

APPLICATION ON PAPERS

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

In the matter of:	Mr Steven Li Wing Sum
Considered on:	28 February 2023 and 29 October 2023
Location:	Remotely via Microsoft Teams
Chair:	HH Suzan Matthews KC
Legal Adviser:	Mrs Sobia Hussain (28 February 2023 only)
Summary	Reprimand
Costs:	£350.00

CONSTITUTION OF THE COMMITTEE

1. A Consent Order is made on the order of the Chair under the relevant regulations. Further, an amendment to that order is made, the Chair being satisfied that Mr Li Wing Sum is aware of the amended terms and consents to the amendment.

INTRODUCTION

2. The Chair had considered a draft Consent Order, signed by a signatory on behalf of ACCA, together with supporting documents in a bundle numbering pages 1 to 41.
3. When reaching their decision, the Chair had been referred by the Legal Adviser to the requirements of Regulation 8 of the Complaints and Disciplinary Regulations 2014 (as amended) ("CDR8") and had accepted their advice. The Chair had also taken account of the content of ACCA's documents entitled "Consent Orders Guidance" and "Consent Orders Guidance FAQs".

4. The Chair was satisfied that Mr Li Wing Sum was aware of the terms of the draft Consent Order and that it was being considered today.
5. The Chair was also satisfied that Mr Li Wing Sum was aware that he could withdraw agreement to the signed draft Consent Order by confirming the withdrawal in writing. No such withdrawal had been received.

ALLEGATIONS

Mr Li Wing Sum admitted the following:

Allegation 1

Pursuant to ACCA Byelaw 8(a)(vi), , Mr Li Wing Sum is liable to disciplinary action by virtue of regulatory action taken against him by the Hong Kong Securities and Futures Commission and the Order made by the Market Misconduct Tribunal of Hong Kong on 06 May 2021

DECISION ON FACTS

6. The following facts were agreed by Mr Li and ACCA.
7. The Investigating Officer had conducted an investigation into the allegations against Mr Li Wing Sum in accordance with CDR8(1)(a) and was satisfied that:
 - a) They had conducted the appropriate level of investigation as evidenced by the enclosed evidence bundle and determined that there was a case to answer against Mr Li Wing Sum and that there was a real prospect of a reasonable tribunal finding the allegations proved; and
 - b) The proposed allegations were unlikely to result in exclusion from membership.

8. The relevant facts, failings and/or breaches had been agreed between the parties and were set out in the detailed allegations above together with the proposed sanction and costs.
9. A summary of key facts were as follows.
10. On 22 May 2020, HKICPA took action against Mr Li for a breach of the fundamental principle of Professional Competence and due care in sections 100.5(c) and 130 of the Code of Ethics for Professional Accountants and this resulted in him being publicly reprimanded and directed to pay costs.
11. HKICPA has confirmed that a Resolution by Agreement is equivalent to an ACCA Consent Order in that it is an agreement which emanates from a complaint and results in a formal finding, a public sanction in the form of a reprimand with or without a penalty and payment of costs and public censure as the outcome is posted on HKICPA's website.

DECISION ON ALLEGATIONS AND REASONS

12. In accordance with Regulation 8 of the CDR, the Chair has the power to approve or reject the draft Consent Order or to recommend amendments. The Chair can only reject a signed draft Consent Order if they are of the view that the admitted breaches would more likely than not result in exclusion from membership or removal from the student register.
13. The Chair was satisfied that there was a case to answer and that it was appropriate to deal with the complaint by way of a Consent Order. The Chair considered that the Investigating Officer had followed the correct procedure.
14. The Chair considered the bundle of evidence. On the basis of the documentary evidence, including the finding of the ACCA and the sanction imposed, together with the admission of the allegations by Mr Li Wing Sum found the facts of the allegations proved. They considered that the admitted facts and Mr Li Wing Sum's actions amounted to

misconduct in that they brought discredit to him, the Association and the accountancy profession. They therefore justified disciplinary action under byelaw 8(a)(vi).

SANCTION AND REASONS

15. In deciding whether to approve the proposed sanction of a reprimand, the Chair had considered the Guidance to Disciplinary Sanctions ("the Guidance"). This included the key principles relating to the public interest, namely: the protection of members of the public; the maintenance of public confidence in the profession and in ACCA, and the need to uphold proper standards of conduct and performance. The Chair also considered whether the proposed sanction was appropriate, proportionate and sufficient.
16. In reaching their decision, the Chair had noted, and agreed with, the following aggravating features as identified by ACCA:
 - By being publicly sanctioned by another professional body Mr Li Wing Sum has brought discredit upon himself, ACCA and the accountancy profession.
 - The conduct which led to Mr Steven Li Wing Sum being the subject of action by the HKICPA fell below the standards expected of a qualified ACCA member.
17. In deciding that a reprimand was the most suitable sanction, paragraphs C3.1 to C3.5 of ACCA's Guidance have been considered. The Chair had noted, and agreed with, the following mitigating factors identified by ACCA:
 - Mr Li Wing Sum has been a member of ACCA since 1986 and has a previous good record with no previous complaint or disciplinary history.
 - Mr Li Wing Sum agreed to the allegations brought by HKICPA as part of the Resolution by Agreement.
 - Mr Li Wing Sum has paid the costs directed by HKICPA.

- HKICPA considered the case to be of moderate seriousness, hence disposing of the complaint by a Resolution by Agreement.
 - Mr Li Wing Sum has fully co-operated with the investigation and regulatory process.
 - Mr Li Wing Sum ultimately accepted the decision of HKICPA and agreed to dispose of the matter with ACCA by consent.
18. The Chair considered that both the aggravating and mitigating features identified by ACCA were supported by documentary evidence and were relevant.
19. In the Chair's view, the finding of the ACCA was serious, and the public interest would not be served by making no order, nor would an admonishment adequately reflect the seriousness of Mr Li Wing Sum's conduct.
20. In all the circumstances, the Chair was satisfied that the sanction of reprimand was appropriate, proportionate, and sufficient, and that removal of Mr Li Wing Sum from the register would be a disproportionate outcome and that a Disciplinary Committee would be unlikely to remove him from the register.

COSTS AND REASONS

21. ACCA was entitled to its costs in bringing these proceedings. The claim for costs in the sum of £350.00, which had been agreed by Mr Li Wing Sum appeared appropriate.

ORDER

22. Accordingly, the Chair approved the terms of the attached Consent Order. In summary:
- a. Mr Li Wing Sum shall be reprimanded;
 - b. Mr Li Wing Sum shall pay costs of £350.00 to ACCA

HH Suzan Matthews KC
Chair
29 October 2023 amended under Slip Rule.