



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, 4 December 2020) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Ng Ka Hong, certified public accountant (practising) (F07043) on 27 October 2020 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, Ng was ordered to pay a penalty of HK\$120,000 and costs of disciplinary proceedings of HK\$39,004.

In April 2019, the Institute completed a practice review on McMillan Woods SG CPA Limited, a corporate practice that is now de-registered. The review covered the practice's audit of the 2017 consolidated financial statements of a Hong Kong listed company and its subsidiaries. Ng was the engagement quality control reviewer of the audit.

The practice review found significant audit deficiencies relating to the valuations of an investment in an associate acquired and convertible notes issued as consideration for the acquisition. Ng failed to adequately evaluate the audit team's judgements and conclusions in those areas and review selected audit documentation, as required under Hong Kong Standard on Auditing 220 *Quality Control for an Audit of Financial Statements*.

After considering the information available, the Institute lodged a complaint against Ng under section 34(1)(a)(vi) of the Professional Accountants Ordinance (Cap. 50) ("PAO").

Ng admitted the complaint against him. The Disciplinary Committee found that Ng failed to maintain professional knowledge and skill at the level required and act diligently, in accordance with applicable technical and professional standards. Therefore, he was in breach of the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 of the *Code of Ethics for Professional Accountants*.

Having taken into account the circumstances of the case and Ng's past regulatory record, the Disciplinary Committee made the above order against Ng under section 35(1) of the PAO.

### 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 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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