

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 the complaints lodged by the Institute against Ms. Chan Wai Ping ('Chan') under sections 34(1)(a)(vi) and 34(1)(a)(x) of the pre-amended Professional Accountants Ordinance, Chapter 50 ('the Ordinance'), found that Chan failed or neglect to observe, maintain or otherwise apply the fundamental principle of professional competence and due care in sections 100.5(c) and 130 of the Code of Ethics for Professional Accountants; 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') 220 *Quality Control for an Audit of Financial Statements*; HKSA 230 *Audit Documentation*; HKSA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*; HKSA 315 *Identifying and Assessing Risks of Material Misstatement through Understanding the Entity and Its Environment*; HKSA 320 *Materiality in Planning and Performing an Audit*; HKSA 330 *The Auditor's Responses to Assessed Risks*; and HKSA 500 *Audit Evidence*.

As the sole practising director of a corporate practice, Chan Wai Ping & Co. Limited ('Practice') Chan was responsible for operating the Practice, including its compliance with relevant laws and regulations, as well as for the Practice's quality control system and the quality of its audit engagements. The Practice was subject to a first-time practice review in March 2016 and a follow-up practice review which was concluded in Jun 2019 ('Review'). During the Review, the practice review team ('Reviewer') found that the Practice had amended the audit working papers pertaining to a client's audit. The Reviewer also noted that the Practice did not adopt audit programmes in a number of audit engagements, and the Practice did not have adequate policies and procedures to address potential threats to auditor's independence caused by its provision of accounting services to certain audit clients. Further, the Reviewer identified specific deficiencies in two of the Practice's clients' audits.

In communicating with Chan/the Practice during the course of handling the complaint, the Institute found that the Practice had failed to notify the Registrar of a change in the address of its registered office in accordance with the Ordinance. Alternatively, Chan intentionally or recklessly failed to cooperate with the Institute pertaining to the handling of the subject PRC complaint. This indicates improper conduct on the part of Chan.

The Disciplinary Committee further found that Chan was guilty of dishonourable conduct under section 34(1)(a)(x) of the Ordinance.

Under section 35(1) of the Ordinance, the said Disciplinary Committee ordered on 11 October 2023 that:—

- (i) the name of Chan Wai Ping be removed from the register of certified public accountants for two years and her practising certificate be cancelled and not to be issued for 24 months with effect from 22 November 2023; and
- (ii) Chan be reprimanded and ordered to pay costs and expenses of the disciplinary proceedings of HK\$101,446.00.

24 November 2023

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