



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, 28 June 2022) On 23 May 2022, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered that the name of Yip Wai Wing, certified public accountant (practising) (A36410), be removed from the register of CPAs for 12 months and his practising certificate be cancelled with effect from 4 July 2022. In addition, Yip was reprimanded and ordered to pay a penalty of HK\$200,000 and costs of the disciplinary proceedings of HK\$53,737.

Yip was the sole proprietor of Nic Yip & Co. In 2020, the Institute's practice review on the firm found that Yip reported false information in the self-assessment questionnaire, created working papers in reaction to the practice review, and issued audit reports in a large number of audit engagements in which he performed no or minimal audit work. In addition, the practice review found significant inadequacies in the firm's quality controls over human resources, engagement performance and compliance with ethical requirements. Furthermore, the reviewers found significant deficiencies in two audit engagements of the firm that were selected for review.

After considering the information available, the Institute lodged a complaint against Yip under sections 34(1)(a)(vi) and 34(1)(a)(viii) of the Professional Accountants Ordinance (Cap 50) ("Ordinance").

Yip admitted the complaints against him. The Disciplinary Committee found that Yip had failed or neglected to observe, maintain or otherwise apply:

- (i) the fundamental principle of integrity in sections 100.5(a), 110.1 and 110.2 (later amended as section 110.1A1(a) and subsections R111.1-2 of Chapter A) of the Code of Ethics for Professional Accountants ("Code of Ethics");
- (ii) the fundamental principle of professional competence and due care in sections 100.5(c) and 130 (later amended as section 110.1A1(c) and subsection 113 of Chapter A) of the Code of Ethics;
- (iii) 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*;
- (iv) Hong Kong Standard on Auditing ("HKSA") 500 *Audit Evidence*; and
- (v) HKSA 505 *External Confirmations*

The Committee further found that Yip was guilty of professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Yip 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 over 46,000 members and 13,000 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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