



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

Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant (practising) and a firm

(HONG KONG, 27 August 2019) The Hong Kong Institute of Certified Public Accountants ("HKICPA") has taken regulatory action against Mr. Wong Wing Hon, certified public accountant (practising) (F01476) and W.H. Wong & Company (0542) (collectively "Respondents") for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Wong is the sole proprietor of W.H. Wong & Company which expressed an unmodified auditor's opinion on the financial statements of a private company for the year ended 31 December 2017.

The company engaged in consignment sales of books. During their audit, the Respondents failed to obtain sufficient evidence on the company's rental income derived from consigned books stored in its warehouse and on the amount due from a consignor. The Respondents also failed to prepare adequate documentation of audit procedures performed in those two areas.

The Institute concluded that the Respondents failed to comply with Hong Kong Standard on Auditing ("HKSA") 230 *Audit Documentation* and HKSA 500 *Audit Evidence*.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council concluded that the following should resolve the complaint:

1. The Respondents acknowledge the facts of the case and their non-compliance with professional standards;
2. they be reprimanded; and
3. they jointly pay an administrative penalty of HK\$20,000 and costs of HK\$15,000.

About Resolution by Agreement

In order to better serve the interests of the public and the profession, the HKICPA ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be

offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 44,000 members and 17,100 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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