

APPLICATION ON PAPERS

CONSENT ORDER CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Lee Ping Kai
Considered on:	Wednesday 21 July 2021
Chair:	Mr Mike Cann
Legal Adviser:	Mr Alastair McFarlane
Outcome:	Draft Consent Order approved Member Reprimanded
Costs:	£1,202.00

DOCUMENTS BEFORE THE COMMITTEE

1. The Chair received a bundle of papers, numbered pages 1-59, including a signed Consent Order.

ALLEGATIONS

Allegation 1

Pursuant to byelaw 8(a)(vi), Mr Lee Ping Kai is liable to disciplinary action by virtue of action taken against him on 22 May 2020 by the Hong Kong Institute of Certified Public Accountants (HKICPA). The decision was published on 07 July 2020.

Allegation 2

- a. Mr Lee Ping Kai failed to promptly bring to the attention of ACCA that he may have become liable to disciplinary action by reason of the action taken against him by HKICPA in breach of byelaw 10(b)

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- b. By reason of the conduct at 2(a) above, Mr Lee Ping Kai is guilty of misconduct pursuant to byelaw 8 (a)(i).

BRIEF BACKGROUND

2. Mr Lee Ping Kai became an ACCA member on 14 September 1995.
3. Mr Lee Ping Kai admits Allegation 1 and 2 and has signed the Consent Order on 28 June 2021.
4. On 22 May 2020, a Disciplinary Committee of the HKICPA reprimanded Mr Lee Ping Kai for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. Mr Lee Ping Kai was the engagement director in 2012 of an accountancy company, which expressed an unmodified auditors' opinion on the consolidated financial statements of a Hong Kong listed company, which was engaged in a construction project. Mr Lee Ping Kai (and his fellow respondents) did not obtain and review the relevant survey reports which were necessary for assessing the progress of the construction project and as a result they failed to properly evaluate whether the construction project was accounted for in the financial statements in accordance with the requirements of Hong Kong Accounting Standard 11 Construction Contracts. In addition, the respondents failed to critically assess whether the company's approach to accounting the cost of an advisory service complied with the applicable accounting requirements. Further, Mr Lee Ping Kai failed to notify ACCA of the disciplinary action taken against him.
5. Mr Lee Ping Kai accepted these facts, made admissions to HKICPA, acknowledged his failings and apologised for them. He advised ACCA that his failure to notify them was an oversight.
6. Mr Lee Ping Kai accepted ACCA's proposed sanction of a reprimand and agreed to pay ACCA's costs in the sum of £1,202. ACCA contended that this

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was the proportionate sanction reflecting the seriousness of Mr Lee Ping Kai's conduct and the discredit it brings to the Association and the importance of upholding fundamental standards of professional conduct.

CHAIR'S DECISION

7. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, the Chair has to determine whether on the basis of the evidence before them, it is appropriate to approve or reject the draft Consent Order.
8. The Chair noted that under Regulation 8(12) they shall only reject the signed Consent Order if they are of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
9. The Chair considered the seriousness of the breaches and the public interest, which includes the protection of the public, the maintenance of public confidence in the profession and the declaring and upholding of proper standards of conduct and performance. They balanced this against Mr Lee Ping Kai's interests and his previous good character, his admissions and his co-operation with ACCA.
10. The Chair noted the list of aggravating and mitigating factors advanced at paragraphs 12 and 13 of the draft Consent Order. They felt Mr Lee Ping Kai's apology, insight and previous good record were significant mitigating factors. The Chair noted that Mr Lee Ping Kai had undertaken additional Continuing Professional Development in conducting audit engagements to address the deficiencies identified by HKICPA and had modified his working practices with his current employer to ensure "*consensus regarding the competence and confidence of my professional level*".
11. The Chair had regard to ACCA's Guidance for Disciplinary Sanctions. They were satisfied that there had been early and genuine acceptance of the misconduct and that the risk to the public and profession from Mr Lee Ping Kai continuing as a member was low.

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12. For the reasons set out above, the Chair was satisfied that the admitted breaches would be unlikely to result in exclusion from membership, and therefore there was no basis for them to reject the Consent Order under Regulation 8(12). The Chair noted the proposed Consent Order, and considering all the information before them, was satisfied that it was an appropriate and proportionate disposal of this case and made the Order consented to by both parties.

ORDER

13. The Chair, pursuant to their powers under Regulation 8, made an Order in terms of the draft Consent Order, namely that Mr Lee Ping Kai be reprimanded and pay ACCA's costs of £1,202.

Mr Mike Cann
Chair
21 July 2021