

Guidance Notes for filing a complaint

Objectives of these Guidance Notes

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.

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).

A list of the names of the members, corporate practices and firms are available on our website.



Matters outside the jurisdiction of the Institute

Please refer to the [complaints section](#) of the Institute's website for more information about matters that are outside the Institute's jurisdiction.

Unsubstantiated allegations

The Institute cannot pursue assertions that are not supported by sufficient evidence. All relevant information should be submitted when lodging the complaint.

Anonymous complaints, and confidentiality & protection of identity

Please refer to the [complaints section](#) of the Institute's website for details about the Institute's policy in this area.

How can you make a complaint against a member?

Before lodging a complaint, you are encouraged to approach the member in an effort to properly resolve the matter.

CPA practices are required to maintain a system for handling complaints against them under the Institute's professional standards. A [template letter](#) designed to assist you is available at the end of these guidance notes.

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 on the Institute's 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.

Select level of involvement

When filling out the complaint form, please indicate whether you will act as an informant or complainant. Please refer to section 11 of the [complaint form](#) for details.

What happens after we receive your complaint?

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

The evidence provided by you 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. As a matter of fairness, the subject of the complaint will be given the opportunity to comment on the relevant allegations. Accordingly, enquiry letters may be issued to the member concerned to enable the Institute to obtain representations and analyse the subject matter objectively.

After assessing all available information, the Compliance Department will follow up with you if further evidence is needed.



The Compliance Department will report the case summary and findings to the Professional Conduct Committee for consideration. They have been delegated authority by Council to:

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

Although we aim to submit cases to the Professional Conduct Committee within 6 months of receipt, the time required for completing complaints depends on the complexity of the issues involved and the extent of correspondence with the relevant parties. Please note that some cases may take longer due to their complexities and other reasons. You will be informed of the final course of action taken by the Institute.

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

Frequently asked questions

Before lodging a complaint, please read the following scenarios carefully and consider our suggestions.

1. Audited financial statements

Question: I am a shareholder but I was not given copies of the audited financial statements. Is the auditor responsible for this matter?

Answer: This concerns the responsibilities of the directors or company secretary under the Companies Ordinance. You should approach them for questions.

2. Annual general meeting (AGM)

Question: I was not notified of the AGM. Is the auditor responsible for the matter?

Answer: This concerns the responsibilities of the directors or company secretary under the Companies Ordinance. You should approach them for questions.

3. Enquiries of shareholders

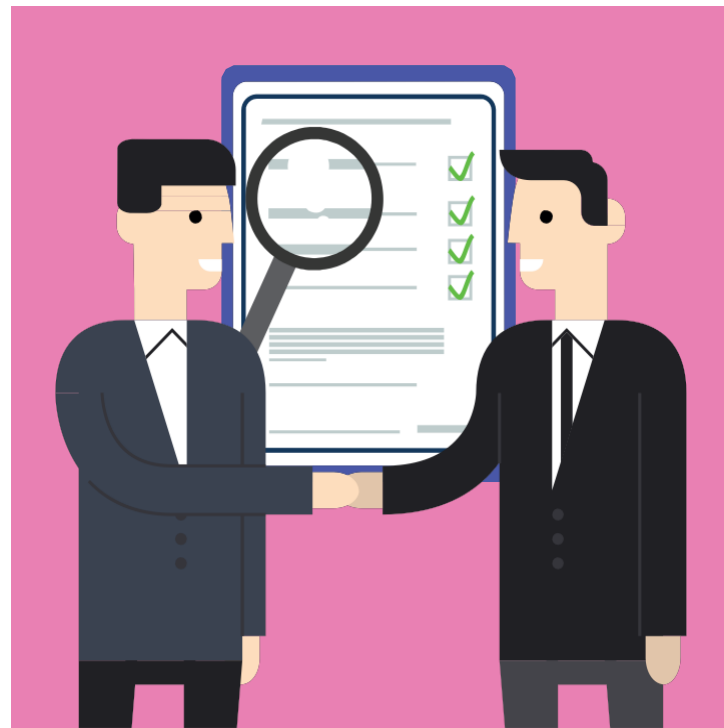
Question: The auditors are so arrogant! They do not respond to my enquiries. Should I file a complaint against them?

Answer: Auditors are responsible to the shareholders collectively, and not to individual shareholders. You are advised to direct your enquiries to the appropriate parties, such as company's directors.

4. Suspected accounting errors

Question: Although I am a director, I know nothing about accounting. However, there are a number of errors in the audited financial statements and the shareholders are now suing me! Should I file a complaint against the auditors?

Answer: The company is responsible for preparing the financial statements on which auditors express their audit opinion. You should first discuss the errors with those responsible for preparing the financial statements before concluding that the auditors have failed their duties.



5. Anti-Money Laundering and Counter-Terrorist Financing (AML) matters

Question: I suspect that a trust or company service provider (TCSP), operated by a CPA, has breached the relevant AML requirements. To which body should I report the matter?

Answer: There are statutory obligations concerning the reporting of suspected money laundering or terrorist financing activities to the relevant authorities, and you may wish to obtain legal advice where appropriate.

The Institute will enquire of a member if evidence supports that he or a TCSP operated by him may have breached the AML requirements. Appropriate regulatory action will be taken if breaches are established.

Requests for advice

Some members participate in a free public advisory service scheme ([FPASS](#)) to advise members of the public on accounting related issues. However, the Compliance Department does not give advice on accounting and auditing matters, and the Institute only responds to technical queries made by members.



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

Enquiries can be sent to:

Telephone: 2287-7026

Email: compliance@hkicpa.org.hk

Post: Compliance Department

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

SAMPLE Letter to member before lodging a complaint with the Institute

Date

Private & Confidential

[Name]

[Correspondence
address]

Dear Sir/Madam,

[Subject Matter]

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

[If possible, list the details of your complaint and your expected resolution of the matter.]

[Insert if the
complaint
involves a
CPA
practice.]

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 applicable legal and regulatory requirements; and
- (b) Allegations of non-compliance with the firm's system of quality control.

Please consider the aforementioned comments and respond to the concerns expressed within [] days from the date of this letter. If I do not hear from you, the matter may be reported to the HKICPA.

Yours faithfully,