



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

(HONG KONG, 19 October 2021) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 6 September 2021 that the name of Mr. Mok Ching Ho, certified public accountant (practising) (A34590) be removed from the register of CPAs for four years with effect from 18 October 2021. In addition, Mok was ordered to pay a penalty of HK\$80,000 and costs of the disciplinary proceedings of HK\$73,630.

Mok was practising in his own name and responsible for his practice's quality control system and the quality of its audit engagements. A first practice review of the practice identified significant deficiencies in a number of its audit engagements, in that there was no evidence of necessary audit procedures performed in key areas including purchases and sales, existence and valuation of inventories, and validity of expenses. In addition, Mok failed to make sure his practice had sufficient staff resources and adequate policies and procedures to ensure audits were performed in accordance with professional standards, and to establish a monitoring process for ongoing evaluation of the practice's system of quality control. Further, the practice reviewer found that Mok had a sizeable portfolio of 258 clients in the period covered by the review and for most of them, Mok performed little or no audit work before issuing the audit reports. He also created audit working papers and made misleading representations to the reviewer in an attempt to give a false impression that the audits had been properly conducted.

After considering the information available, the Institute lodged the complaints against Mok under sections 34(1)(a)(vi) and 34(1)(a)(viii) of the Professional Accountants Ordinance.

Mok admitted the complaints against him. The Disciplinary Committee found that Mok was in breach of:

- (i) the fundamental principle of integrity in sections 100.5(a), 110.1 and 110.2 of the Code of Ethics for Professional Accountants ("Code of Ethics");
- (ii) the fundamental principle of professional competence and due care in sections 100.5(c) and 130.1 of the Code of Ethics; and
- (iii) 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*.

The Committee further found the extent of Mok's lack of integrity and competence to be very serious, amounting to professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Mok 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 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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