



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 20 March 2013) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Lo Wai On (membership number F01642) on 15 February 2013, and ordered him to pay to the Institute a penalty of HK\$25,000 for his failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute. In addition, Lo was ordered to pay HK\$75,000 towards the costs of the disciplinary proceedings.

Lo is the sole proprietor of a firm of certified public accountants, W.O. Lo & Co.. The Institute received information about alleged deficiencies in the firm's audit work on an equity interest in an overseas listed associate included in the financial statements of a private company for the year ended 31 December 2009. After considering the information available, the Institute lodged complaints against Lo under section 34(1A) of the Professional Accountants Ordinance.

The Disciplinary Committee found, and by Lo's own admission, that he failed or neglected to observe, maintain or otherwise apply a professional standard issued by the Institute, namely, Hong Kong Standard on Auditing 230 "Audit Documentation".

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

Under the ordinance, if Lo is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at 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 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 feels 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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About the Hong Kong Institute of Certified Public Accountants

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 more than 35,000 members and more than 17,000 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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