



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

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

(HONG KONG, 4 December 2020) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Wong Wang Tai, Ivan (A08578), certified public accountant (practising) on 27 October 2020 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, Wong was ordered to pay a penalty of HK\$80,000 and costs of disciplinary proceedings of HK\$89,386.

In April 2019, the Institute completed a practice review on McMillan Woods SG CPA Limited, a corporate practice that is now de-registered. The review covered the practice's audit of the 2017 consolidated financial statements of a Hong Kong listed company and its subsidiaries. Wong was the engagement director of the audit. The practice review found significant audit deficiencies relating to the valuations of an investment in an associate acquired, convertible notes issued as consideration for the acquisition, and certain share options granted by the company.

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

Wong admitted the complaint against him. The Disciplinary Committee found that Wong was in breach of Hong Kong Standard on Auditing ("HKSA") 230 *Audit Documentation*, HKSA 500 *Audit Evidence*, HKSA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*, and 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*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Wong under section 35(1) of the PAO.

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 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.

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