



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

(HONG KONG, 20 May 2022) On 28 December 2018, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Ng Kwok Ching, Jeremy, certified public accountant (practising) (A00976), and ordered cancellation of his practising certificate with no issuance of a practising certificate to him for 12 months. In addition, Ng was ordered to pay a penalty of HK\$50,000 and costs of disciplinary proceedings of HK\$55,000.

Ng appealed the Disciplinary Committee's decision. Following the Court of Appeal's dismissal of the appeal in April 2022, the practising certificate of Ng was cancelled with effect from 18 May 2022.

Ng is the sole proprietor of Jeremy Ng & Company (formerly known as Tang & Ng), a CPA firm. He is responsible for the firm's quality control system and the quality of its audit engagements. The Institute's follow-up practice review visit to the firm in 2016 found that a number of deficiencies noted in the initial practice review remained uncorrected, and the audit work performed on the sole client in the relevant period fell below the standard expected. The audit deficiencies related to obtaining evidence for a number of material items in the financial statements, obtaining management's representation letter, and preparing documentation.

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

The Disciplinary Committee found that Ng failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing ("HKSA") 500 *Audit Evidence* and HKSA 230 *Audit Documentation*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Ng under section 35(1) of the ordinance. The Disciplinary Committee noted that the breaches were serious in view of Ng's failure to address the audit deficiencies found in the initial practice review, his lack of understanding at the level of competence expected of a professional accountant and the questionable accuracy of the audited financial statements.

### 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 17,000 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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