



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

(HONG KONG, 18 March 2020) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Law Kwong Wah, certified public accountant (F01079) on 4 February 2020 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. The Committee ordered that Law would not be issued a practising certificate for 18 months effective from 4 February 2020. In addition, Law was ordered to pay a penalty of HK\$50,000 and costs of disciplinary proceedings of HK\$51,785.

The Institute completed a practice review on K.W. Law & Co. ("Practice") of which Law was the sole proprietor. The review identified significant deficiencies in the Practice's quality control system and two audit engagements reviewed by the practice reviewer.

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

Law admitted the complaint against him. The Disciplinary Committee found that Law was in breach of:

- i) Hong Kong Standard on Auditing ("HKSA") 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*;
- ii) HKSA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*;
- iii) HKSA 500 *Audit Evidence*;
- iv) 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*; and
- v) 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 Law 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/>

- End -

## **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 more than 45,000 members and 19,000 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.

## **Hong Kong Institute of CPAs' contact information:**

Ms Gemma Ho  
Public Relations Manager  
Phone: 2287-7002  
Email: [gemmaho@hkicpa.org.hk](mailto:gemmaho@hkicpa.org.hk)

Ms Rachel So  
Head of Corporate Communications and Member Services  
Phone: 2287-7085  
Email: [rachelso@hkicpa.org.hk](mailto:rachelso@hkicpa.org.hk)