



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

Dear Assignment/News/Business Section Editor

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

(HONG KONG, 15 November 2017) – On 12 October 2017, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Tam Tak Kuen, Alfred (membership number F02942) and ordered the cancellation of his practising certificate from 21 November 2017 with no issuance of a practising certificate to him for two years. In addition, Tam was ordered to pay a penalty of HK\$50,000 and costs of disciplinary proceedings of HK\$51,628.

Tam is the sole proprietor of Alfred T.K. Tam & Co. ("Practice") and is responsible for the Practice's quality control system. While carrying out a practice review, the reviewer found that the Practice failed to establish, maintain and document an effective system of quality control. In addition, Tam was found to have provided false or misleading answers and/or furnished information recklessly in the electronic practice review self-assessment questionnaire which was submitted to the reviewer.

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

The Disciplinary Committee found that Tam 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 principle of integrity under paragraphs 100.5 (a) and 110.2 of the Code of Ethics for Professional Accountants. The Committee further found that, as Tam failed to comply with multiple quality control requirements and the fundamental ethical requirement, he was guilty of professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Tam 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 more than 41,000 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 recognized 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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