



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

Hong Kong Institute of Certified Public Accountants takes regulatory action against two certified public accountants (practising) and a corporate practice

(HONG KONG, 7 May 2020) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Miss Lam Pik Wah, certified public accountant (practising) (A18103), Miss Yeung Kit Kam, Lesley, certified public accountant (practising) (A11572) and BDO Limited (M0200) (collectively, “Respondents”) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

BDO audited the consolidated financial statements of **China Energy Development Holdings Limited**, a Hong Kong listed company, and its subsidiaries (collectively, “Group”) for the year ended 31 December 2013 and expressed an unmodified auditor’s opinion. Lam was the engagement director and Yeung was the engagement quality control reviewer.

The **Group acquired a subsidiary in Mainland China which had entered into a project for exploration, development and production of oil and natural gas in the Mainland. Approval to begin development of the project had not been obtained from the Chinese government. However, the Group’s interest in the project and the exploration costs incurred were recognized as assets in the financial statements.**

The audit team engaged an independent valuer to assess the valuation of the project that had been undertaken by management. The working papers showed that the **audit team did not perform adequate procedures, or prepare adequate documentation, in respect of assessing the independent valuer’s and management’s assumptions on forecast production and sales volumes, expected selling price of products and discount and risk premium rates used in the valuation.**

The Institute concluded as follows:

- (i) Lam and BDO failed or neglected to observe, maintain or otherwise apply the following professional standards:
 - Hong Kong Standard on Auditing (“HKSA”) 230 *Audit Documentation*;
 - HKSA 500 *Audit Evidence*; and
 - HKSA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.
- (ii) Yeung failed or neglected to observe, maintain or otherwise apply HKSA 220 *Quality Control for an Audit of Financial Statements*.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. The Respondents acknowledge the facts of the case and their non-compliance with the relevant professional standards;
2. they be reprimanded; and
3. each of the Respondents pay an administrative penalty of HK\$25,000 and they jointly pay costs of the Institute and the Financial Reporting Council totalling HK\$172,537.50.

About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants ("HKICPA") ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

- End -

About HKICPA

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has more than 45,000 members and 19,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

Hong Kong Institute of CPAs' contact information:

Ms Gemma Ho
Public Relations Manager
Phone: 2287-7002
Email: gemmaho@hkicpa.org.hk

Ms Rachel So
Head of Corporate Communications and Member Services
Phone: 2287-7085
Email: rachelso@hkicpa.org.hk



香港會計師公會對兩名執業會計師及一間執業法團作出監管行動

(香港，二零二零年五月七日) 香港會計師公會就執業會計師林碧華小姐(會員編號：A18103)、執業會計師楊潔金小姐(會員編號：A11572)及香港立信德豪會計師事務所有限公司(執業法團編號：M0200)(統稱「答辯人」)沒有或忽略遵守、維持或以其他方式應用公會頒佈的專業準則，對他們作出監管行動。

立信德豪曾審計香港上市公司中國能源開發控股有限公司及其附屬公司(統稱「該集團」)截至二零一三年十二月三十一日止年度的綜合財務報表，並發表了無保留的核數師意見。林小姐是該審計項目的執業董事，而楊小姐是該審計項目的質量控制覆核人。

該集團曾在中國內地收購一間附屬公司。該附屬公司在內地開展一個勘探、開發及生產石油及天然氣的項目，而該項目尚未獲內地政府批准開發。但該集團於財務報表內把項目的權益及勘探成本確認為資產。

審計團隊聘用了一名獨立估值師對管理層的項目估值進行評估。審計工作底稿顯示審計團隊就獨立估值師及管理層於估值採用的假設，包括預測產量及銷量、預期產品售價、貼現率及風險溢價率沒有執行充分的程序或編備完備記錄。

公會的結論如下：

- (i) 林小姐及立信德豪沒有或忽略遵守、維持或以其他方式應用以下的專業準則：
- Hong Kong Standard on Auditing (「HKSA」) 230「Audit Documentation」；
 - HKSA 500「Audit Evidence」；及
 - HKSA 540「Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures」。
- (ii) 楊小姐沒有或忽略遵守、維持或以其他方式應用 HKSA 220「Quality Control for an Audit of Financial Statements」。

監管行動

基於上文所述及為省卻進一步程序，香港會計師公會理事會決定以下列的方案解決這宗投訴：

1. 答辯人承認此個案中的事實及違反了相關專業準則；

2. 他們被譴責；及
3. 各答辯人須分別繳交行政罰款 25,000 港元，以及共同繳交公會及財務匯報局的費用共 172,537.50 港元。

有關解決方案

為保障公眾及會計界的利益，香港會計師公會以有效及具透明度的方式處理投訴個案。根據《專業會計師條例》概述的公會理事會權力，公會在考慮投訴個案的性質與嚴重性、答辯人的過往處分紀錄，以及加重與寬減等因素後，若認為個案屬中度嚴重，便可在答辯人不抗辯的情況下藉解決方案處理。然而，如個案涉及不誠實行為的投訴，則不可藉解決方案處理，而須另按紀律處分程序處理。

對於所有解決方案，公會均作出強制性的公開譴責及公佈答辯人的姓名、個案涉及的事實和所違反的專業準則。公會投訴處理程序及解決方案的指引，可於公會網頁（www.hkicpa.org.hk）內「Compliance」部份查閱。

- 完 -

關於香港會計師公會

香港會計師公會是根據《專業會計師條例》成立的法定機構，負責培訓、發展和監管本港的會計專業。公會會員超過 45,000 名，學生人數逾 19,000。

公會開辦專業資格課程，確保會計師的入職質素，同時頒佈財務報告、審計及專業操守的準則，以鞏固香港作為國際金融中心的領導地位。

CPA 會計師是一個獲國際認可的頂尖專業資格。公會是全球會計聯盟及國際會計師聯合會的成員之一，積極推動國際專業發展。

香港會計師公會聯絡資料：

何玉淳女士
公共關係經理
直線電話：2287-7002
電子郵箱：gemmaho@hkicpa.org.hk

蘇煥娟女士
企業傳訊及會員事務主管
直線電話：2287-7085
電子郵箱：rachelso@hkicpa.org.hk