

Professional Accountants (Amendment) Bylaw 2011

**Hong Kong Institute of Certified Public Accountants' response to
Members' concerns raised at the House Committee Meeting
of 20 May 2011**

INTRODUCTION

This paper seeks to clarify the two issues raised by Members at the discussion of the proposed Professional Accountants (Amendment) Bylaw 2011 at the House Committee meeting on 20 May 2011, namely –

- (a) How the Amendment Bylaw would ensure the fairness and security of the voting process at meetings of the Council of the Hong Kong Institute of Certified Public Accountants (HKICPA), in particular when some members attend meetings physically while others participate in meetings through electronic means; and
- (b) Newspaper report about alleged undue influence being applied by a big firm upon its staff on who to vote for, in the Dec 2010 HKICPA Council election.

**(a) Fairness and security of the voting process at meetings of the
HKICPA Council**

2. Under the present PAO and by-law, Council members can already attend meeting and vote by telephone, video conferencing or other electronic means where secret ballot is not involved. Our present by-law amendment only seeks to enable the same mode of attendance and voting whereby secret ballot will be involved, and at present secret ballot will only be required when it comes to the annual election of the President and Vice-Presidents by Council members.

How the meeting and voting is to be conducted

3. The meeting and voting is to be conducted on Webex, a secure online collaboration platform, provided by Cisco, which is one of

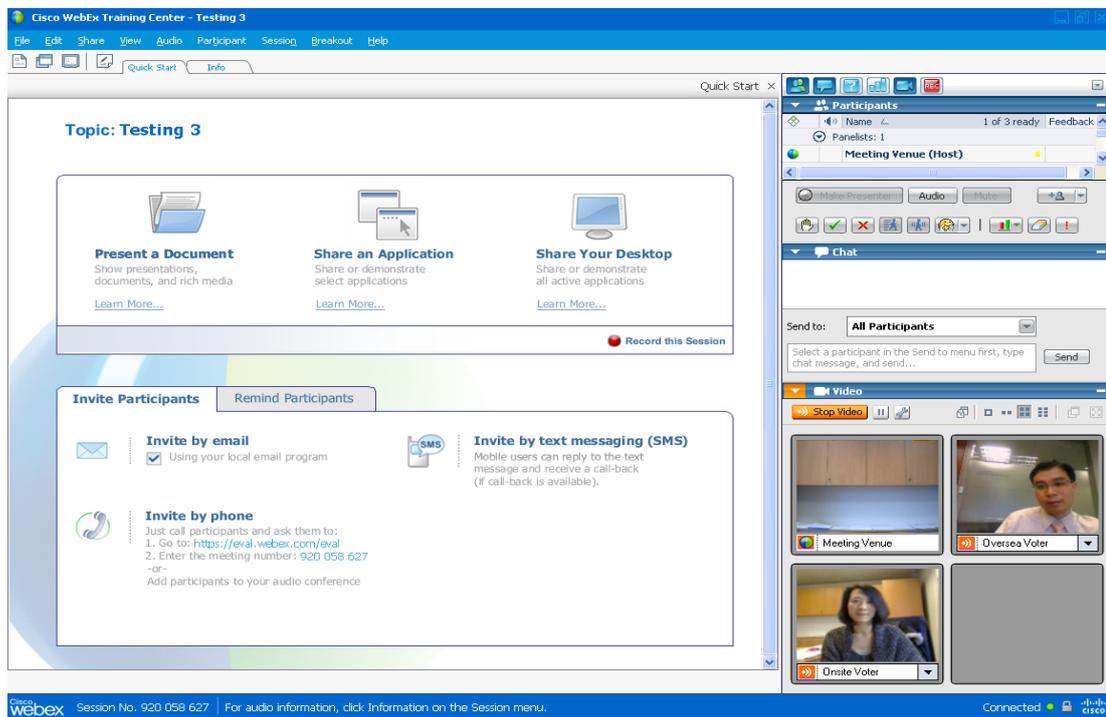
the world's biggest technology corporations focusing on networking, communications and security products and solutions.

Details of the online system and its security

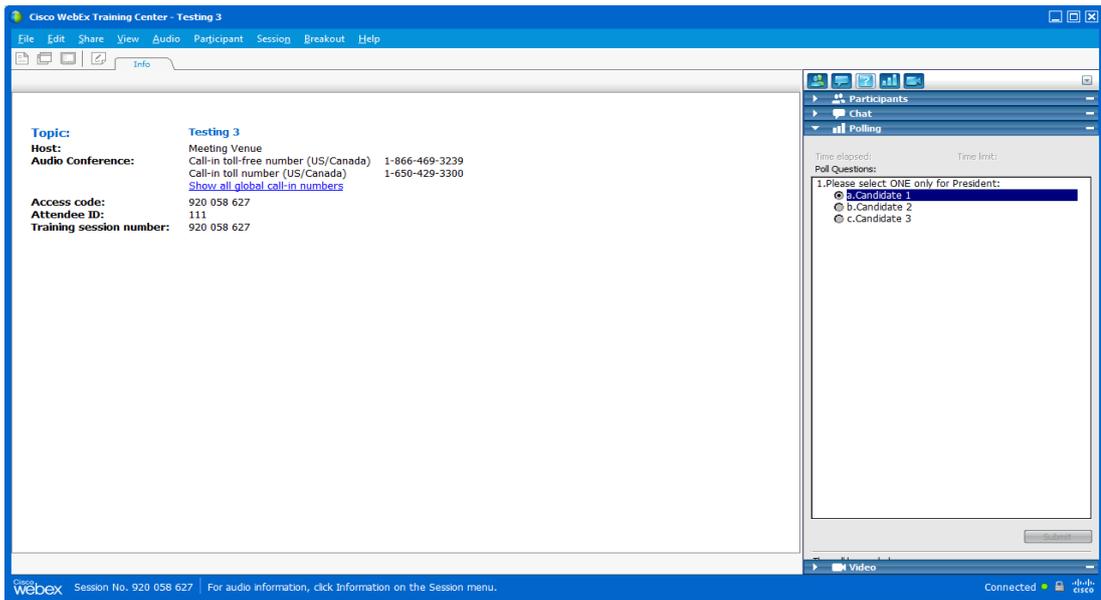
4. Webex, built on the global secure network (MediaTone), is intended to provide applications for online meetings and events through web conferencing and video-conferencing with polling features. The system can put everyone on the same page even if some are elsewhere, and everyone can be heard and seen by others through live audio conferencing and webcam video streaming.

5. Key features of the online system are contained in the illustrations below –

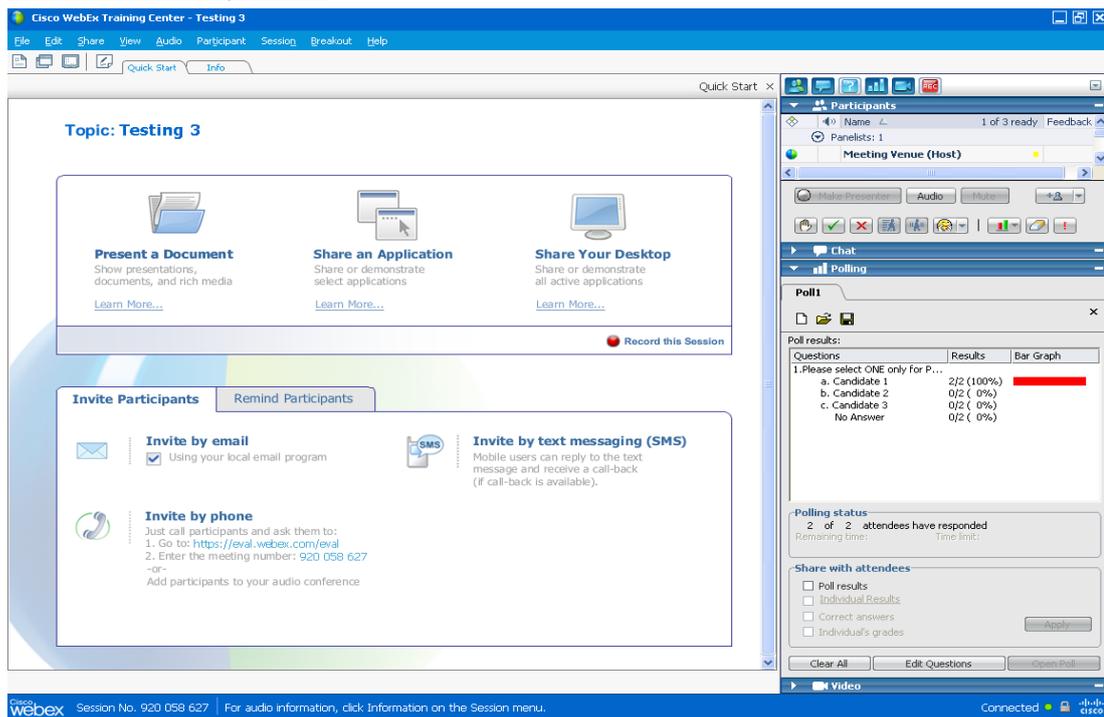
Everyone can be seen and heard



Everyone can poll



Polls are anonymous



6. Webex online meetings are delivered over a highly secure, scalable and available network (the Cisco Collaboration Cloud). It is a robust private network designed specifically for large-scale and real-time global web collaboration. A variety of security options, such as meeting

password protection, are available to control and to monitor who attends the meeting, and to ensure all the data are safe.

How the system could prevent remote voters being subject to undue influence

7. As long as a speaker, a microphone and a web camera are available, everyone who joins the meeting will be able to speak with, hear and see others, thus minimizing the risk of any undue influence.

(b) Alleged Undue Influence in Council election

8. The allegation was in fact concerned with the general election of Council members by the 32,000 members of the Institute. This has nothing to do with the present amendment, which is concerned with voting in a Council meeting.

9. In fact, this allegation has been reviewed by the Institute's Governance Review Task Force. This Task Force was set up by the Institute's Council to review various governance matters of the Institute. The Task Force is chaired by a Council member who is a lay member appointed into the Council by the government.

10. The Task Force considered that the best evidence put forward in the newspaper report was an email recommendation sent to staff, which even on the face of it did not amount to any coercion to vote for any particular candidate. In particular, the Task Force also noted that the technological setting of the e-voting system made it impossible for anyone to print out the on-line voting record, as alleged in the newspaper report. At the end, the Task Force found that there was no evidence to conclude that there was any undue influence by the employer.

**Hong Kong Institute of Certified Public Accountants
26 May 2011**