



Hong Kong Institute of Certified Public Accountants settles regulatory proceedings involving a certified public accountant (practising)

(HONG KONG, 10 February 2022) The Hong Kong Institute of Certified Public Accountants has settled regulatory proceedings concerning alleged non-compliance with its professional standards and professional misconduct committed by Mr. Wan Tat Kay Dominic Savio, certified public accountant (practising) (A08375).

The matter concerns significant audit deficiencies identified in the Institute's initial practice review of D. Wan & Company ("Practice"). The practice review covered the Practice's quality control system and the audit of a private entity for the year ended 31 March 2018. Mr. Wan was responsible for the quality control system and was the engagement partner of the audit.

The practice reviewer identified significant deficiencies that showed (i) Mr. Wan's inadequate audit methodology for the audit engagement; (ii) Mr. Wan's failure to perform adequate audit procedures, and/or prepare adequate audit documentation, on a number of material items in the financial statements: unlisted investment, inventories, sales and purchases; (iii) substandard auditor's report on the financial statements issued by Mr. Wan. In addition, the practice reviewer found deficiencies concerning the Practice's monitoring process and compliance with the Institute's ethical requirements on independence.

As a result of the above, Mr. Wan failed or neglected to observe, maintain or otherwise apply:

- (i) The fundamental principle of professional competence and due care under sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants;
- (ii) 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
- (iii) Hong Kong Standard on Auditing ("HKSA") 230 *Audit Documentation*, HKSA 500 *Audit Evidence*, and a number of other HKSAs.

The multiple deficiencies identified also demonstrated Mr. Wan's blatant disregard to professional standards, amounting to professional misconduct.

Settlement agreement

The Council of the Institute has agreed with Mr. Wan that:

1. Mr. Wan acknowledges the facts of the case and areas of non-compliance with professional standards;
2. Mr. Wan be reprimanded;
3. Mr. Wan pays a financial penalty of HK\$80,000 and costs of HK\$50,000; and
4. Mr. Wan undertakes to cease providing audit services for a period of one year.

The Institute considers a settlement on the agreed basis to be in the public interest. In the circumstances, the Institute is satisfied that there is no purpose to be served in pursuing disciplinary proceedings.

HKICPA Settlement Process

The interests of the public, the profession and Council's regulatory function may be best served by early resolution of complaints which are either anticipated to result in disciplinary proceedings or are already the subject of disciplinary proceedings. Settlement requests will be assessed based on established criteria. Appropriate sanctions will be based on the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. The HKICPA will not agree to a settlement unless the matter is subject to publicity in A Plus, press release, and other means deemed appropriate.

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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 47,000 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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香港會計師公會與一名執業會計師就監管程序達成協議

(香港，二零二二年二月十日) 香港會計師公會與執業會計師溫達基先生 (會員編號：A08375) 就被指控違反專業準則及犯有專業上的失當行為而進行的監管程序，達成協議。

相關投訴涉及公會對溫達基會計師事務所 (「執業單位」) 進行初次執業審核時，發現其審計缺失。該執業審核涵蓋執業單位的品質監控系統及一間私人實體公司截至二零一八年三月三十一日的審計工作。溫先生負責執業單位的品質監控系統及為該審計項目的負責人。

執業審核人員發現該執業單位犯有多項嚴重缺失，反映 (i) 溫先生對審計項目採取不恰當的審計方法； (ii) 溫先生沒有就財務報表中若干重大項目：非上市投資、存貨、銷售和採購，執行適當的審計程序和/或編備完備的審核記錄； (iii) 溫先生就財務報表發出了不符合標準的審計報告。此外，審核人員發現執業單位在監督過程存在缺失及並未遵從公會對審計獨立性的要求。

基於上文所述，溫先生沒有或忽略遵守、維持或以其他方式應用以下專業準則：

- (i) Code of Ethics for Professional Accountants 內第 100.5(c) 及 130.1 條有關「Professional Competence and Due Care」的基本原則；
- (ii) 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」；及
- (iii) Hong Kong Standard on Auditing (「HKSA」) 230 「Audit Documentation」，HKSA 500 「Audit Evidence」及多項其他審計準則。

溫先生違反了多項專業準則，反映他漠視專業準則，屬專業上的失當行為。

協議

公會理事會與溫先生達成以下協議：

1. 溫先生承認此個案之事實及違反專業準則之處；
2. 溫先生被譴責；
3. 溫先生須向公會繳付罰款 80,000 港元，並支付公會費用 50,000 港元；及
4. 溫先生承諾於一年內不提供審計服務。

公會認為在議定基礎上達成監管協議符合公眾利益，並信納此情況無需進行紀律程序。

香港會計師公會的監管協議程序

為符合公眾、會計專業及理事會監管職能的最佳利益，預期會導致紀律程序或處於紀律程序的投訴應儘早解決。公會會根據既定準則對監管協議請求進行評估，並按投訴的性質及嚴重性、答辯人過去的處分紀錄及任何加重或減輕處罰的情況，以釐定適當的處分。公會同意以監管協議方式處理的個案，均會以《A Plus》月刊、新聞稿及其他恰當的形式向外公佈。

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關於香港會計師公會

香港會計師公會是根據《專業會計師條例》成立的法定機構，負責培訓、發展和監管本港的會計專業。公會會員逾 47,000 名，學生人數逾 17,000。

公會開辦專業資格課程，確保會計師的人職質素，同時頒佈財務報告、審計及專業操守的準則，以鞏固香港作為國際金融中心的領導地位。

CPA 會計師是一個獲國際認可的頂尖專業資格。公會是全球會計聯盟及國際會計師聯合會的成員之一，積極推動國際專業發展。

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