



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)

(HONG KONG, 7 January 2020) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Ms. Chan Mei Ling, certified public accountant (practising) (A09996) for her failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Chan audited the financial statements of a private company for the year ended 31 December 2016 and expressed an unmodified auditor's opinion. In the audit, Chan failed to perform appropriate audit procedures to obtain sufficient evidence on the company's accounts receivable, accounts payable and administrative expenses.

The Institute concluded that Chan failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing 500 *Audit Evidence*.

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. Chan acknowledges the facts of the case and her non-compliance with professional standards;
2. Chan be reprimanded; and
3. Chan pays an administrative penalty of HK\$25,000 and 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 more than 44,000 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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