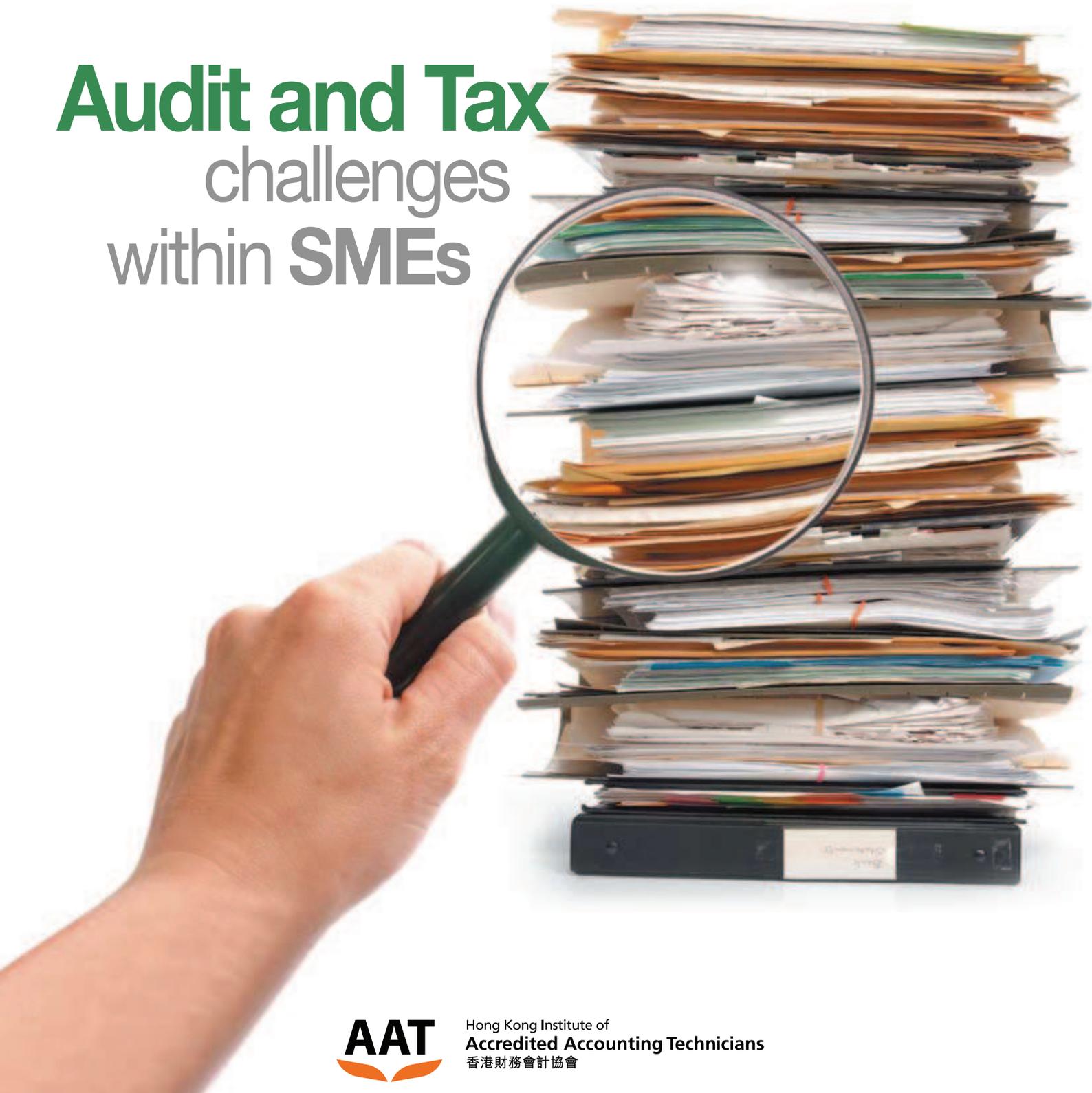


AAT: The indispensable element **January 2010**

T/DIALOGUE

Audit and Tax challenges within **SMEs**



Hong Kong Institute of
Accredited Accounting Technicians
香港財務會計協會

Table of Contents

Audit and Tax challenges within SMEs



4



6

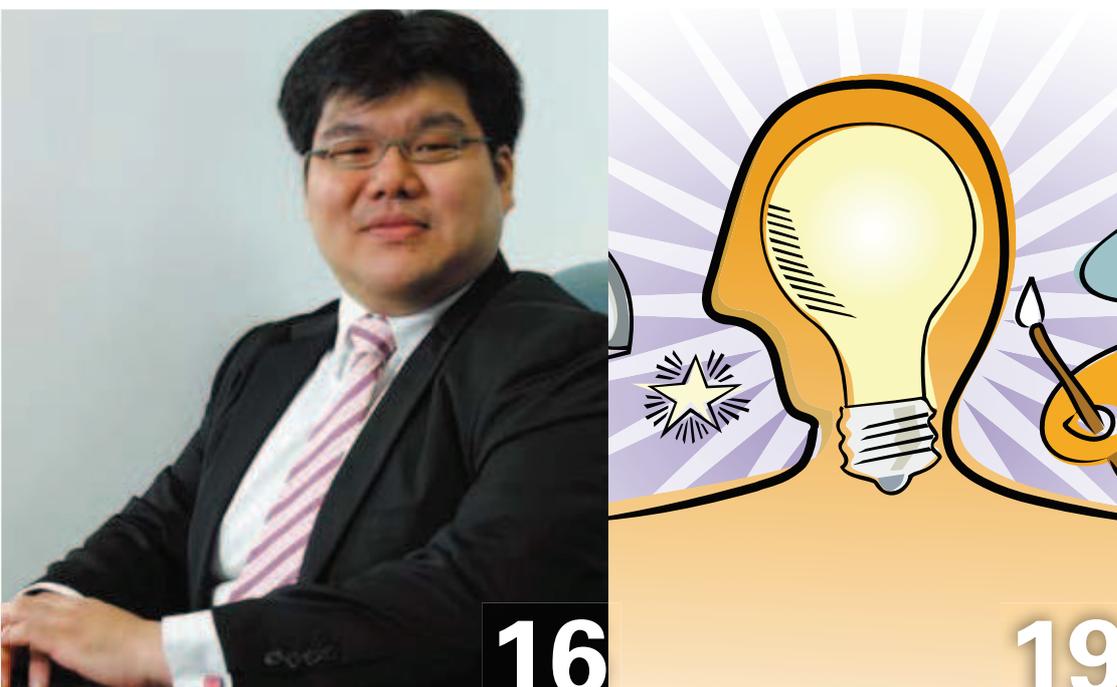


12

2 From the President's Desk

HKIAAT News

- 3 Teachers' Conference 2009
 - 4 Mainland Study Tour 2009
 - 4 Recalling HKIAAT's study text for AAT Examination Paper 6
 - 5 Membership and Studentship Fees for 2010
 - 5 Examination Timetable for 2010
-



Honorary Advisers

President and Vice-Presidents
of the Hong Kong Institute of
Certified Public Accountants

Board Members

Johnson C H Kong
(President)
Stella P L Cho
(Vice-President)
Andy T M Li
(Vice-President)
Chan Cheuk Hay
Doug Oxley
Thomas Y T Wong
Lindy W W Yau

Staff Responsible

Bo Bo F P Man
(Assistant Director)
Alison K Y Lee
(Manager)
Ester W K Chan
(Assistant Administrative Officer)

January 2010

Hong Kong Institute of
Accredited Accounting
Technicians Limited
香港財務會計協會有限公司
27/F, Wu Chung House,
213 Queen's Road East,
Wanchai, Hong Kong
Tel: 2823 0600
Fax: 2823 0606
Hotline: 2823 0660
Web: www.hkiaat.org
E-mail: hkiaat@hkiaat.org

Cover Story

6-11 Keeping the books in order helps ensure business success

Careers and Lifestyle

12-14 Versatile AAT – Addy Fok

16-17 Passport to success – Anthony Lam

19-20 The Head Types of Enneagram – by William Tong

(Circulation: 9,920 copies)

From the President's Desk



Dear members and students,

Happy New Year to all of you!

During the course of my presidency over the past year, I was very pleased to witness the continual growth of the HKIAAT. 2009 had been a year of challenges. But it has also been a year of opportunities, giving us the chance to redefine our values and priorities. Notwithstanding the year had been turbulent, we have achieved many new exciting milestones. The successful launch of the first examination under the New Qualification Framework (NQF) has led us into a new era. Under the NQF, we introduced the Professional Assessment which reinforces the important elements of ethics and integrity in our graduates and members. After a year's preparation, Professional Assessment will be launched in February 2010. We believe that the new framework will establish HKIAAT membership as a valid and valued attainment in its own right.

One of the strategic goals stated in the Fifth Long Range Plan (issued in December 2006) of our parent institute, the Hong Kong Institute of Certified Public Accountants, is to introduce the HKIAAT as a third college of membership under the Institute's tripartite collegiate system. It aims to bring the whole accountancy profession under the same family. By establishing AAT as a statutory qualification, the Institute will have the authority to control and regulate AAT standards. These standards could further be upheld through a robust regulatory system and effective professional development. To this end, employers will be able to rely even more than ever on their AAT staff to assume responsible accounting positions to support in their business. This move is important for the future development of the HKIAAT and its graduates and I am sure you will join me in supporting this initiative to be rolled out this year.

We have many plans in the coming year. One of our primary goals for the year is to increase the awareness and status of the AAT qualification. Starting from this issue, we will look at the common accounting and financial challenges that small and medium-sized enterprises (SMEs) are facing. Many SMEs are unfamiliar in dealing with accounting and financial issues – issues which are of vital importance as the business develops. Hiring qualified AATs who are competent in addressing different accounting and financial matters not only help the smooth operation of SMEs but contribute to their business growth. By reinforcing AATs' contributions to SMEs, we aim to enhance the recognition of AATs among employers and show the true value and worth that an AAT can bring to business.

With the support of our stakeholders, I have no doubt that our plans for the coming year will be turned into a success. In closing, let me send my best wishes to you all!

Johnson Kong
President

TEACHERS' CONFERENCE 2009

The Teachers' Conference was successfully held on 14 November 2009 at Park Lane Hotel. With around 80 attendees, this annual event provided a great opportunity for faculty members from various educational institutions to get together to learn more about the requirements of the HKIAAT New Qualification Framework and to acquire the latest accounting knowledge and skills for training the new generation of accounting technicians.

We would like to express our gratitude towards the following prominent speakers for their invaluable time in delivering their insightful presentations and making this event such a success: Stephen Chan, David Chow, Janet Kwan, Nelson Lam and Joe Wun. The conference



The Teachers' Conference 2009 received great support from around 80 faculty members.

was well regarded as a worthwhile experience for all who attended and we hope to see the faculty members again next year. **T/D**

Advertisement

4

HKIAAT
News

Mainland Study Tour

2009

The HKIAAT organized a three-day Study Tour in Guangzhou from 24 to 26 December 2009. A delegate of 43 participants visited Nansha Taxation Bureau, a local CPA firm 业勤会计师事务所, Guangzhou University Town and some sizable commercial enterprises. All participants felt that they had gained a better insight into the accounting regime in the mainland through the various visits to local communities and talks to the officials and accounting professionals. The tour was highly enjoyable and rewarding. **T/D**



Our students and members visited the office of a CPA Firm.



The representatives of the Guangzhou Yeqin CPA Co., Ltd. introduced the taxation system in PRC.

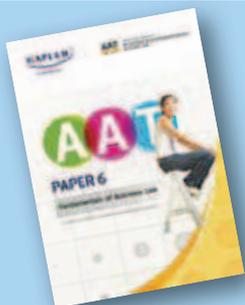


A student of the Guangzhou University Town shared about the accounting study pathway in China.

廣州三天考察之旅



Group photo at the Nansha Taxation Bureau.



Recalling HKIAAT's study text for AAT Examination Paper 6

Kaplan Financial (HK) Limited (Kaplan), the publisher of the HKIAAT's official study texts for the AAT Examination, would like to recall all study texts for the AAT Examination Paper 6 "Fundamentals of Business Law" (Paper 6 Study Text) with immediate effect. A coupon will be provided for each returned copy and each coupon entitles students to a new edition of Paper 6 Study Text to be ready by 1 March 2010. For details of recalling procedures, please visit our website: www.hkiaat.org. **T/D**

MEMBERSHIP AND STUDENTSHIP FEES FOR 2010



Members and students are reminded that their annual membership fees (\$700) and studentship fees for the Accredited Accounting Technician Examination (\$600) and for the Professional Bridging Examination (\$700) for 2010 are now overdue. Please renew your subscription IMMEDIATELY if it has not already been settled.

Delay or failure to renew membership / studentship in time will result in your name being deleted from the member / student register. Members and students whose names are removed must pay their registration fees again in order to be re-instated. Rejoined students who have claimed exemptions before will be required to pay the prevailing exemption fees again and must abide by the closing dates for registration for the examinations. **T/D**

Examination Timetable for 2010

Accredited Accounting Technician Examination

Date	Day	9:30 a.m. – 12:30 p.m.	2:00 p.m. – 5:00 p.m./6:00 p.m.*
12 June 2010 4 December 2010	Saturday	Paper 5 Principles of Taxation	Paper 1* Fundamentals of Accounting and Computerized Accounts
13 June 2010 5 December 2010	Sunday	Paper 6 Fundamentals of Business Law	Paper 2 Business Communication and Organization and Management
19 June 2010 11 December 2010	Saturday	Paper 7 Financial Accounting	Paper 3 Management Accounting
20 June 2010 12 December 2010	Sunday	Paper 8 Principles of Auditing and Management Information Systems	Paper 4 Business Economics and Financial Mathematics

* Examination time for Paper 1: Sections A & B: 2:00 p.m. – 4:00 p.m., Section C: 4:45 p.m. – 6:00 p.m. Please note that the time allowed for this paper is 3¼ hours (from 2:00p.m. to 6:00p.m., with a 45 minute break from 4:00p.m. to 4:45p.m.) MYOB Accounting Software Premier Version 10 (English version) will be used in the Paper 1 examination.

Professional Bridging Examination

Paper	Date	Day	Time
Paper I – PBE Financial Accounting	2 June 2010 1 December 2010	Wednesday	2:00 p.m. – 5:00 p.m.
Paper II – PBE Management Accounting and Finance	4 June 2010 3 December 2010	Friday	2:00 p.m. – 5:00 p.m.
Paper III – PBE Auditing and Information Systems	7 June 2010 6 December 2010	Monday	2:00 p.m. – 5:00 p.m.
Paper IV – PBE Business Law and Taxation	9 June 2010 8 December 2010	Wednesday	2:00 p.m. – 5:00 p.m.



Keeping the books in order helps ensure business success

When preparing and compiling documents for audit and tax compliance purposes, many small and medium-sized enterprises (SMEs) don't always have a clear idea of the types of documents they should prepare, the difficulties they may encounter and the ways of addressing these challenges. A partner in a CPA firm talks about the difficulties in auditing SMEs. In the article that follows, two AATs who work in SMEs in different sectors talk about preparing for the audit.

By Eddy Li

Running a profitable business is very often the only thing an entrepreneur has in mind when he first sets up his own company. But Donald Chau, Principal Partner of CC Alliance CPA, urges owners of small and medium-sized enterprises (SMEs) not to overlook the importance of accountancy, since the ability to manage an immaculate, detailed set of accounts is vital to the long-term growth of a business.

Setting up a company is a relatively simple operation in Hong Kong. Bars are low and setup costs can be minimal. In a matter of months, entrepreneurs can find their business is up and running. However time can catch up with them, and before they even realize that the tax season is closing in, they may not even have thought about employing accounting personnel.

“Accountancy is a delicate, precise art,” says Chau. He has no shortage of tales to tell of situations in which he has come across business owners handling what he described as “alternate form of art”, nonchalantly. “I was once given loads of receipts bagged in a ‘red, white and blue’ nylon bag,” he reminisces.

Larger companies and manufacturers recognize that they need dedicated accounting staff and an efficient accounting system. Smaller companies might now appreciate this. All incorporated companies established under Hong Kong’s Companies Ordinance are required to prepare audit reports and file tax returns. The complexity and effort required when preparing documents for audit and tax filing vary between sectors and according to company size. The general rule is that the bigger the firm, the heavier the transaction volume. It is vital for the owner to set up an efficient accounting system

and to hire dedicated accountancy personnel to manage financial and bank records, as well as keep relevant supporting documents. They should know what to expect from auditors when preparing for year-end audits. Accounting personnel at manufacturers generally face a heavier workload, having regard to matters such as stock taking and inventory control.

While the audit process for trading and service-related companies is generally simpler and more straightforward, owners of businesses such as local cafes (or “cha chan tangs”) should be aware of the need to keep clear records and receipts due to the huge amount of transactions processed on a daily basis.



Donald Chau, Principal Partner of CC Alliance CPA, “The accountancy personnel should know what to expect from auditors when preparing for year-end audits.”

Maintaining records such as supporting documents, receipts, vouchers, bank statements, legal documents and inventory records is important. Discrepancies in bank statements, a delay in the provision of stock records, failure to leave a clean audit trail with appropriate and relevant supporting documents ... these are common problems auditors face when performing audits for SMEs. These stumbling blocks not only increase the time and workloads for both the client and auditor, but they might cause a delay in tax filing, which can result in penalties being imposed by the Inland Revenue Department – as much as three times the amount of the original tax payment, Chau points out.

CPA firms not giving in to messy, incomplete reports

Auditors have the prerogative of not taking on an audit assignment should they find the accounting records too messy or impossible to work on. In the end, the company's owners might have to spend time knocking on the doors of various auditors, and often end up with a qualified opinion on their audit reports, when the auditor has reservations on whether the accounts show a true and fair view given the limited scope of information available or insufficient disclosure.

“A qualified opinion means auditors fail to provide their full endorsement in the audit report. This could lead to problems such as eroding investors' confidence; also the Inland Revenue Department may launch an investigation, and banks may not want to lend if they are concerned that liabilities in the accounts could be understated,” says Chau.

Rome can't be built in one day. Chau said it takes time to educate owners of SMEs of the necessity and importance of having professional, capable staff to maintain good set of books. AATs are very good fit for SMEs, since the AAT examination syllabus meets the need of small and medium-sized enterprises. Anyone employing an AAT graduate will find that the staff member meets high standards and possesses a strong foundation of knowledge required in the field.

“Accounting personnel with the AAT qualification perform really well because they are clear on their professional standards. They have a solid accounting foundation and good understanding of auditing. They know how to maintain a proper set of books and records, how to leave a clean audit trail and how to present accounts,” says Chau. “The HKIAAT helps train accountancy professionals who can provide this kind of groundwork to SMEs. AAT graduates are also required to maintain CPD and have to keep abreast of new accounting knowledge. And if the AAT graduates have work experience, this makes their services even more valuable.”

Audit planning for SMEs needs to take into account the company's internal control system. This helps ensure that the business receives all of its income without any of it being siphoned off by waste, through fraud, by dishonest employees or just through carelessness. Even a business that is healthy in all other ways can be vulnerable to failing from the inside through lack of internal controls. Therefore accounting personnel in SMEs, especially in manufacturing or retail businesses, should set up an inventory policy and appropriate controls: inventory, like cash, can disappear rapidly through carelessness or employee dishonesty.

SMEs are, by definition, small and medium in size, and often owners are reluctant to hire accounting personnel when the business is run by a handful of people or has few transactions. If this is the case, SMEs could hire a part-time accounting staff, or seek accountancy services from a CPA firm. Local and international CPA firms these days offer comprehensive audit and taxation services, spanning from computation and representation to tax return submission and accountancy services, which can be conducted once every year or every month, depending on what the owner requires. “Smaller companies which either do not want to or cannot afford to hire full-time accounting personnel should consider taking advantage of the flexibility and professional approach that come from using the services of a CPA firm,” says Chau.

From trading firm to manufacturer

Data input and output, and preparation of the general ledger, trial balance and balance sheet schedule may all seem routine and basic tasks. But these exercises are vital to an enterprise, where business owners see them as a guarantee of the smooth running of the business. Those who are interested in a career in accounting find that getting an AAT qualification with relevant job experience can serve as the first step for newcomers before progressing further in the accounting field and taking advantage of the opportunities for career advancement.

Bonita Lei, who worked in various accounting positions for a decade before joining her current paper manufacturer employer as an accountant six years ago, said her accounting education and her AAT qualification help her keep abreast of accounting regulations. Her solid knowledge base and broad experience gained from her AAT

studies and experience have enabled her to win the trust of her supervisors and colleagues.

Lei says her work as an accountant in the shoe-trading firm was more straightforward and simple than the duties in her current position. The books were closed shortly after sales, purchases and expenses were input. Working on a year-end audit at a manufacturer involves much more than dealing with purchase and sales transactions.

“My current employer is larger and records a huge number of transactions every year,” says Lei. “I didn’t know where to start during the first year-end audit, especially when we had to perform a stock take while the factory continued with its operations. But as days go by and with the strong accounting foundation gained from my AAT studies, I began to enjoy the process as I became more familiar of it. Accountancy in a manufacturing company requires cohesive communication and seamless teamwork from various departments.”

Stock taking can be a labour-intensive process. In Lei’s business, it is the first step in the audit process and takes place a week before or after the year end. Lei needs to prepare the stock list, with a record of delivery notes, to ensure all

“With the strong accounting foundation gained from my AAT studies, I began to enjoy the process,” Bonita Lei says.



data in the company's stock sheets are correct. The completed stock sheet is then submitted to the audit firm for it to use in its stock-take procedures.

It's difficult to supervise purchase approval as stock and purchase orders are processed in China. "To tackle the problem, the firm needs to perform periodic stock takes to ensure all stocks are recorded in the books. We also double check to confirm that the information on the purchase orders corresponds to that on the purchase invoice," says Lei.

From a CPA firm to the commercial sector

If you look at chat rooms and career forums, there are plenty of threads posted by secondary school graduates asking about advanced education and job prospects. Because of its professional nature and resilience to the turbulence of the financial market, accountancy



"When submitting tax returns, I often prepare myself for possible queries from auditors," Dorothy Chan says.

is one of the most coveted careers today. How to pave one's career path is one of the more popular questions.

Dorothy Chan is the perfect example to illustrate how an AAT can make the transition from a CPA firm to the commercial sector – a very typical career path seen in the accountancy field.

Chan joined a trading company as an accounting assistant two years ago, after spending three years working at a CPA firm. "Even though the working hours were very long at the CPA firm, I gained a lot from visiting clients in various sectors, and from meeting and interacting with all types of people. Once, for example, I had to do a stock take at a toy manufacturer and witness the entire manufacturing process, which I found very interesting," says Chan.

Chan is currently working at a seven-member office in Hong Kong, handling over ten sales receipts on a monthly basis and about 100 monthly expense transactions. Her responsibilities are more routine and straightforward, and Chan now has the luxury of having more stable and reasonable working hours, which give her more time to strike a better balance between her work life and personal life. Chan also gets to dedicate more of her personal time to studying for the Hong Kong Institute of CPAs Qualification Programme. "It's a very typical path for one to move into a commercial firm after working at a CPA firm. But people rarely do it the other way around," says Chan, who has graduated with a higher diploma in accountancy and has successfully completed her AAT examinations.

AAT qualification lays groundwork to assist in auditing

Both Chan and Lei value their qualifications for giving them the skills and knowledge they need to perform their work, and for helping take their careers to the next step.

With the help of her accountancy education and solid audit experience, Chan sees her AAT qualification as providing the essential groundwork needed for broadening her career and taking it to a more advanced level.

“With the AAT qualification, I have the basic understanding of what auditors look for when we submit our year-end statements and accounts. I know what documents I need to keep, and what items on the balance sheets are important for the next fiscal year,” says Chan. “When submitting tax returns, I often prepare myself for possible queries from auditors; these

often relate to sundry income, commission payable and bad debt issues.”

Lei also understands the importance of maintaining a coherent and efficient filing system, which may be as simple as ensuring transactions are kept in one folder, with statements classified in sequential numbers, in an effort to facilitate tracing of information. She also traces each sales invoice back to the vendor invoice and prepares a bank reconciliation statement on a daily basis.

“I keep a close eye on transactions involving currency exchange, ensuring the same exchange rate is used in each step of the same transaction,” says Lei. She needs to collaborate with her colleagues in the Shenzhen office when consolidating daily transactions and expenses, such as petty cash, and collecting invoices and receipts to ensure they are adequate.

T/D

Getting ready for the year-end audit

A company needs to make sure it has the following documents ready before the year-end audit starts:

- Year-end financial statements*
- General ledger, trial balance, statement of income and expenditure*
- Supporting documents: petty cash journals, bank statements, payment transaction, sales invoices, vendor invoices, commission statements*
- Balance sheet schedule: aging report for accounts receivable, accounts payable*
- Fixed asset register, depreciation worksheet*
- Sundry income, details of commission payable*
- Any bad debts, with supporting legal documents*
- Stock list, stock take carried out prior to the year-end audit*

During the audit, the auditors may ask questions on areas such as:

1. *Selling process and terms of sale*
2. *Depreciation policies*
3. *Recoverability of bad debts*
4. *Customers' ability to pay*
5. *The nature of any sundry income*
6. *Forecasts of the company's profit and cash flows*

Question



Versatile AAT — **Addy Fok**

Reputable and reliable, the AAT qualification gives you a new career direction

Five years ago, like many of the confused minds in Generation Y, Addy Fok was in his first year of university life and felt his life was directionless. The now audit semi-senior in a local CPA firm talks about how the AAT qualification has given him direction and recognition at work. Addy's employer, Eugene Fung tells us his views on the holders of the AAT qualification.

by Foster Yim

“I read religious studies at Hong Kong Baptist University. Unlike many of my classmates, I did not have any clear career objective during the first year of my undergraduate studies,” says Addy. Without much thought, Addy enrolled in accounting as an elective subject in the second year. He would never foresee that this was a decision which would turn his life around. Shortly after enrolling, he became intrigued by the discipline of accounting. He therefore joined a two year part-time diploma in accounting studies offered by another educational institution during the third year of his degree.

After his graduation, Addy joined a technical consulting company working as an accounting clerk and continued his diploma course on a part-time basis. By virtue of his

diploma studies, Addy was entitled to exemption from four papers of the Accounting Technician Examination (ATE). He took the other four papers in December 2006 and passed them all in one go. After attaining the AAT qualification, he immediately moved to his present employer, Pan-China (Hong Kong) CPA Limited (formerly known as NCN CPA Limited), heading for a brighter future.

Coincidentally, Addy and his employer, Eugene Fung, have a lot in common. Mr. Fung is one of the directors of Pan-China (Hong Kong) CPA Limited, and he has also been a part-time accounting student. Their stories resemble each other. “I can see the similarity between my path and AAT graduates,” says Mr. Fung. “Back in the 1970’s, there were not many accounting degree holders. It was more common for people like me to attain a professional qualification via the vocational route which offered an alternative for people to gain recognition, irrespective of their prior experience and qualification. As long as a person has vision and determination, they could make it.”

“Today, the market has become much more competitive. Many new entrants to the profession already have accountancy degrees. Those who have not attained a higher education qualification in accountancy can still join the profession by taking the AAT route. The AAT qualification can serve as a benchmark for employers to assess one’s competency and therefore AATs have a competitive advantage in the market.”

Addy agrees. “The AAT qualification is appealing for two key reasons. Firstly, its syllabus is tailor-made to the needs of the accounting profession in today’s dynamic

business world, and highly suitable for a new starter like me. Without a widely-recognized qualification like AAT, I could not have joined my present company and progressed so far in such a short time span. Secondly, it has an excellent progression pathway for its graduates—the Professional Bridging Examination (PBE), a route to be admitted into the CPA qualification programme and become a professional accountant.”

Having the right qualification is the start, but attitude to work, personality and life-long learning are important factors in determining a person’s future success. “Because of his dedication and excellent work attitude, Addy has made a very good impression. For this reason, we provide him with many valuable chances with



As an employer, Mr Eugene Fung fully supports his staff in pursuing professional qualifications which can help their career development.



lots of exposure under various different types of job. I do believe that well-equipped employees are a valuable asset for the company and therefore I fully support my staff in pursuing professional qualifications, which can help their career development,” adds Mr. Fung.

Addy’s success can be attributed to his stupendous stamina and energy. From day one, Addy was aware that he was a late starter in the accounting discipline when compared with his counterparts who had majored in accounting at university. He worked hard to take four ATE papers in one examination session. Not only this, he chose to put more emphasis on studying the right topics, thoroughly understanding the concepts involved and concentrating on analysis and application rather than rote learning.

Now, Addy is an audit semi-senior of Pan-China (HK) CPA Limited. His main duties involve preparing audit plans, performing audit testings and drafting audit reports. “When taking on a new audit assignment, I have to make manpower arrangements and provide guidance to juniors so that they can complete their tasks to a high professional standard. They might encounter various problems from time to time. As a team leader, I have to solve their problems and take the ultimate responsibility. I think the most challenging part of my job is to utilize limited resources efficiently within a tight time frame. For example, jobs from the Growth Enterprise Market usually have to be finished in three months and include dealing with complex accounting and securities listing issues and regulations.”

Addy is thankful to the HKIAAT in supporting his on-the-job learning. “My manager once

assigned a listed company job to me. I had to prepare the notes of property plant and equipment in the consolidated financial statements. But, it was all Greek to me. Then I recalled that I was due to start preparatory tutorials for PBE Paper I “PBE Financial Accounting” offered by an educational institution. After I attended the lesson, I learned what I needed to do for the job. This is a perfect demonstration of how practical and valuable the PBE can be. It is an advanced version of AAT examination, preparing one to be a manager. It is not merely the increased difficulty and technicality which makes it different; it is the wider perspective that it provides for the students.”

Addy believes the keys to success lie in working smarter instead of merely working harder, and in finding the right partner. “The HKIAAT really gave me the boost; I would recommend it to every one who wishes to excel in accountancy without hesitation!” says Addy.

T/D

Addy’s career and study path:

Graduated from Hong Kong Baptist University with B.A. (Hons) in Religious Studies	2005
Diploma in Accounting Studies (Part-time) – Hong Kong School of Commerce	2004 – 2006
Undertook and completed ATE (with exemption from four papers)	12/2006
Administration & accounting clerk – South China House of Technology Consultants Limited	2005 – 2006
Completed PBE	12/2007
Audit trainee / Audit semi-senior – Pan-China (HK) CPA Limited (formerly known as NCN CPA Limited)	2007-current

Advertisement

Passport to success— **Anthony Lam**

**Making your dreams come true:
Set your goal and
pursue it with
perseverance**

What does a professional qualification mean to you? For Anthony Lam, an Accredited Accounting Technician (AAT) and Professional Bridging Examination (PBE) graduate who aspires to become a CPA (Practising), it means something more than a guarantee of a bright career – it is an important step to realize his entrepreneurial dream.

By Foster Yim

“**Y**es, I shall have my own CPA firm in the future!” Anthony says this with conviction, distant as this dream may seem. But who said success comes easily? Who said Anthony is not progressing on schedule, step by step?

Waken up by his poor results in the HKCEEs, Anthony realized that he had no more time to waste. He enrolled in the Higher Diploma (HD) in Accountancy offered by Hong Kong Institute of Vocational Education (IVE) after his seventh form studies and was determined to have a solid grounding in the profession. He extensively researched how to pave his way in the accountancy profession, and found the HKIAAT to be his most reliable partner.

“As a higher diploma graduate, I could have done a top-up degree. A full-time top-up degree programme takes



nine months to a year, while a part-time one takes six more months. But I chose to enter the job market and studied a three-year part time degree programme from the Hong Kong Polytechnic University,” says Anthony.

This seemingly strange choice was a result of Anthony’s research and thoughts. “I obtained the AAT qualification after graduating from the higher diploma in 2003. I then started my three-year part time undergraduate study. At the same time, I also embarked on the PBE and worked as a trainee accountant in a medium-sized local CPA firm. I took all four PBE papers in December 2003 and passed all in one go. Through the PBE route, I was able to start the Hong Kong Institute of CPAs’ Qualification Programme (QP) while I was studying for my undergraduate degree. I completed the QP and obtained the CPA qualification within two years, and then completed my bachelors degree,” Anthony explains.

“I could have taken an easier route to embark on QP by studying a top-up degree rather than studying for PBE and a degree simultaneously. The reason why I chose the harder route is because I felt PBE could equip me with a

solid foundation, which is important in preparing for the QP. This is one of the reasons why I was able to complete the QP within such a short time span,” says Anthony. Once he had qualified to become a CPA, he moved to Grant Thornton, an international firm, working as a Senior Accountant II. Just as he expected, the move was a horizon-broadening one.

“The SARS outbreak took place when I graduated from the higher diploma. The economy was not good, and companies were cautious about recruiting. As a sub-degree holder, I couldn’t set my targets unrealistically high. I knew that the key was to get started but kept on enriching my knowledge and qualifications. After attaining the AAT and CPA qualifications, I felt that it was the right time for me to broaden my horizons and that’s how I joined Grant Thornton. I took on increasingly managerial types of work in Grant Thornton and I was even seconded to Shanghai for about two years. During my secondment, I had the privilege to come across many different projects, such as IPOs and corporate governance,” says Anthony.

Equipping oneself well and making the best of any opportunities are Anthony’s mottos. “It’s never easy to work and study simultaneously. Life was hard during the examination periods. However, if there is a price to pay for a success, I would prefer paying it quick and early. When you grow older, you have more issues to worry about and these can divert your attention. It is not uncommon for many part-time students to postpone their examinations time and again, prolonging their study time. Eventually, in nine out of ten of these cases, they will pull out of the whole programme,” says Anthony.

Harriet Beecher Stowe once said, “Never give up, for that is just the place and time that the tide will turn.” This could be said of Anthony. A few months ago, the Shanghai office where Anthony was working underwent a re-structuring. Anthony debated whether he should stay

or not. But, opportunity favours those who are prepared, like many HKIAAT graduates. At that very moment, his former company, with whom he had kept in contact, was looking for a team supervisor. Anthony heard the news and grabbed the chance.

“Andrew Ma DFK (CPA) Ltd. may be a smaller CPA firm than Grant Thornton. Yet working in a small but reputable firm give me the chance to learn to run a firm in a holistic manner. Not only do I have to meet clients and negotiate fees, I also have to work out manpower plans and submission deadlines. More importantly, I am the one who is accountable for the whole project. The level of responsibility is simply different. I understand more and wider issues faced by a proprietor. Ultimately, I would like to run my own CPA firm. That’s my dream!”

Where there is a will, there is a way. The AAT Examination and PBE have helped Anthony to meet his entrepreneurial dream. Can they help you?

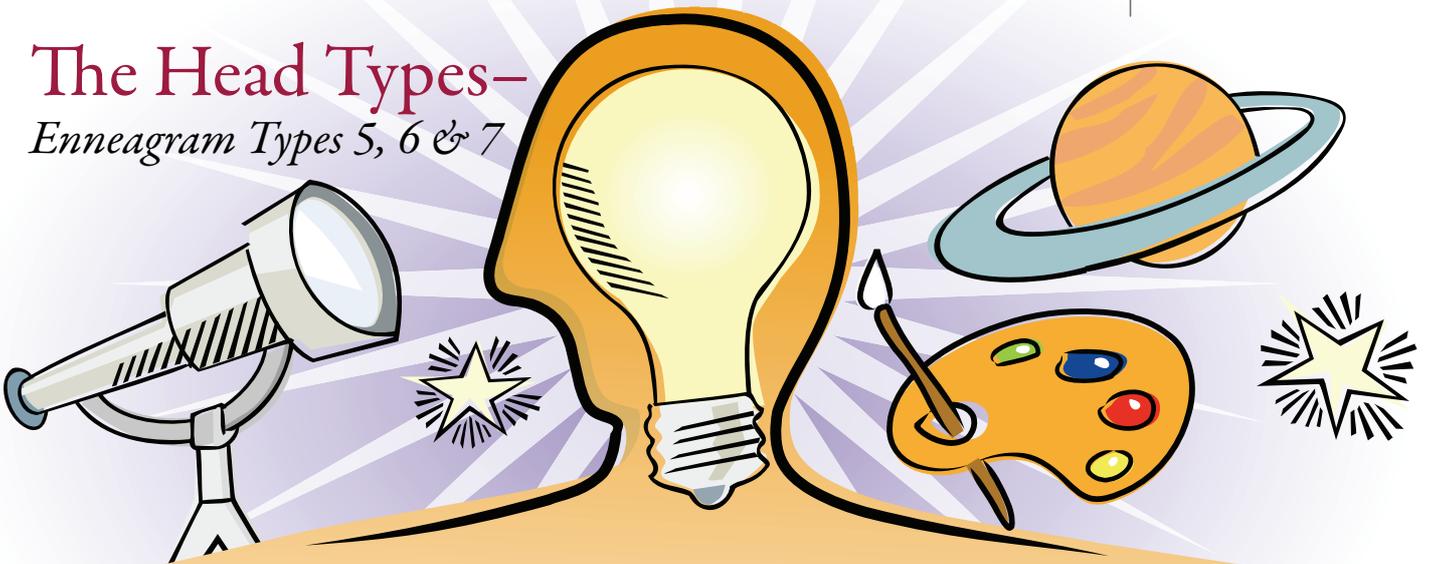
T/D

Study & Career Path of Anthony Lam

2003	Graduated from IVE (Chai Wan) HD in Accountancy
2003	Obtained AAT Qualification Took four papers of the Professional Bridging Examination (PBE) in December and passed all in one go
2003 - 2006	Undertook BA (Hons) in Accountancy (Part-time) – Hong Kong Polytechnic University
2003	Accountant Trainee – George Fong and Partners CPA Limited
2004	Audit Junior – CLL CPA Limited
2004 - 2005	Completed HKICPA Qualification Programme (QP)
2005 - 2006	Audit Semi-senior – Andrew Ma DFK (CPA) Ltd
2006	Attained the CPA qualification
2007 - 2009	Senior Accountant II – Grant Thornton LLP
2009 - present	Audit Supervisor – Andrew Ma DFK (CPA) Ltd

Advertisement

The Head Types— Enneagram Types 5, 6 & 7



“Wise men talk because they have something to say; fools, because they have to say something.” (Plato)

By William Tong

In previous issues, we have looked at the basic Enneagram types, understood the dynamics of interpersonal behaviour from the Enneagram perspective, and considered a case study of the three Heart types, 2, 3 and 4. In this issue, we examine how the Head types, 5, 6 and 7, may manifest themselves in office behavior. Let's start with the following example.

The finance director, Fred, is seen to be idiosyncratic by almost everyone in the company. Generally, he interacts little with most of his colleagues. He seldom speaks and people seldom see him smile. He criticizes often. Acknowledgement is rare. He is known for changing his mind frequently. He is currently reviewing the draft budget prepared by his two budget officers, Sykes and Stephen.

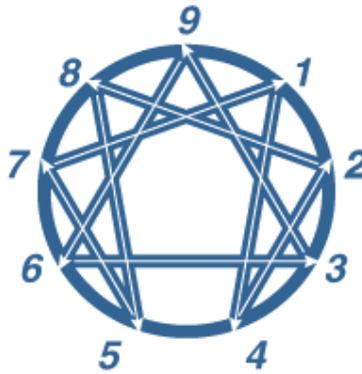
Sykes is the careful type. He is usually slow to respond and he needs to follow certain logical steps to reason out matters. His articulation style is often long-winded and it requires a great deal of patience for others to listen to him. There are a couple of colleagues that he usually goes to lunch with. The rest of the accounting team sees him as quiet, disciplined, with an attention to detail, not easy to befriend and fearing authority. He often appears passive.

Stephen, on the other hand, is seen as a carefree person by his colleagues. He has a lot of interests and many friends outside the department. He likes cracking jokes and going to social events. He takes the initiative when it comes to entertainment. He is the best ice-breaker in the finance department but the worst collaborator at work because

he is difficult to count on. He shows no regret for missed deadlines or sub-standard performance, and he never runs out of excuses.

One afternoon Fred suddenly called Sykes and Stephen as he wanted to see both of them in his office immediately. As they stepped into his room they were getting ready to be asked questions they never dreamt of. Another rejection of the budget was imminent. The boss did not look friendly and he asked them to sit down with a blunt tone. He went straight to business by asking them to explain the budget they had worked so hard to complete late the previous night. The budget was already in its 15th version and was very much behind schedule. Sykes were frustrated and worried about another set of revisions. He resented the multiple revisions so far. However, he dared not say this to his boss. He was almost trembling with fear that he might get the blame for all these revisions. Stephen also looked disturbed. And yet, he had told Sykes that he had not been to a concert for a long time and saying how he wished he could get away and go to one that evening.

Do you find any resemblance between this scene and one in your office? How would you interpret the situation if you were Fred, Sykes or Stephen? Let's look at the schema of all their three numbers and understand their worldview.



Fred is a No. 5, the Observer (sometimes called the Investigator). He likes finding out the truth and takes pride in knowing how things work. He is so immersed in his own thinking that it has become difficult for him to devote time to being considerate. It is just not his nature to show any care for another person's feelings, nor his own. The 'objective truth' calls for all his attention. Thinking through the budget is the only thing on mind. His motto: we are what we think.

Sykes is a No. 6, the Loyal Sceptic (or the Loyalist). He is anxious about a lot of things. He takes pride in order and makes careful plans for his day. He dislikes surprises. Disruption to this order frustrates him because he needs to plan all over again as well as catch up time lost. Fear is often the main theme of his day. Fear of his boss distrusting him, fear of not catching up, fear of losing his job... All these fears are ever present in his world and remind him to take care. He therefore avoids confrontation. To get his frustration off his chest he talks about it only with his trusted friends and when it is safe to do so. Often this means when the boss's back is turned.

Stephen bears the hallmarks of a No. 7 type, the Joyful person (or the epicure): he lives for the pursuit of pleasure and avoidance of pain. He often takes pride in the people he knows and the wide spectrum of interests he has,

and he makes every endeavour to find enjoyment in life. For him, life is too short to be spent worrying. He tries to keep pain out of his day. Commitment is never his strong point. Freedom is important. Play first, work later could be his motto.

Each number in the Enneagram diagram has a particular pattern in the healthy and unhealthy emotional state. The pattern follows this sequence: 1→4→2→8→5→7→1. Try tracing this sequence in the chart to understand. When a person is in an unhealthy state, he moves in the direction of the arrow. When a person wants to get back from an unhealthy emotional state to a relatively stable and healthy state, he has to make the effort to go in the opposite direction. Thus a No. 5 needs to learn the characteristics of a No. 8, the Challenger. A No. 6 needs to break out of his incarceration of fear and learn to be more peaceful, just like a No. 9, the Peacemaker. If a No. 7 wants to be trusted, he has to concentrate on more serious thoughts, as a No. 5 does, instead of taking things too lightly.

In the next issue we will look at the No. 8, 9 & 1 types and how we can use the Enneagram for our own self-discovery, to understand dynamics at work and to build a successful team. **T/D**

William Tong is a professional accountant. He specializes in executive coaching and training in management soft skills. His expertise includes strategic planning, setting goals, and making things happen. He delivers cultural changes and helps people to excel in life. He can be reached at wtong@transformation.com.hk



Hong Kong Institute of
Accredited Accounting Technicians
香港財務會計協會



Advertise here for FREE !

Are you looking for a reliable and professional accounts clerk or accounts supervisor to assist in your business? Try our Employment Placement Service and your job advertisements will be posted on our website and T/Dialogue for FREE. This is an excellent chance to hit thousands of brilliant AATs who match your needs. Download the application form from www.hkiaat.org or call the HKIAAT on 2823-0600 for details.

Hong Kong Institute of Accredited Accounting Technicians Limited

Address: 27/F, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2823 0600

Hotline: (852) 2823 0660

Fax: (852) 2823 0606

Email: hkiaat@hkiaat.org

Website: <http://www.hkiaat.org>