



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

## Media alert

Dear editors and reporters:

### **Hong Kong Institute of Certified Public Accountants issues quality assurance annual report 2011**

(HONG KONG, 18 April 2012) –The Hong Kong Institute of CPAs' 2011 quality assurance annual report issued publicly today details the findings from the Institute's practice review programme and professional standards monitoring.

Practice review refers to the inspection of the work quality of auditors while professional standards monitoring looks at the financial reporting practices of listed companies. The Institute reviewed 180 audit practices and more than 80 published financial reports in 2011.

This year, the report noted that as a whole, the practice review findings were positive. Practice reviews have two jobs – to educate audit firms and to regulate them. The practice review programme was revised in 2007 and since then, the Institute has reviewed more than 550 audit practices and issued reports to these firms.

The Institute's report indicated that its monitoring of financial reporting was also satisfactory as a relatively small percentage of cases required follow-up action or investigation. The report showed that the application of some standards continues to be problematic but that companies are making progress.

High quality auditing gives assurance to investors, locally and internationally. It also gives confidence to all users of financial information in the integrity of Hong Kong's capital market. This confidence is the bedrock of Hong Kong's status as an international financial centre. The Institute's quality assurance programmes show its commitment to explain and maintain high audit and financial reporting quality for owners and management of companies, investors and other stakeholders.

To talk about the report and the ideas it raises, please call Stella To, deputy director of communications, Hong Kong Institute of CPAs at 2287-7209.

The quality assurance annual report 2011 is available on the Institute's website [http://www.hkicpa.org.hk/file/media/section6\\_standards/quality\\_assurance/practice-review/qa-annual-report-2011.pdf](http://www.hkicpa.org.hk/file/media/section6_standards/quality_assurance/practice-review/qa-annual-report-2011.pdf).

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### **About the Hong Kong Institute of CPAs**

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 33,000 members and 16,000 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.

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