



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, 30 July 2019) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Wong Yuk Ming, Aaron, certified public accountant (practising) (F05340) on 21 June 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 18 months with effect from 2 August 2019. In addition, Wong was ordered to pay a penalty of HK\$50,000 and costs of disciplinary proceedings of HK\$47,642.

Wong was the sole proprietor of Aaron Wong & Co. and was responsible for the firm's audit engagements and quality control system. The firm was selected by the Institute for its first practice review in August 2017.

The practice review revealed significant deficiencies in the firm's quality control system as well as Wong's professional competence and integrity. Wong was found to have furnished answers in an "Audit Health Screening Checklist" either falsely or recklessly, and created working papers which misled the reviewers and rendered the practice review process ineffective. In addition, Wong failed to ensure the firm had maintained an adequate quality control system for engagement performance, independence and acceptance and continuance of client relationships. Findings of insufficient audit evidence in one audit engagement and Wong's flawed concept about audit documentation raised serious questions as to whether he had carried out his work with professional competence and due care.

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

Wong admitted the complaints against him. The Disciplinary Committee found that Wong was in breach of the fundamental principle of integrity in sections 100.5(a) and 110.1 of the Code of Ethics for Professional Accountants, and the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 of the Code. Further, the Committee found Wong to have breached 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*. In view of the severity of the non-compliances, the Committee also found Wong guilty of professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Wong under section 35(1) of the Ordinance. The Committee noted that Wong's conduct raises serious doubts about his integrity, and demonstrates a blatant and intentional disregard of the Institute's ethical and professional requirements. They added that the manner in which he conducted the audit engagements could undermine public confidence in the standards of the profession and damage its reputation.

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.

Hong Kong Institute of CPAs' contact information:

Ms Gemma Ho
Public Relations Manager
Phone: 2287-7002
Email: gemmaho@hki CPA.org.hk

Ms Rachel So
Head of Corporate Communications and Member Services
Phone: 2287-7085
Email: rachelso@hki CPA.org.hk