



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, 29 May 2018) On 20 April 2018, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Chan Kin Cheong (membership number A28137). In addition, Chan was ordered to pay a penalty of HK\$60,000 and costs of disciplinary proceedings of HK\$34,175.

Chan is the sole proprietor of Dynamic Dragons & Co., CPA and TCY CPA Limited (collectively "the Practices"). He is responsible for the Practices' quality control system and the quality of the Practices' audit engagements. When carrying out a practice review, the reviewer found that the Practices failed to implement adequate quality control systems. Also, a number of significant deficiencies were found in the reviewed engagements. In addition, Chan was found to have provided false and/or misleading answers in the practice review and in the electronic self-assessment questionnaire.

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

Chan admitted the complaint against him.

The Disciplinary Committee found that Chan failed or neglected to observe, maintain or otherwise apply (i) the fundamental principle of integrity under paragraphs 100.5(a), 110.1 and 110.2 of the Code of Ethics for Professional Accountants; (ii) 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 (iii) Hong Kong Standard on Auditing 500 *Audit Evidence*.

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