



Dear Assignment/News/Business Section Editor

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

(HONG KONG, 18 August 2016) — On 11 August 2016, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Ng Kwong Sang (membership number F01025) and ordered cancellation of his practising certificate beginning 22 September 2016 with no issuance of a practising certificate to him for one year. In addition, Ng was ordered to pay a penalty of HK\$65,000 and costs of disciplinary proceedings of HK\$26,123.

Ng is the sole proprietor of K.S. Ng & Co. ("Practice") and is responsible for the Practice's quality control system. The Practice had been selected for practice review. The reviewer found that the Practice failed to establish, maintain and document an effective system of quality control in respect of monitoring. In addition, Ng was found to have provided false or misleading answers in the electronic self-assessment questionnaire which were submitted to the reviewer.

After considering the information available, the Institute lodged a complaint against Ng under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

Ng admitted the complaint against him. The Disciplinary Committee found that Ng failed or neglected to observe, maintain or otherwise apply (i) 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*"; and (ii) the fundamental principles of integrity and professional competence and due care under sections 100, 110 and 130 of the Code of Ethics for Professional Accountants.

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

Under the ordinance, if Ng 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 ordinance by a five-member Disciplinary Committee. Three members of each committee, including a chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interest 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.

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 40,000 members and more than 18,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation 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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