



Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of CPAs Reprimands a certified public accountant (practising)**

(HONG KONG, 5 March 2010) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Chan Wing Nang, Billy (membership number A07933) on 4 February 2010 and ordered him to pay to the Institute a penalty of HK\$20,000 due to his failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute.

In addition, Chan was ordered to pay HK\$30,000 towards the costs of the disciplinary proceedings.

Chan was the sole proprietor of a firm of certified public accountant, Billy Chan & Co. which had ceased practising. The Institute received information about alleged deficiencies in an accountant's report issued by the firm under the Accountant's Report Rules (Cap. 159A) on the compliance with the Solicitors' Accounts Rules (Cap. 159F) by a firm of solicitors. After considering the information available, the Institute lodged a complaint against Chan under section 34(1A) of the Professional Accountants Ordinance.

Chan admitted that he failed or neglected to observe, maintain or otherwise apply the Institute's then effective Practice Note 840 "The Audit of Solicitors' Accounts under the Solicitors' Accounts Rules and the Accountant's Report Rules" and / or the requirements of the Accountant's Report Rules (Cap. 159A), Laws of Hong Kong, in conducting his audit of the client account of a solicitors firm.

Upon Chan's admission of the complaint, and the consent of both the Institute and Chan, the Disciplinary Committee made a consent order that Chan:

- (1) be reprimanded;
- (2) pay a penalty of HK\$20,000 to the Institute; and
- (3) pay HK\$30,000 towards the costs and expenses of and incidental to the disciplinary proceedings.

The order of the Disciplinary Committee is available at the Institute's website under the "Compliance" section at <http://www.hkicpa.org.hk>.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the Professional Accountants Ordinance by a five-member Disciplinary Committee. The majority (three members) of each committee, including the chairman, are non-accountants chosen from a panel of lay persons appointed by the Chief Executive of the HKSAR, and the other two members are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's website. A CPA who is aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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### **Note to editor**

#### **About the Hong Kong Institute of CPAs**

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has nearly 30,000 members and 13,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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