



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

(HONG KONG, 14 July 2023) On 8 June 2023, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants (“Institute”) ordered that the name of Wong Tai Wai, David, a certified public accountant (“CPA”) (A05100) be removed from the register of CPAs for 2 years and his practising certificate be cancelled with effect from 20 July 2023. In addition, Wong was reprimanded and ordered to pay costs and expenses of the disciplinary proceedings of \$186,617.50.

Wong was practising in his own name with no staff (the “Practice”). The Practice was subject to a practice review (the “Review”) on his audit engagement of a client, which was concluded in June 2020. The practice review reviewer (“Reviewer”) identified a number of significant findings and deficiencies in the Practice’s audit, which led to concerns over Wong’s lack of professional competence and due care. This was demonstrated by the Practice’s insufficient quality control policies and procedures, deficient monitoring function, and lack of audit quality in the audit of the client. The Reviewer’s report also revealed various failures on the part of Wong to perform audit design and planning and appropriate audit procedures, to obtain appropriate audit evidence, and to maintain an adequate system of quality control in various aspects.

After considering the information available, the Institute lodged complaints against Wong under section 34(1)(a)(vi) and 34(1)(a)(viii) of the pre-amended Professional Accountants Ordinance (Cap. 50) (“Ordinance”).

The Disciplinary Committee found that Wong had failed or neglected to observe, maintain or otherwise apply:

- (i) the fundamental principle of professional competence and due care in sections R110.2 and R113.1 under Chapter A of the Code of Ethics for Professional Accountants;
- (ii) 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*;
- (iii) Hong Kong Standard on Auditing (“HKSA”) 230 *Audit Documentation*;
- (iv) HKSA 500 *Audit Evidence*;
- (v) HKSA 520 *Analytical Procedures*;
- (vi) HKSA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements*;
- and
- (vii) HKSA 705 *Modifications to the Opinion in the Independent Auditor’s Report*.

The Disciplinary Committee further found that Wong had been 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.

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 pre-amended 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:

<https://www.hkicpa.org.hk/en/News/Archival-records-on-regulatory-functions/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 47,000 members and over 11,000 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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