



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

(HONG KONG, 29 June 2021) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Kwok Chi Sun, Vincent, a certified public accountant (practising) (A04893) on 13 May 2021 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 6 months, with effect from 24 June 2021. In addition, Kwok was ordered to pay a penalty of HK\$100,000 and costs of the disciplinary proceedings of HK\$69,464.

Kwok was the sole proprietor of Vincent Kwok & Company (“Practice”) and was responsible for the Practice’s quality control system and the quality of its audit engagements. A practice review was conducted on the Practice in December 2018, which revealed significant deficiencies both in the quality control system and in a number of audit engagements. Furthermore, the practice reviewer found that Kwok had created certain audit documents for the practice review. Those audit documents were created after the audits had been completed and the relevant file assembly periods had passed.

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

Kwok admitted the complaint against him. The Disciplinary Committee found that Kwok was in breach of:

- (i) the fundamental principle of integrity in sections 100.5(a), 110.1 and 110.2 of the Code of Ethics for Professional Accountants (“Code of Ethics”);
- (ii) the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 of the Code of Ethics; and
- (iii) 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*.

The Committee further found that Kwok’s breach of integrity and the multiple and repeated deficiencies identified in the Practice’s quality control system and audit engagements demonstrated Kwok’s blatant disregard of professional standards, which amounted to professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Kwok 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 over 46,000 members and 16,000 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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