



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

(HONG KONG, 30 July 2019) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Woo Yuen Fai, certified public accountant (practising) (A35065) on 18 June 2019 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, Woo was ordered to pay a penalty of HK\$70,000 and costs of the disciplinary proceedings of HK\$42,960.

Woo was the engagement quality control reviewer in an audit carried out by UC CPA (Practising) Limited on the consolidated financial statements of South Sea Petroleum Holdings Limited, a Hong Kong listed company, and its subsidiaries for the year ended 31 December 2015. The audit was selected for review in 2016 as part of the Institute's practice review.

The practice reviewer identified significant audit deficiencies in the areas of impairment assessment of investment property and prepayments of production expenses. The two areas were material. Woo failed to perform an effective engagement quality control review of them to evaluate the significant judgements made and conclusions reached by the audit team.

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

Woo admitted the complaint against him. The Disciplinary Committee found that Woo was in breach of Hong Kong Standard on Auditing 220 *Quality Control for an Audit of Financial Statements*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Woo 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 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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