



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 a certified public accountant (practising) and a firm of certified public accountants

(HONG KONG, 15 January 2021) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Chan Kam Fuk, certified public accountant (practising) (membership number A20032) and Dominic K. F. Chan & Co., a firm of certified public accountants (firm number 1777) for their failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute.

Chan was the sole proprietor of Dominic K. F. Chan & Co. The firm issued an unmodified review report on the interim financial statements of Summi (Group) Holdings Limited and its subsidiaries (collectively, "Group") for the six months ended 31 December 2018, noting material uncertainty about the Group's ability to continue as a going concern.

The Group made significant payments for capital expenditures during the period. The payments depleted the Group's bank balances as at 31 December 2018. Most of the payments were for land improvement contracts and were incorrectly classified as "lease prepayments for orange plantations".

The respondents' working papers reflected: insufficient understanding of the Group's accounting system; insufficient assessment of the impact of the inappropriate classification; and inadequate procedures in relation to impairment assessments. The respondents' review report also did not include an adequate explanation of management's responsibility for the preparation of the interim financial statements.

The Institute concluded that the respondents failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Review Engagements 2400 (Revised) *Engagements to Review Historical 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 areas of non-compliance with the relevant professional standard;
2. the respondents be reprimanded; and
3. the respondents jointly pay an administrative penalty of HK\$50,000 and the Institute's costs of HK\$15,000.

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.

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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 over 46,000 members and 18,000 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.

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香港會計師公會對一位執業會計師及一間會計師事務所作出監管行動

(香港，二零二一年一月十五日) 香港會計師公會就執業會計師陳錦福 (會員編號：A20032) 及陳錦福會計師事務所 (事務所編號：1777) 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。

陳先生是陳錦福會計師事務所的獨資經營者。該會計師事務所就森美 (集團) 控股有限公司及其附屬公司 (統稱「該集團」) 截至二零一八年十二月三十一日止六個月的中期財務報表發表無保留的審閱報告，並表示該集團的持續經營能力存在重大不確定性。

該集團於期內支付了大額資本支出。相關支出耗盡該集團於二零一八年十二月三十一日的銀行存款。大部分支出用於支付土地改良合約，並被不恰當地歸類為「橙園預付租金」。

答辯人的工作底稿反映其對該集團的會計系統缺乏足夠理解；對會計分類不恰當的影響評估不足；以及對減值評估未有執行充分程序。答辯人的審閱報告亦沒有充分解釋該集團管理層編製中期財務報表的責任。

公會認為答辯人沒有或忽略遵守、維持或以其他方式應用 Hong Kong Standard on Review Engagements 2400 (Revised) 「Engagements to Review Historical 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專業準則之處；
2. 答辯人被譴責；及
3. 答辯人須共同繳交行政罰款 50,000 港元及公會費用 15,000 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。

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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。公會會員逾 46,000 名，學生人數逾 18,000。

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。

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