



Dear Assignment / News / Business Section Editor

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

(Hong Kong, 5 September 2016) - The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against Ng Ka Kuen, a certified public accountant (practising) (membership number A25914), and UC CPA (Practising) Limited (corporate practice number S267) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. Ng is the sole practising director of the corporate practice.

The Institute received information from The Law Society of Hong Kong about deficiencies in the final accountant's report issued by Ng for a solicitors' firm that had ceased business. The Institute found that:

1. A number of breaches reported in the final accountant's report were not supported by tests performed and evidence obtained as documented in the working papers; and
2. Ng failed to include in the report certain information that was required to be reflected in the final accountant's report for a solicitors' firm.

The Institute concluded that Ng and the corporate practice were in breach of the Fundamental Principle of *Professional Competence* and *Due Care* prescribed in sections 100.5 and 130 of the Code of Ethics for Professional Accountants.

### **Regulatory action**

Based on the foregoing and in lieu of further proceedings, the Council concluded that the following should resolve the complaint:

1. Ng and the corporate practice acknowledge the facts of the case and their non-compliance with the relevant professional standards;
2. They be reprimanded; and
3. They jointly pay an administrative penalty of HK\$20,000 and costs of HK\$10,000.

In accordance with Council powers outlined in the Professional Accountants Ordinance and as a part of the regulatory process to handle complaints, a Resolution by Agreement (RBA) may be offered to respondents in cases considered to be moderate after taking into account factors including, but not limited to, the nature and seriousness of a complaint, past disciplinary records of the respondents and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty.

Information on the Institute's complaint handling process and guidelines for Resolution is available at the Institute website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

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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 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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