



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

(HONG KONG, 13 June 2023) On 9 May 2023, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ("Institute") ordered that the practising certificate of Mr. Leung Kam Man, Victor, a certified public accountant ("CPA") (F06233) be cancelled and shall not be issued for 6 months with effect from 20 June 2023. In addition, Leung was reprimanded and ordered to pay a penalty of HK\$75,000.00 and costs of the disciplinary proceedings of \$140,265.00.

Leung was a sole proprietor of Chinaweal CPA & Co. ("Chinaweal") and CWB CPA Limited ("CWB") (collectively the "Practices"). He was responsible for the Practices' quality control systems and the quality of the Practices' engagements. A previous practice review on Chinaweal and Leung's own name practice was conducted concurrently in 2013/2014 ("Previous Practice Review"). The Practices were subject to the present practice review which was concluded in August 2020.

In the present practice review, the Reviewer found a number of significant deficiencies in the Practices' quality control systems and in the performance of a certain number of audit engagements, some of which were the same or similar deficiencies as identified in the Previous Practice Review.

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

Leung admitted the complaints against him. The Disciplinary Committee concluded that Leung had failed or neglected to observe, maintain or otherwise apply:

- (i) the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 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*; and
- (iv) HKSA 500 *Audit Evidence*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Leung 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 14,000 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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