



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, 12 September 2018) On 1 June 2017, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Cheung Yiu Hung (F00734) and ordered cancellation of his practising certificate with no issuance of a practising certificate to him for 18 months. In addition, Cheung was ordered to pay a penalty of HK\$50,000 and costs of disciplinary proceedings of HK\$128,636.

Cheung appealed the Disciplinary Committee's decision. On 31 July 2018, the Court of Appeal handed down its judgment dismissing Cheung's appeal.

Cheung is the sole proprietor of Y.H. Cheung & Company ("Practice") and is responsible for the Practice's quality control system and audit engagements. In 2014, a follow-up practice review was conducted to determine whether the Practice had taken appropriate actions in response to findings identified during the first practice review in 2013. The findings of the follow-up visit indicated that the Practice failed to implement necessary improvements to ensure an adequate system of quality control and address audit deficiencies identified from the first practice review.

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

The Disciplinary Committee found that Cheung 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 ("HKSA") 500 *Audit Evidence*; and (iii) HKSA 230 *Audit Documentation*.

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

Hong Kong Institute of CPAs' contact information:

Gemma Ho
Manager, Public Relations
Phone: 2287-7002
Email: gemmaho@hkicpa.org.hk

Terry Lee
Director, Marketing and Communications
Phone: 2287-7209
Email: terrylee@hkicpa.org.hk