



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 February 2020) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Chik Wing Kan, Peter, certified public accountant (practising) (A13807) on 23 December 2019 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. The Committee further ordered the cancellation of his practising certificate, with no issuance of a practising certificate to him for 15 months with effect from 3 February 2020. In addition, Chik was ordered to pay a penalty of HK\$50,000 and costs of disciplinary proceedings of HK\$41,802.

Chik is the sole shareholder of PCW CPA Limited (“Practice”) and is responsible for the Practice’s quality control system and the quality of its audit engagements. A first practice review conducted on the Practice identified significant deficiencies in its system of quality control and in two of its audit engagements. In addition, Chik was found to have falsely or recklessly provided untrue answers in the self-assessment questionnaire and “Audit Health Screening Checklist” submitted to the Institute in relation to the practice review.

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

Chik admitted the complaint against him. The Disciplinary Committee found that Chik was in breach of (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) the fundamental principle of integrity in sections 100.5(a), 110.1 and 110.2 of the Code of Ethics for Professional Accountants; and (iii) the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 of the Code. The Committee further found that Chik’s multiple and serious failures demonstrated a blatant disregard of the requirements of a number of professional standards on auditing and the fundamental principles of the Code, which amounted to professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Chik under section 35(1) of the Ordinance. The Committee noted that Chik’s conduct shows serious disregard for regulatory requirements and raises doubt on his professional competence and integrity, and would have a detrimental effect on the confidence in the profession.

## 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 45,000 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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