



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant (practising) and a corporate practice

(HONG KONG, 29 October 2020) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Wong Ka Chung, certified public accountant (practising) (A19768) and Pondus (CPA) Limited (M0177) (collectively, “Respondents”) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Pondus was the auditor of a private company and issued an unmodified auditor’s opinion on each of the company’s financial statements for the years ended 31 March 2016 to 2019. Wong was the engagement director and signed the auditor’s reports on behalf of Pondus.

In the performance of the audits, the Respondents failed to prepare adequate documentation and perform adequate procedures on the company’s bank accounts, membership fee income, ongoing litigations and certain expense items.

The Institute concluded that the Respondents failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing (“HKSA”) 230 *Audit Documentation*, HKSA 500 *Audit Evidence* and HKSA 520 *Analytical Procedures*.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. The Respondents acknowledge the facts of the case and areas of the non-compliance with professional standards;
2. they be reprimanded; and
3. each of the Respondents pays an administrative penalty of HK\$30,000, and they jointly pay the Institute’s costs of HK\$15,000.

About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants ("HKICPA") ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 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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