given the opportunity to represent on the allegations made by the complainant. All relevant information provided by the complainant will be copied to the CPA for representations.

## Requests for advice

The Compliance Department does not give advice on the treatment of accounting and auditing matters. However, our members do participate in community service in the form of a [Free Public Advisory Service](#) which offers advice on accounting and related matters.

The Institute responds to technical queries made by [members](#) only.



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

## Enquiries are welcome:

By Telephone: 2287-7026

By Email: [compliance@hkicpa.org.hk](mailto:compliance@hkicpa.org.hk)

By Post: Compliance Department

37/F Wu Chung House, 213 Queen's Road East, Hong Kong

## SAMPLE Letter to CPA Firm before lodging a complaint with the Institute

Date

### Private & Confidential

[Name of CPA/ CPA Firm]

[Correspondence address]

Dear Sir,

### [Subject Matter]

I refer to the recent dispute between us concerning [...]

[list out the details of your complaint.]

The Hong Kong Standard on Quality Control 1 requires that your firm should establish policies and procedures designed to provide it with reasonable assurance that it deals appropriately with:

- (a) Complaints and allegations that the work performed by the firm fails to comply with professional standards and regulatory and legal requirements; and
- (b) Allegations of non-compliance with the firm's system of quality control.

I request you to consider the aforementioned procedures and I look forward to receiving your prompt response in relation to the concerns I have within [ ] days from the date of this letter. If I do not hear from you, I have no choice but to report the matter to the HKICPA.

Yours faithfully,