



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

(HONG KONG, 13 May 2021) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Yu Kung Shing, certified public accountant (practising) (F04854) on 31 March 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 24 months, with effect from 12 May 2021. In addition, Yu was ordered to pay costs of the disciplinary proceedings of HK\$55,331.50.

Yu is the sole proprietor of K S Yu & Co. (“Practice”). He is responsible for the Practice’s quality control system and the quality of its audit engagements. The first practice review conducted on the Practice identified significant deficiencies in its system of quality control and in a number of its audit engagements. In addition, Yu was found to have provided untrue answers in the self-assessment questionnaire, made false representations to the practice reviewer and retrospectively created documents in an attempt to support his false representations.

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

Yu admitted the complaint against him. The Disciplinary Committee found that Yu 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 Yu’s conduct in the practice review and the multiple audit deficiencies demonstrated his 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 Yu 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/>

- End -

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.

Hong Kong Institute of CPAs' contact information:

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