



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant (practising) and a firm of certified public accountants

(HONG KONG, 27 March 2014) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Yeung Ho Yin (membership number A14085) and Ernst & Young (firm number 0422) on 18 March 2014 for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute, and ordered Yeung to pay to the Institute a penalty of HK\$50,000. In addition, both respondents were ordered to pay the costs of the disciplinary proceedings of HK\$30,000.

Ernst & Young prepared the accountants' report of a Hong Kong listed company in November 2011 and issued an unmodified auditors' report on the company's financial statements for the year ended 31 December 2011. Yeung was the engagement partner. The amounts of earnings per share disclosed in the accountants' report and audited financial statements were wrong and the company rectified the errors by way of two subsequent announcements in 2012. The Institute received information from the Financial Reporting Council about the misstatements of earnings per share in the accountants' report and audited financial statements. After considering the information available, the Institute lodged a complaint against Yeung and Ernst & Young under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

Yeung and Ernst & Young admitted the complaint. The Disciplinary Committee found that they failed or neglected to observe, maintain or otherwise apply section 130 "*Professional Competence and Due Care*" of the Code of Ethics for Professional Accountants and Hong Kong Accounting Standard 33 "*Earnings per Share*".

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Yeung and Ernst & Young under section 35(1) of the ordinance.

Under the ordinance, if Yeung and Ernst & Young are aggrieved by the order, they may give notice of an appeal to the Court of Appeal within 30 days after they are served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at www.hkicpa.org.hk.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. The majority (three members) of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two members are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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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 36,000 members and more than 17,000 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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致：編採主任／新聞／財經版編輯

香港會計師公會對一名執業會計師及一會計師事務所作出紀律處分

(香港，二零一四年三月二十七日) — 香港會計師公會轄下一紀律委員會於二零一四年三月十八日就楊灝妍女士 (會員編號：A14085)及安永會計師事務所(會計師事務所編號：0422)沒有或忽略遵守、維持或以其他方式應用公會頒布的專業準則，對他們作出譴責。委員會並命令楊女士須繳付罰款五萬港元予公會，而她和安永會計師事務所須支付紀律程序的費用共三萬港元。

安永會計師事務所在2011年11月為一間香港上市公司編制會計師報告和就該公司截至2011年12月31日的財務報表發出無保留意見的審計報告。楊女士為項目合夥人。會計師報告和經審核財務報表內披露了錯誤的每股溢利金額。公司其後在2012年發表兩份公告作出更正。公會收到財務匯報局關於會計師報告和經審核財務報表出現錯誤的每股溢利。公會經考慮所得資料，根據《專業會計師條例》第34(1)(a)(vi)條對楊女士及安永會計師事務所作出投訴。

楊女士及安永會計師事務所承認投訴中的指控屬實。紀律委員會裁定楊女士及安永會計師事務所沒有或忽略遵守、維持或以其他方式應用公會下列的專業準則 – Code of Ethics for Professional Accountants 中的 section 130 "Professional Competence and Due Care"及Hong Kong Accounting Standard 33 "Earnings per Share"。

經考慮有關情況後，紀律委員會根據《專業會計師條例》第35(1)條向楊女士及安永會計師事務所作出上述的命令。

根據《專業會計師條例》，如楊女士及安永會計師事務所不服紀律委員會對他們作出的命令，可於命令文本送達後30天內向上訴法庭提出上訴。

紀律委員會的書面判決可於公會網頁內Compliance部份查閱，網頁為 <http://www.hkicpa.org.hk>。

公會的紀律程序是根據《專業會計師條例》第V部份，由五位成員組成的紀律委員會執行。每個紀律委員會的大多數成員，即包括主席在內的三名成員，是由香港特別行政區行政長官從業外人士組成的紀律小組中選派委任，另外兩名成員由專業會計師出任。

除非負責的紀律委員會因公平理由認為不恰當，否則紀律聆訊一般以公開形式進行。紀律聆訊的時間表可於公會網頁查閱。如當事人不服紀律委員會的裁判，可向上訴法庭提出上訴，上訴法庭可確定、修改或推翻紀律委員會的裁判。

紀律委員會有權向公會會員、執業會計師事務所會員及註冊學生作出處分。紀律處分範圍包括永久或有限期地將違規者從會計師註冊紀錄冊中除名或吊銷其執業證書、對其作出譴責、下令罰款不多於五十萬港元，以及支付紀律程序的費用。

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關於香港會計師公會

香港會計師公會是香港唯一獲法例授權負責專業會計師註冊兼頒授執業證書的組織，會員人數超過三萬六千，註冊學生人數逾一萬七千。公會會員可採用「會計師」稱銜（英文為 **certified public accountant**，簡稱 **CPA**）。

公會(**Hong Kong Institute of Certified Public Accountants**)於一九七三年一月一日成立，當時的英文名稱為 **Hong Kong Society of Accountants**。

公會根據《專業會計師條例》履行職責，以公眾利益為依歸。其職能廣泛，包括開辦專業資格課程(**Qualification Programme**)以確保會計師的入職質素，以及頒布香港的財務報告、審計及專業操守準則。此外，公會亦負責在香港監管和推動優良而有效的會計實務，以鞏固香港作為國際金融中心的領導地位。

香港會計師公會是全球會計聯盟 (**Global Accounting Alliance, GAA**) 的成員之一。全球會計聯盟於二零零五年成立，聯合了全球頂尖的專業會計團體，推動優質服務，並積極與各地監管機構、政府及關連人士就國際重要議題共同合作。

香港會計師公會聯絡資料

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IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) (“PAO”) and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the
Hong Kong Institute of
Certified Public Accountants

COMPLAINANT

AND

Ms. Yeung Ho Yin
(Membership No. A14085)

FIRST
RESPONDENT

Ernst & Young
(Firm No. 0422)

SECOND
RESPONDENT

Members: Mr. Scott, John Alston QC SC (Chairman)
Ms. Law Wing Yee Wendy
Mr. Lau To Koon Kenneth
Mr. Winkelmann, Paul F.
Mr. Phillips Warren Peter

REASONS FOR DECISION

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (“the Institute”) as Complainant against the Respondents, who is a certified public accountant (practising) and a firm of certified public accountants respectively. Section 34(1)(a)(vi) of the PAO applies to the Respondents.
2. The particulars of the Complaint as set out in a letter dated 6th June 2013 (“the Complaint”) from the Registrar of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels were

that the Respondents failed or neglected to observe, maintain or otherwise apply professional standards, namely, section 130.1 of the Code of Ethics for Professional Accountants (“Code”) and HKAS 33 in the preparation and issuance of the Accountants Report and the audit of the 2011 Financial Statements, in concurring with the wrong calculation of EPS disclosed in the Accountants’ Report and 2011 Financial Statements.

3. The Respondents admitted the Complaint against them. They did not dispute the facts as set out in the Complaint. They agreed that the steps set out in paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules be dispensed with.
4. By a letter dated 19th November 2013 addressed to the Complainant and the Respondents, the Clerk to the Disciplinary Committee (“DC”), under the direction of the DC, informed the parties that they should make written submissions to the DC as to the sanctions and costs and that the DC would not hold a hearing on sanctions and costs unless otherwise requested by the parties.
5. In considering the proper order to be made in this case, the DC has had regard to all the aforesaid matters, including the particulars in support of the Complaint and the Respondents’ submissions. The DC also bear in mind the following:-
 - (i) the lack of any prejudice to the investing public;
 - (ii) the one-off nature of the offence;
 - (iii) the fact that the Respondents responded speedily in admitting the complaint; and
 - (iv) the fact that the 1st Respondent has been sanctioned by the 2nd Respondent

6. The DC orders that:-

- (1) the First Respondent and Second Respondent be reprimanded;
- (2) The First Respondent pays a penalty of HK\$50,000; and
- (3) The Respondents do pay the costs of the disciplinary proceedings to the Complainant in the sum of HK\$30,000 under section 35(1)(iii) of the PAO.

Dated the 18th day of March 2014

IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) ("PAO") and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the
Hong Kong Institute of
Certified Public Accountants

COMPLAINANT

AND

Ms. Yeung Ho Yin
(Membership No. A14085)

FIRST
RESPONDENT

Ernst & Young
(Firm No. 0422)

SECOND
RESPONDENT

Members: Mr. Scott, John Alston QC SC (Chairman)
Ms. Law Wing Yee Wendy
Mr. Lau To Koon Kenneth
Mr. Winkelmann, Paul F.
Mr. Phillips Warren Peter

ORDER

Upon reading the complaint against MS. YEUNG HO YIN, a certified public accountant (practising), and ERNST & YOUNG, a firm of certified public accountants, as set out in a letter from the Registrar of the Institute ("the Complainant") dated 6th June 2013, the written submissions of the Respondents and of the Complainant dated 10th December 2013, the Disciplinary Committee is satisfied by the admission of the Respondents and the evidence adduced before it that the following complaint is proved:

Section 34(1)(a)(vi) of the PAO applies to the Respondents in that they failed or neglected to observe, maintain or otherwise apply professional standards, namely, section 130.1 of the Code of Ethics for Professional Accountants and HKAS 33 in the

preparation and issuance of the Accountants' Report and the audit of the 2011 Financial Statements, in concurring with the wrong calculation of EPS disclosed in the Accountants' Report and 2011 Financial Statements.

The Disciplinary Committee ORDERS that:-

- (1) the First Respondent and Second Respondent be reprimanded;
- (2) The First Respondent pays a penalty of HK\$50,000; and
- (3) The Respondents do pay the costs of the disciplinary proceedings to the Complainant in the sum of HK\$30,000 under section 35(1)(iii) of the PAO.

Dated the 18th day of March 2014