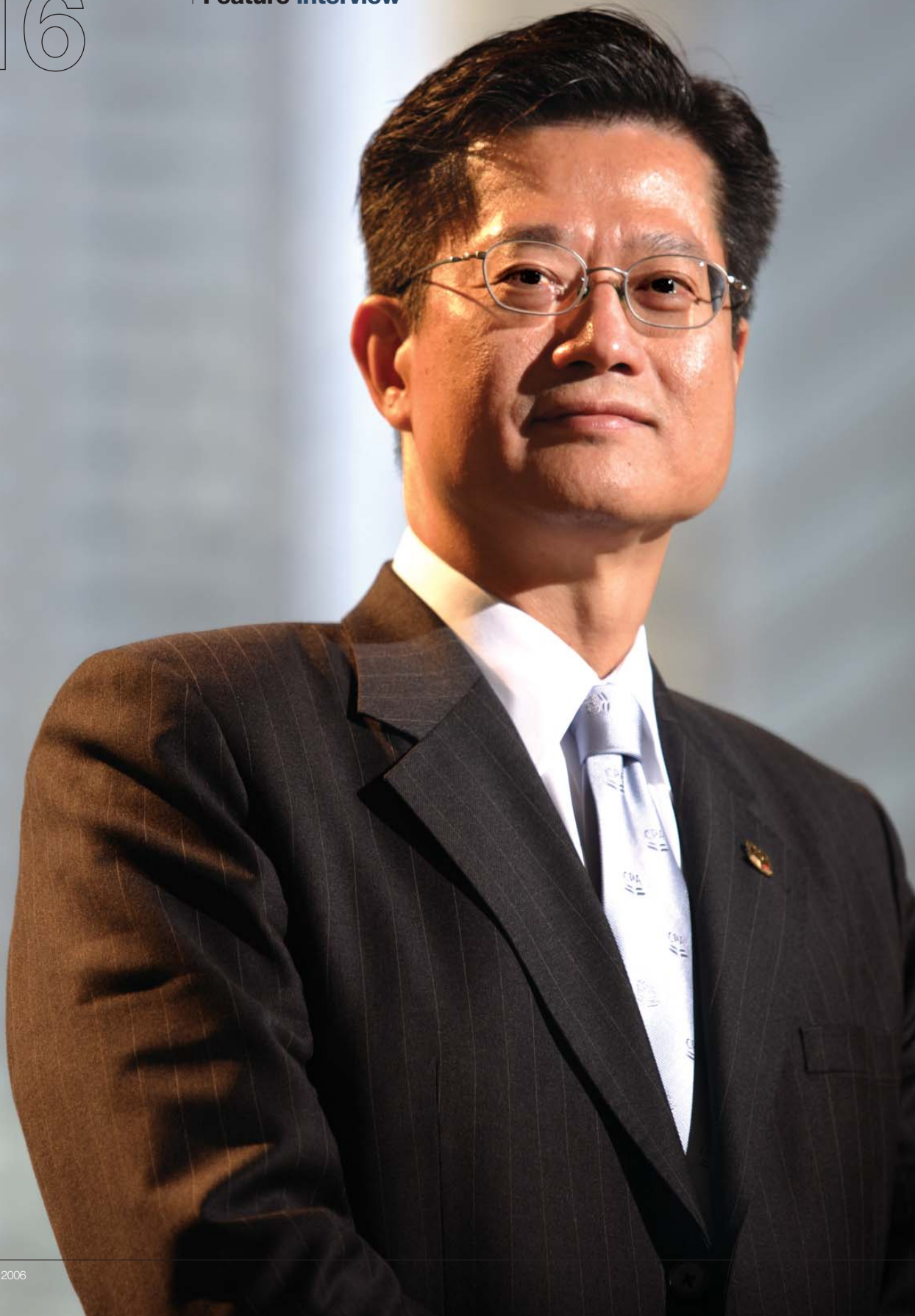


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Feature interview



In harmony with Everyman

By Caroline Biebuyck

As the president of the Hong Kong Institute of CPAs for 2006, Paul Chan realises how short a time he has to leave his mark on the organisation. With this in mind, Chan wants his time in office to be seen as a period of collective leadership.

A thoughtful man, experienced in juggling political issues, Chan refers constantly to “we” – meaning the Institute’s Council. “When it comes to hard issues, it’s all down to matters that are deliberated and decided by the Council as a whole,” he explains. True to his word, it’s only when the debate turns to issues of personality or personal experience that Chan turns to the first person singular.

Chan has some resolute views on the issues and strategic choices facing the accounting profession, but rather than imposing them from on high, he sees his role as helping reach decisions by consensus. In a rare use of the first person singular, he explains that he wants to adopt a more inclusive

style. “I want to make sure we get different views into the system, that we at least have an understanding of these views, and that we get a final agreement by consensus.”

The road to China

While the Institute is handling many important matters – ranging from introducing a new practice review system to getting the Financial Reporting Council Bill through the Legislative Council and setting out proposals to introduce proportionate liability – Chan will also be at the helm when the Institute finalises its strategic direction this year through its fifth five-year plan. He considers dealings with mainland China – something to which he has personally devoted much energy – as one of the main focal points for the year. “The Institute has become one of accountancy’s global leaders. We must build on this over the next five years, and one of the ways we can do this is through our work in China,” he asserts.

“The Chinese accounting profession is much more confident these days, backed up by the huge Mainland economy and by China’s representation on international accounting bodies.”



Chan has seen a shift in attitude on the part of his Mainland counterparts. “At one stage dialogue between us was not so frequent. Things have improved in the past couple of years, but we need to make more effort here.” While in the past Hong Kong acted as an experienced and respected partner, the relationship has shifted and is now more one of equals. “The Chinese accounting profession is much more confident these days, backed up by the huge Mainland economy and by China’s representation on international accounting bodies. We offer assistance but also the chance to build on our common objectives.”

Chan believes that working towards these objectives will help build a situation where Hong Kong and Mainland accountants offer complementary, rather than competing services. “Hong Kong accountants won’t be too keen on local compliance

work. It’s too risky and not our cup of tea. Our edge lies on the consulting side: in tax planning, negotiation and how to deal with overseas companies.”

Getting the message across

Another issue to be covered in the Institute’s coming five-year plan is a review of its internal governance. “The Institute is a leading advocate of good corporate governance,” Chan explains. “Members are entitled to ask whether, in our own governance, we practise what we preach.”

While he admits there has been some criticism of the lack of openness in Institute affairs, Chan is adamant that the Council has always worked in the best interests of the Institute and its members. “We simply have not been seen as open enough about this,” he acknowledges.

This connects with another of Chan’s personal goals: Building on improving communication between the Institute and

its members. “For instance, when the new practice review system and procedures are in place we must manage our members’ expectations so they are fully aware of what’s involved and what they need to do to prepare for the changes.”

Chan is sensitive to the fact that members have been asked to deal with the burden of many rapid changes over the past few years, especially for the Institute’s many small and medium practices (SMPs). He describes himself as an SMP “at the S end of the SMP scale.” As such he fully understands what’s being asked of local firms. “We need to continue to equip them to keep up with changes in the profession,” he says.

He feels that the Institute has become more responsive to SMP members’ needs over the past few years, citing as examples Small GAAP, which was issued in 2005, and the new manual to help with quality assurance, which will be out in early 2006.



However, he wants to make it clear that his presidency will “not focus only on the smaller guys... Much of the work we do at Council is not confined to the interests of any particular sector,” he explains. “The Institute’s technical assistance, for instance, is aimed at both practising and non-practising members. And many of our current projects, such as liability reform and the Financial Reporting Council, impact directly on the larger practitioners.”

“Recent surveys have shown us that non-practising as well as practising members are concerned with the continuing reputation and standing of the CPA designation. By pushing ahead with our projects, we’re building a strong profile that members can be proud of and use to help advance their careers.”

The state of the Institute’s relationship with the Legislative Council representative for the accountancy constituency, Mandy

“I’m conscious of my role as an ambassador for the Institute and the need to work with the Honourable Mandy Tam in the best interests of the profession.”

Tam, has been the subject of current press speculation. Chan says, “She is our representative in the Legislative Council and we will continue to provide her with our support.” But doesn’t the relationship run the risk of taking a turn for the worse given his personal history of considering raising a challenge against her victory in the Legislative Council elections in 2004? “The election is history,” he states firmly. “We must move on from there. I’m conscious of my role as an ambassador for the Institute and the need to work with the Honourable Mandy Tam in the best interests of the profession as a

whole. I’m prepared to take the initiative in moving forward on this.”

Another group Chan is concerned with, however, is younger members. He points out that more than 60 percent of the Institute’s membership is less than 40 years old. “Their needs and interests are different from those of our older members,” he says. “They may need greater emphasis on personal skills and career development. We want to work at giving them a greater sense of inclusion in the Institute, providing activities and programmes in order to build a stronger relationship with them.” **A***