

CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS REASONS FOR DECISION

In the matter of:	Mr Albert Lam Man-Sum
Considered on:	02 December 2021
Location:	ACCA, The Adelphi, 1-11 John Adam Street, London, WC2N 6AU: remotely hearing using Microsoft Teams
Chair:	Mr Andrew Popat CBE
Legal Adviser:	Mr David Marshall
Outcome:	Consent order approved

1. The Chair considered a draft Consent Order signed by Mr Lam on 08 November 2021. The matter was listed to be considered on the basis of documents only. Neither Mr Lam nor ACCA was present or represented.

BACKGROUND AND ADMISSIONS

2. The Chair considered a bundle of documents consisting of 79 pages.
3. Mr Lam has been a member of ACCA since October 1990 and has a previous good record with no previous complaint or disciplinary history. He practises in Hong Kong where he is regulated by the Hong Kong Institute of Certified Public Accountants ('HKICPA').
4. Mr Lam prepared an Accountants' Report dated 16 September 2019 on the accounts of a firm of solicitors in Hong Kong. He stated that he was satisfied that during the accounting period from 15 January 2019 to 31 March 2019 that firm had complied with the provisions of the Solicitors' Accounts Rules. Subsequently, the Hong Kong Law Society conducted a monitoring visit on the firm and found that the firm had breached the Solicitors' Accounts Rules in

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certain respects which Mr Lam had failed to identify and report.

5. HKICPA took regulatory action against Mr Lam. It concluded that Mr Lam failed to comply with the Institute's Practice Note 840 (Revised) *Reporting on Solicitors' Accounts under the Solicitors' Accounts Rules and the Accountant's Report Rules*. The deficiencies related to lack of procedures for accepting and planning the engagement and agreeing the terms of the engagement in the form of an engagement letter, and lack of tests or procedures to evaluate if the solicitors' firm had complied with the requirements under the Solicitors' Accounts Rules (Cap. 159F). HKICPA concluded that Mr Lam failed or neglected to observe, maintain or otherwise apply the fundamental principle of Professional Competence and Due Care in the requirement R113.1 of the Code of Ethics for Professional Accountants in conducting the engagement.
6. The regulatory action was resolved by Mr Lam entering into a Resolution by Agreement with HKICPA on 27 October 2021. This provided that Mr Lam:
 - (a) acknowledge the facts of the case and his non-compliance with professional standards;
 - (b) be reprimanded; and
 - (c) pay an administrative penalty of HK\$40,000 and costs of the Institute of HK\$15,000.
7. As a result of Mr Lam being disciplined by another professional body, ACCA brought these proceedings. Mr Lam admitted the following allegation:

Allegation 1

Pursuant to ACCA byelaw 8(a)(vi), Mr Albert Lam FCCA is liable to ACCA disciplinary action by virtue of Hong Kong Institute of Certified Public Accountants (HKICPA) regulatory action against him in that Mr Lam entered into a Resolution by Agreement with HKICPA on 27 October 2020.

DECISION AND REASONS

8. The Chair was satisfied that there was a signed draft order setting out all the

required matters and that Mr Lam understood that the proposed order would be considered by a Chair of the Disciplinary Committee. Mr Lam was represented by solicitors throughout the regulatory action by HKICPA and ACCA.

9. The Chair was satisfied that the Investigating Officer had carried out an appropriate and thorough investigation and that there was a case to answer. He was satisfied that it was appropriate to deal with the matter by way of a Consent Order rather than in a public hearing. While it was in the public interest to mark the admitted misconduct, public concern about this case would not be so great that a full public hearing was required.
10. The Chair considered whether it was more likely than not that if the matter went to a hearing, the admitted breaches would result in exclusion from membership. The Chair took account of the mitigating and aggravating factors set out in the draft Consent Order bundle. He was satisfied that the matters alleged, while serious, were not sufficiently serious to be likely to lead to a sanction of exclusion.
11. The Chair considered the draft carefully but did not consider that any amendments were required.

COSTS

12. The Chair considered that ACCA was entitled to its costs in principle and that the amount claimed, which was agreed, was reasonable.
13. Accordingly, the Chair approved the attached Consent Order in full. In summary, Mr Lam shall:
 - (a) be reprimanded; and
 - (b) pay costs to ACCA in the sum of £750

Mr Andrew Popat CBE
Chair
02 December 2021