



HKICPA takes disciplinary action against a certified public accountant (practising) and a corporate practice

(HONG KONG, 18 April 2018) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Lam Kwan, Anthony, certified public accountant (practising) (membership number A15850) and Charles H. C. Cheung & CPA Limited (corporate practice number M0095) on 1 March 2018. In addition, the respondents were ordered to pay a penalty of HK\$35,000 and costs of HK\$10,000.

Charles H. C. Cheung & CPA Limited expressed an unmodified audit opinion on the financial statements of a renovation project of a residential building covering a period from September 2005 to December 2009. Lam was the engagement director of the audit.

The complaint, made under section 34(1AAA) of the Professional Accountants Ordinance, was that the respondents failed to understand the scope of the audit engagement and plan the audit accordingly. They also failed to obtain sufficient evidence and adequately document audit procedures in relation to interest income, consultant fee paid and liquidated damages recoverable from contractors.

The respondents admitted the complaint against them. The Disciplinary Committee found that the respondents were in breach of Hong Kong Standards on Auditing (HKSA) 210, HKSA 230, HKSA 300, HKSA 315 and HKSA 500.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against the respondents under section 35(1) of the Professional Accountants 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 42,000 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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