

APPLICATION ON PAPERS

CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Wong Ka Chung
Considered on:	Thursday, 16 February 2023
Location:	Remotely via Microsoft Teams
Chair:	Mrs Kate Douglas
Legal Adviser:	Mr Robin Havard
Summary	Reprimand Costs payable to ACCA - £545

1. A Consent Order is made on the order of the Chair under the relevant regulations.

INTRODUCTION

2. The Chair had considered a draft Consent Order, signed by Mr Wong Ka Chung and a signatory on behalf of ACCA on 06 February 2023, together with supporting documents in a bundle numbering pages 1 to 34.
3. When reaching their decision, the Chair had been referred by the Legal Adviser to the requirements of Regulation 8 of the Complaints and Disciplinary Regulations 2014 (as amended) ("CDR8") and had accepted his advice. The Chair had also taken account of the content of ACCA's documents entitled "Consent Orders Guidance" and "Consent Orders Guidance FAQs".
4. The Chair understood that Mr Wong Ka Chung was aware of the terms of the draft Consent Order and that it was being considered today.

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5. The Chair also understood that Mr Wong Ka Chung was aware that he could withdraw his agreement to the signed draft Consent Order by confirming the withdrawal in writing. No such withdrawal had been received.

ALLEGATIONS

Allegation 1

Pursuant to byelaw 8(a)(vi), Mr Wong Ka Chung FCCA is liable to disciplinary action by virtue of the action taken against him on 06 October 2020 by The Hong Kong Institute of Certified Public Accountants (HKICPA).

DECISION ON FACTS

6. The Chair noted that the following summary of the facts were agreed and therefore adopted them as their findings of fact.
7. On 29 October 2020, HKICPA took regulatory action against Mr Wong Ka Chung for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute in relation to a company's bank accounts, membership fee income, ongoing litigations and certain expense items. This included his: failure to prepare adequate documentation in breach of paragraphs 8 and/or 10 of HKSA 230 Audit documentation; failure to perform analytical procedures with respect to the professional fees in the 2017 audit, in breach of paragraph 6 of HKSA 520 Analytical Procedures; failure to prepare adequate documentation in accordance with paragraphs 8 and/or 10 of HKSA 230 with respect to the procedures performed on litigation claims; and failure to perform adequate procedures in the 2016 to 2019 audits of membership fee income, in breach of paragraph 6 of HKSA 500 Audit Evidence.
8. During the HKICPA investigative process, Mr Wong Ka Chung acknowledged the facts of the case and the areas of the non-compliance with professional standards.

9. On 30 November 2022, ACCA received confirmation from HKICPA that Mr Wong Ka Chung had paid the costs and penalty ordered as agreed with HKICPA.
10. On 20 December 2021, Mr Wong Ka Chung explained how he and the company had addressed the matters raised by HKICPA in their investigation and the resolution by agreement.

DECISION ON ALLEGATIONS AND REASONS

11. In accordance with CDR8, the Chair has the power to approve or reject the draft Consent Order or to recommend amendments. The Chair can only reject a signed draft Consent Order if they are of the view that the admitted breaches would more likely than not result in exclusion from membership.
12. The Chair was satisfied that there was a case to answer and that it was appropriate to deal with the complaint by way of a Consent Order. The Chair considered that the Investigating Officer had followed the correct procedure.
13. The Chair considered the bundle of evidence and, on the basis of the admissions of the allegations by Mr Wong Ka Chung, found the facts of the allegations proved. They therefore justified disciplinary action.

SANCTION AND REASONS

14. In deciding whether to approve the proposed sanction of a reprimand, and for Mr Wong Ka Chung to pay ACCA's costs in the sum of £545, the Chair had considered the Guidance to Disciplinary Sanctions ("the Guidance"), including the key principles relating to the public interest, namely: the protection of members of the public; the maintenance of public confidence in the profession and in ACCA, and the need to uphold proper standards of conduct and performance. The Chair also considered whether the proposed sanction was appropriate, proportionate and sufficient.

15. In reaching their decision, the Chair had noted the following aggravating feature, as identified by ACCA:
 - The conduct which led to Mr Wong Ka Chung being the subject of regulatory action by HKICPA fell below the standards expected of a qualified ACCA member. As such his conduct has brought discredit upon himself, ACCA and the accountancy profession.
16. However, the Chair did not consider this amounted to an aggravating feature as this related to the definition of misconduct which had not been alleged.
17. In deciding that a reprimand was the most suitable sanction, paragraphs C4.1 to C4.5 of ACCA's Guidance have been considered and the following mitigating factors had been identified by ACCA:
 - a. Mr Wong Ka Chung has accepted the decision of HKICPA and has agreed to dispose of this matter with ACCA, by consent.
 - b. There is no continuing risk to the public as Mr Wong Ka Chung continues to hold a practising certificate issued with HKICPA and has held one since 2016.
 - c. Mr Wong Ka Chung has been a member of HKICPA since 2001.
 - d. HKICPA considered this case to be worthy of a reprimand and a financial penalty and costs and not a more serious sanction.
 - e. Mr Wong Ka Chung has stated that he has put in place procedures to ensure that the non-compliance identified will not be repeated.
 - f. Mr Wong Ka Chung has fully co-operated with ACCA's investigation and regulatory process.
 - g. Mr Wong Ka Chung has been a member of ACCA since 15 March 2001 and has had no disciplinary history with ACCA during this time.

- h. The underlying conduct, in respect of the order made by HKICPA on 29 October 2020, took place between 2016 and 2019 and there is no evidence that Mr Wong Ka Chung has been the subject of any further regulatory action by HKICPA.
- 18. The Chair considered that the mitigating features were supported by documentary evidence and were relevant.
 - 19. In the Chair's judgement, and when considering the criteria set out in the Guidance, the conduct was such that the public interest would not be served by making no order, nor would an admonishment adequately reflect the seriousness of Mr Wong Ka Chung's conduct.
 - 20. Therefore, the Chair concluded that it would be proportionate and sufficient to impose a reprimand to reflect the seriousness of the findings against Mr Wong Ka Chung.
 - 21. In all the circumstances, the Chair was satisfied that the sanction of a reprimand was appropriate, proportionate, and sufficient.

COSTS AND REASONS

- 22. ACCA was entitled to its costs in bringing these proceedings. The claim for costs in the sum of £545, which had been agreed by Mr Wong Ka Chung, appeared appropriate.

ORDER

- 23. Accordingly, the Chair approved the terms of the attached Consent Order. In summary:
 - a. Mr Wong Ka Chung shall be reprimanded; and
 - b. Mr Wong Ka Chung shall pay costs of £545 to ACCA.

**Mrs Kate Douglas
Chair
16 February 2023**