



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

(HONG KONG, 5 July 2022) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Chan Kong Wang, certified public accountant (practising) (F04817) and RSM Hong Kong (1140) (collectively “Respondents”) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

RSM Hong Kong audited the consolidated financial statements of Seamless Green China (Holdings) Limited, a Hong Kong listed company, and its subsidiaries for the year ended 31 December 2016. Mr. Chan was the engagement partner of the audit.

The Institute received a referral from the Financial Reporting Council (“FRC”) about audit irregularities. They noted that the financial statements had been revised to correct material misstatements in the consolidated loss for the year and exchange reserve, which were caused by an accounting error in relation to a duplicated recognition of an impairment loss on a receivable which was fully impaired in 2014. The Respondents failed to identify the misstatements.

FRC’s investigation revealed that the Respondents failed to design and perform appropriate audit procedures to obtain sufficient appropriate audit evidence pertaining to the receivable, the impairment loss on the receivable, and the exchange reserve. They also drew an inappropriate conclusion that the financial statements as a whole were free from material misstatement. In addition, Mr. Chan failed to evaluate the appropriateness and accuracy of the consolidation adjustments pertaining to the receivable.

The Institute concluded that, in the audit, the Respondents failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing (“HKSA”) 330 *The Auditor’s Responses to Assessed Risks*, HKSA 500 *Audit Evidence*, and HKSA 700 *Forming an Opinion and Reporting on Financial Statements*. In addition, Mr. Chan failed or neglected to observe, maintain or otherwise apply sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants.

## **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 professional standards;
2. The Respondents be reprimanded; and
3. **Mr. Chan and RSM Hong Kong pay an administrative penalty of HK\$35,000 and HK\$50,000 respectively** to the Institute, and they jointly pay the costs of the Institute of HK\$15,000 and of the FRC of HK\$133,772.07.

### 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](http://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 13,000 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名執業會計師及一間會計師事務所作出監管行動

(香港，二零二二年七月五日) 香港會計師公會就執業會計師陳江宏 (會員編號：F04817) 及羅申美會計師事務所 (事務所編號：1140) (統稱為「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。

羅申美會計師事務所負責審計香港上市公司無縫綠色中國 (集團) 有限公司及其附屬公司截至二零一六年十二月三十一日止年度的綜合財務報表。陳先生是審計項目的合夥人。

公會收到財務匯報局 (「財匯局」) 的轉介，指該審計項目有違規情況。財匯局發現財務報表被修訂以更正年度綜合虧損和匯兌儲備中的重大錯報。該錯報由重複確認應收款項減值虧損的會計錯誤引致，而有關應收款項已早於二零一四年完全減值。答辯人未能識別該錯報。

財匯局的調查顯示答辯人沒有制訂和執行適當的審計程序，以獲取有關應收款項、應收款項減值虧損及匯兌儲備足夠和合適的審計證據。答辯人亦不恰當地認為財務報表整體上不存在重大錯報。此外，陳先生未能評估有關的應收款項的合併調整是否適當和準確。

公會認為答辯人在審計過程中沒有或忽略遵守、維持或以其他方式應用 Hong Kong Standard on Auditing (「HKSA」) 330 「The Auditor's Responses to Assessed Risks」，HKSA 500 「Audit Evidence」及 HKSA 700 「Forming an Opinion and Reporting on Financial Statements」。此外，陳先生沒有或忽略遵守、維持或以其他方式應用 Code of Ethics for Professional Accountants 中第 100.5(c)及 130.1 條的規定。

## 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方案解決這宗投訴：

1. 答辯人承認此個案中之事實及違反專業準則之處；
2. 答辯人被譴責；及
3. 陳先生及羅申美會計師事務所須分別繳付罰款 35,000 港元及 50,000 港元，以及共同繳付公會費用 15,000 港元及財匯局的費用 133,772.07 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](http://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 13,000。

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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