



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

(HONG KONG, 15 June 2022) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Jimmy Siu, certified public accountant (practising) (A32710), Mr. Yip Kai Yin, certified public accountant (A23951) and Elite Partners CPA Limited (M0269) (collectively “Respondents”) on 10 May 2022 for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, the Committee ordered the Respondents to jointly pay a penalty of HK\$500,000 and the costs of the Institute and the Financial Reporting Council (“FRC”) totalling HK\$258,871.65.

Elite Partners CPA Limited expressed an unmodified auditor’s opinion on the consolidated financial statements of L & A International Holdings Limited, a Hong Kong listed company, and its subsidiaries for the year ended 31 March 2017. Siu was the engagement director and Yip was the engagement quality control reviewer of the audit.

The Institute received a referral from the FRC concerning deficient procedures carried out by the audit team on impairment assessment of the company’s interest in an associate. There was also inadequate engagement quality control review of the significant judgements made and conclusions reached by the audit team in the impairment assessment.

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

The Respondents admitted the complaints against them. The Disciplinary Committee found as follows:

- (i) Siu and Elite Partners CPA Limited failed or neglected to observe, maintain or otherwise apply the following professional standards:
- Hong Kong Standard on Auditing (“HKSA”) 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing*;
 - HKSA 500 *Audit Evidence*; and
 - HKSA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.

- (ii) Yip failed or neglected to observe, maintain or otherwise apply HKSA 220 *Quality Control for an Audit of Financial Statements*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against the Respondents 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/>

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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 46,000 members and 13,000 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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