



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

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

(HONG KONG, 31 May 2018) On 25 April 2018, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Yeung Tat Kwong, certified public accountant (practising) (membership number A19557) and ordered him to pay a penalty of HK\$100,000 and costs of HK\$49,335.

The Institute received a referral from The Law Society of Hong Kong about the Accountant's Reports issued by Yeung, in which he failed to report breaches of the Solicitors' Accounts Rules by a firm of solicitors over three years. The firm did not prepare client account reconciliations, client ledgers and office ledgers. During the Institute's enquiry, Yeung was unable to provide copies of his working papers, claiming that the hardcopies were misplaced and his computer hard disk had failed.

After considering the information available, the Institute lodged complaints under section 34(1)(a)(vi) of the Professional Accountants Ordinance (Cap 50).

Yeung admitted the complaints against him. The Disciplinary Committee found that Yeung was in breach of 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 the fundamental principle of Professional Competence and Due Care in the Code of Ethics for Professional Accountants.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order under section 35(1) of the Professional Accountants Ordinance. The Committee noted in particular that Yeung's reasons for the unavailability of the working papers were highly unsatisfactory, and his failure to act as a proper safeguard to monitor the compliance of solicitor firms involved public interest.

### 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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