



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

## **HKICPA takes disciplinary action against a certified public accountant (practising)**

(HONG KONG, 3 May 2018) — On 25 August 2017, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered cancellation of the practising certificate of Lam Kin Choi (membership number F05649) with no issuance of a practising certificate to him for twelve months. The Committee further ordered Lam to pay a penalty of HK\$20,000 and costs of disciplinary proceedings of HK\$46,827.

Lam appealed the Disciplinary Committee's decision. On 6 April 2018, the Court of Appeal confirmed that Lam's appeal against the Disciplinary Committee's decision had been struck out on 13 February 2018.

Lam is the sole proprietor of William Lam & Co. ("Practice") and is responsible for the Practice's system of quality control and audit engagements. While carrying out a practice review, the reviewer found that the Practice failed to implement an adequate system of quality control. In addition, a number of significant deficiencies were found in the Practice's audits and assurance engagements.

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

The Disciplinary Committee found that Lam 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*"; (ii) Hong Kong Standard on Auditing 500 "*Audit Evidence*"; and (iii) Hong Kong Standard on Assurance Engagements 3000 "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*".

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Lam 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 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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