

PROFESSIONAL ACCOUNTANTS ORDINANCE (Chapter 50)

It is hereby notified that a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ('the Institute'), having considered a complaint lodged by the Institute against Mr. YIP Wai Wing ('Yip') under sections 34(1)(a)(vi) and 34(1)(a)(viii) of the Professional Accountants Ordinance (Chapter 50) ('Ordinance'), found that Yip was in breach of the fundamental principle of integrity in sections 100.5(a), 110.1 and 110.2 (later amended as section 110.1A1(a) and subsections R111.1-2 of Chapter A) of the Code of Ethics for Professional Accountants ('Code of Ethics'), the fundamental principle of professional competence and due care in sections 100.5(c) and 130 (later amended as section 110.1A1(c) and subsection 113 of Chapter A) of the Code of Ethics, 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*, Hong Kong Standard on Auditing ('HKSA') 500 *Audit Evidence* and HKSA 505 *External Confirmations*, and was guilty of professional misconduct.

Yip was the sole proprietor of Nic Yip & Co. In 2020, the Institute's practice review on the firm found that Yip reported false information in the self-assessment questionnaire, created working papers in reaction to the practice review, and issued audit reports in a large number of audit engagements in which he performed no or minimal audit work. In addition, the practice review found significant inadequacies in the firm's quality controls over human resources, engagement performance and compliance with ethical requirements. Furthermore, the reviewers found significant deficiencies in two audit engagements of the firm that were selected for review.

Under section 35(1) of the Ordinance, the said Disciplinary Committee ordered on 23 May 2022 that:—

- (i) the name of Yip Wai Wing be removed from the register of certified public accountants for 12 months and his practising certificate be cancelled with effect from 4 July 2022; and
- (ii) Yip be reprimanded and ordered to pay penalty of HK\$200,000 and costs and expenses of the disciplinary proceedings of HK\$53,737.

15 July 2022

Kelvin LEE *Legal Counsel,*
Hong Kong Institute of Certified Public Accountants