



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

(HONG KONG, 2 July 2020) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Ko Chiu Wan, Eric, certified public accountant (practising) (A14783) on 22 May 2020 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 2 July 2020. In addition, Ko was ordered to pay costs of disciplinary proceedings of HK\$44,514.

The Institute conducted a follow-up practice review on Ko's sole proprietor practice, Eric CW Ko & Company. The review revealed that a number of deficiencies identified in the initial practice review had not been appropriately addressed. It also identified new significant audit deficiencies. The findings reflected Ko's failure to maintain an adequate quality control system for the practice, and raised concerns about the quality of the practice's audit engagements and the professional competence of Ko.

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

Ko admitted the complaint against him. The Disciplinary Committee found that Ko was in breach of 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*; Hong Kong Standard on Auditing ("HKSA") 500 *Audit Evidence*; HKSA 705 *Modifications to the Opinion in the Independent Auditor's Report*; the requirements concerning acceptance of an audit appointment under limitations of audit scope in section 410.52 of the *Code of Ethics for Professional Accountants* ("Code of Ethics"); and the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 of the Code of Ethics.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Ko 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 46,000 members and 19,000 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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