



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 5 December 2013) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Cheung Ka Keung, Andrew (membership number A06325) on 29 October 2013 and ordered him to pay to the Institute a penalty of HK\$40,000 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, Cheung was ordered to pay HK\$39,750 towards the costs of the proceedings.

Cheung is the sole proprietor of Andrew Cheung & Company. The Institute received information about alleged deficiencies in respect of the audits of the financial statements of the Incorporated Owners of a building for a number of financial years. Cheung was unable to comply with the Institute's request to provide relevant audit working papers for examination because his firm had failed to retain such audit documentations. After considering the information available, the Institute lodged a complaint against Cheung under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

Cheung admitted the complaint against him. The Disciplinary Committee found that Cheung failed or neglected to observe, maintain or otherwise apply professional standards issued by the Institute, namely Hong Kong Standard on Auditing 230 *Audit Documentation* and Hong Kong Standard on Quality Control 1 *Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*.

Having taken into account Cheung's admission and the circumstances of the case, the Disciplinary Committee made the above order against Cheung under section 35(1) of the ordinance.

Under the ordinance, if Cheung is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. The majority (three members) of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two members are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's

website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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### **About the Hong Kong Institute of Certified Public Accountants**

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 36,000 members and more than 17,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world’s leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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