



Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant (practising)

(HONG KONG, 7 September 2022) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Wong Yip Ming, a certified public accountant (practising) (A37059) on 26 July 2022 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute, and for professional misconduct. The Committee further ordered the cancellation of his practising certificate, effective 6 September 2022, with no issuance of a practising certificate to him for 4 months. In addition, Mr. Wong was ordered to pay a penalty of HK\$50,000 and costs of the disciplinary proceedings of HK\$63,704.

Mr. Wong is practising in his own name with no staff. His practice was selected for its first practice review in November 2019. The reviewer identified various significant deficiencies in the practice's quality control system and its completed audit and compliance reporting engagements. Mr. Wong was responsible for the quality control system and the quality of his audit and compliance reporting engagements.

After considering the information available, the Institute lodged complaints against Mr. Wong under sections 34(1)(a)(vi) and 34(1)(a)(viii) of the Professional Accountants Ordinance.

Mr. Wong admitted the complaints against him. The Disciplinary Committee found that Mr. Wong failed or neglected to observe, maintain or otherwise apply:

- (i) Hong Kong Standard on Auditing ("HKSA") 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*;
- (ii) HKSA 250 (Revised) *Consideration of Laws and Regulations in an Audit of Financial Statements*;
- (iii) HKSA 315 *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*;
- (iv) HKSA 500 *Audit Evidence*;
- (v) HKSA 505 *External Confirmations*;
- (vi) Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*;
- (vii) Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*;
- (viii) Practice Note 810.1 (Revised) *Licensed Insurance Broker Companies – Compliance with the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules*;

- (ix) Practice Note 820 (Revised) *The Audit of Licensed Corporations and Associated Entities of Intermediaries*; and
- (x) the fundamental principle of professional competence and due care in section R113.1 under Chapter A of the Code of Ethics for Professional Accountants.

The Committee further found that Mr. Wong had been guilty of professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Mr. Wong under section 35(1) of the Ordinance.

About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants ("HKICPA") enforces the highest professional and ethical standards in the accounting profession. Governed by the Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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About HKICPA

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has over 47,000 members and nearly 14,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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香港會計師公會對一名執業會計師作出紀律處分

(香港，二零二二年九月七日) 香港會計師公會轄下一紀律委員會，於二零二二年七月二十六日就執業會計師黃業銘先生(會員編號：A37059)沒有或忽略遵守、維持或以其他方式應用公會頒佈的專業準則及犯有專業上的失當行為，對他予以譴責。紀律委員會同時命令由二零二二年九月六日起吊銷黃先生的執業證書，並在四個月內不向其另發執業證書。此外，紀律委員會命令黃先生須繳付罰款 50,000 港元及紀律程序費用 63,704 港元。

黃先生以個人名義執業並沒有員工。公會在二零一九年十一月對其執業單位進行初次執業審核時，審核人員發現其執業單位的品質監控系統、多項已完成的審計和合規報告工作項目均有重大缺失。黃先生負責執業單位的品質監控系統、審計及合規報告項目質素。公會經考慮所得資料後，根據《專業會計師條例》第 34(1)(a)(vi)條及 34(1)(a)(viii)條對黃先生作出投訴。

黃先生承認投訴屬實。紀律委員會裁定黃先生沒有或忽略遵守、維持或以其他方式應用：

- (i) Hong Kong Standard on Auditing (「HKSA」) 240 「The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements」；
- (ii) HKSA 250 (Revised) 「Consideration of Laws and Regulations in an Audit of Financial Statements」；
- (iii) HKSA 315 「Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement」；
- (iv) HKSA 500 「Audit Evidence」；
- (v) HKSA 505 「External Confirmations」；
- (vi) Hong Kong Standard on Assurance Engagements 3000 (Revised) 「Assurance Engagements Other than Audits or Reviews of Historical Financial Information」；
- (vii) Hong Kong Standard on Quality Control 1 「Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements」；
- (viii) Practice Note 810.1 (Revised) 「Licensed Insurance Broker Companies – Compliance with the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules」；
- (ix) Practice Note 820 (Revised) 「The Audit of Licensed Corporations and Associated Entities of Intermediaries」；及
- (x) Code of Ethics for Professional Accountants 第 A 章第 R113.1 條有關「Professional Competence and Due Care」的基本原則。

此外，紀律委員會裁定黃先生犯有專業上的失當行為。

經考慮有關情況後，紀律委員會根據《專業會計師條例》第 35(1) 條向黃先生作出上述命令。

香港會計師公會的紀律處分程序

香港會計師公會致力維持會計界的最高專業和道德標準。公會根據香港法例第 50 章《專業會計師條例》及紀律委員會訴訟程序規則，成立獨立的紀律委員會，處理理事會轉介的投訴個案。委員會一旦證明對公會會員、執業會計師事務所會員或註冊學生的檢控屬實，將會作出適當懲處。若答辯人未有提出上訴，紀律委員會的裁判將會向外公佈。

詳情請參閱：

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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關於香港會計師公會

香港會計師公會是根據《專業會計師條例》成立的法定機構，負責培訓、發展和監管本港的會計專業。公會會員超過 47,000 名，學生人數近 14,000。

公會開辦專業資格課程，確保會計師的入職質素，同時頒佈財務報告、審計及專業操守的準則，以鞏固香港作為國際金融中心的領導地位。

CPA 會計師是一個獲國際認可的頂尖專業資格。公會是全球會計聯盟及國際會計師聯合會的成員之一，積極推動國際專業發展。

香港會計師公會聯絡資料：

馬詠賢

公共關係經理

企業傳訊部

電話：2287-7002

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IN THE MATTER OF

A Complaint made under section 34(1) of the Professional Accountants Ordinance
(Cap. 50)

BETWEEN

The Practice Review Committee of the Hong Kong Institute of Certified Public Accountants COMPLAINANT

AND

Mr. Wong Yip Ming (A37059) RESPONDENT

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants

Members: Miss CHAN Ka Man, Margaret (Chairman)
 Ms. Hilda LAM
 Ms. CHAN Lai Yee
 Miss FUNG Suet Ngan, Gladys, CPA (Practising)
 Mr. FUNG Ying Wai, Wilson, CPA

ORDER AND REASONS FOR DECISION

Introduction

1. This is a complaint made by the Practice Review Committee (“**PRC**”) of the Hong Kong Institute of Certified Public Accountants (the “**Institute**”) against Mr. Wong Yip Ming (the “**Respondent**”), who is practising in his own name with no staff (the “**Practice**”).
2. According to the complaint letter from the PRC submitted to the Registrar dated 23 July 2021, the practice reviewer (the “**Reviewer**”) of Quality Assurance Department conducted an initial practice review on the Practice in November 2019.

3. The Reviewer identified various significant deficiencies in the Practice's quality control system and its completed audit and assurance engagements. Having considered the Reviewer's findings and all available information, the PRC decided to raise a complaint against the Respondent under the Professional Accountants Ordinance ("PAO") as set out below.

The Complaints

Complaint 1

Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard in respect of his compliance reporting of Client V for the year ended 31 March 2018.

Complaint 2

Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard in respect of his compliance reporting and audit of Client A for the year ended 30 June 2019.

Complaint 3

Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard in respect of his audit of Client B for the period ended 31 March 2019.

Complaint 4

Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard for his failure to maintain an adequate quality control system.

Complaint 5

Section 34(1)(a)(viii) of the PAO applies to the Respondent in that the non-compliances in Complaints 1 to 4 above constituted professional misconduct.

4. The facts and circumstances relied upon by the PRC are set out in paragraphs 3 to 7 of the complaint letter which would not be reproduced therein, save and except those matters relevant to the consideration and determination of the appropriate sanctions to be imposed as further set out below.

The Proceedings

5. There have been exchanges of correspondence amongst the Disciplinary Committee, the Complainant and the Respondent for time extensions requested by the Respondent and for the purpose of clarifying the Respondent's position as to the complaints made against him from about January to April 2022.
6. By a letter from the Complainant dated 26 April 2022, the parties informed the Disciplinary Committee that the Respondent had indicated to the Complainant of his intention to admit the complaints. The parties further sought consequential directions for submissions on this basis.
7. By a written confirmation dated 20 May 2022, the Respondent formally admitted all five complaints against him. He did not dispute the facts as set out in the complaints.
8. Based on the findings above, which are not disputed by the Respondent, and his admissions of the complaints, the Disciplinary Committee finds all five complaints proved against the Respondent.
9. The Complainant submitted its written submissions on sanctions and costs on 11 May 2022 (the "**Complainant's Submissions**") and the Respondent submitted his written submissions on the same on 8 June 2022 (the "**Respondent's Submissions**"). The Disciplinary Committee has duly considered the aforementioned submissions by the parties, as well as the Respondent's written case dated 8 April 2022 (the "**Respondent's Case**").

Discussion

10. It is not disputed that at the time of the practice review the Respondent was solely responsible for the quality control system and the quality of his audit and assurance engagements.
11. Complaints 1 and 2 were related to regulated clients and hence involved a higher degree of public interest than private entities.
12. On the other hand, the Respondent has admitted the complaints and saved the time and resources of the Disciplinary Committee. The Respondent has also been cooperative in these proceedings, as acknowledged by the Complainant.
13. Further, the Respondent stated in the Respondent's Case that he has adopted various remedial actions, including but not limited to resignation from all regulated clients' engagements and review and improvement to the Practice's quality control system, which demonstrated the Respondent's remorsefulness.

14. The Disciplinary Committee has also taken note of the fact that there was no previous disciplinary record against the Respondent.
15. As to the cases referred to by the parties, it is considered that those cited by the Complainant involved breaches being more serious in nature than the complaints faced by the Respondent.
16. We however do not accept that there should be no suspension of practising certificate or that a suspension should only be an alternative to a financial penalty, as suggested by the Respondent, given that the involvement of regulated clients as well as the number of complaints and their natures.
17. Having considered the aforesaid matters, including all relevant facts of the complaints, the parties' conduct throughout the proceedings including the Respondent's admissions of the complaints, the parties' submissions and the Respondent's clean disciplinary record, the Disciplinary Committee takes the view that a public reprimand, a financial penalty of HK\$50,000 and suspension of practising certificate for 4 months would be appropriate.
18. As for costs, the total sum of HK\$63,704 as per the Statement of Costs submitted by the Complainant is considered to be reasonably and necessarily incurred and the Respondent accepted that he should meet the reasonable costs incurred in these proceedings.

Order

19. The Disciplinary Committee hereby orders that:
 - (1) The Respondent be reprimanded under section 35(1)(b) of the PAO;
 - (2) The Respondent pay a penalty of HK\$50,000 pursuant to section 35(1)(c) of the PAO;
 - (3) The practising certificate of the Respondent be cancelled under section 35(1)(da) of the PAO effective on the 42nd day from the date of this order and a practising certificate shall not be issued to the Respondent for 4 months commencing from the 42nd day after the date of this order under section 35(1)(db) of the PAO; and
 - (4) The Respondent pay the costs and expenses in relation or incidental to the proceedings of the Complainant (including costs of the Disciplinary Committee) in the sum of HK\$63,704 under section 35(1)(iii) of the PAO.

Dated the 26th day of July 2022.

Miss CHAN Ka Man, Margaret
Chairman of the Disciplinary Committee
Disciplinary Panel A

Ms. Hilda LAM
Disciplinary Panel A

Miss FUNG Suet Ngan, Gladys,
CPA (Practising)
Disciplinary Panel B

Ms. CHAN Lai Yee
Disciplinary Panel A

Mr. FUNG Ying Wai, Wilson,
CPA
Disciplinary Panel B