



Hong Kong Institute of  
Certified Public Accountants  
香港會計師公會

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

(HONG KONG, 16 January 2020) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Ng Ka Hong, certified public accountant (practising) (F07043) for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Ng was the engagement quality control reviewer ("EQCR") in the audit of the consolidated financial statements of Superb Summit International Group Limited, a Hong Kong listed company, and its subsidiaries (collectively "Group") for the year ended 31 December 2014 undertaken by a corporate practice that has now been deregistered.

The audit engagement team failed to perform adequate procedures in respect of the Group's valuation of biological assets, prepaid land lease payments and impairment assessment of intangible assets. Those areas were material and involved significant judgements. Ng failed to perform an adequate engagement quality control review on those areas to ensure that the audit evidence obtained by the engagement team was sufficient and appropriate to support the audit conclusions.

The Institute concluded that Ng failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing 220 *Quality Control for an Audit of Financial Statements*.

### **Regulatory action**

Based on the foregoing and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. Ng acknowledges the facts of the case and his non-compliance with professional standards;
2. Ng be reprimanded; and
3. Ng pays an administrative penalty of HK\$20,000 and costs of the Institute and the Financial Reporting Council totalling HK\$80,530.

### **About Resolution by Agreement**

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants ("HKICPA") ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered

in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk)

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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 more than 44,000 members and 18,000 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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