HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	**Mr Ngan Hing Hon**
Heard on:	**14 July 2026**
Location:	**Remotely via Microsoft Teams**
Committee:	**Mr Andrew Gell (Chair)** **Mr Nigel Pilkington (Lay)** **Mr George Wood (Accountant)**
Legal Adviser:	**Ms Jane Kilgannon**
Persons present and capacity:	**Mr Mazharul Mustafa (ACCA Case Presenter)** **Ms Aimee Murphy (Hearings Officer)**
Summary:	**Allegation 1 proved** **Severe reprimand**
Costs:	**Mr Hon to pay £5,000.00 towards ACCA's costs**

1. The Disciplinary Committee (the Committee) convened to consider the case of Mr Ngan Hing Hon (Mr Hon).

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2. Mr Mazharul Mustafa (Mr Mustafa) represented the Association of Chartered Certified Accountants (ACCA). Mr Hon did not attend the hearing and was not represented.

3. The Committee had confirmed that it was not aware of any conflicts of interest in relation to the case.

4. In accordance with Regulation 11(1)(a) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (the Regulations), the hearing was conducted in public.

5. The hearing was conducted remotely through Microsoft Teams.

6. The Committee had considered in advance the following documents:

   a. Hearing bundle (pages 1 to 52)

   b. Service bundle (pages 1 to 15).

SERVICE OF PAPERS

7. The Committee considered whether the appropriate documents had been served on Mr Hon in accordance with the Regulations.

8. The Committee accepted the advice of the Legal Adviser, who referred it to Regulations 10 and 22 of the Regulations, and in particular the requirement that notice of the hearing must be served no later than 28 days before the date of the hearing unless there are exceptional circumstances.

9. The Committee noted the written notice of the hearing scheduled for today, 14 July 2026, that had been sent by electronic mail (email) to Mr Hon's registered email address on 11 June 2026. It also noted the subsequent email sent to him with the necessary link and password to enable him to gain access to the letter and the documents relating to this hearing.

10. As the notice of hearing was sent by email, the Committee noted that service may be proved by confirmation of delivery of the notice, which had been provided to the Committee, and that the notice would be deemed as having been served on the day that it was sent, that is, 11 June 2026. On the basis of that documentation, the Committee was satisfied that the notice of hearing had been served on Mr Hon on 11 June 2026, 33 days before the date of today's hearing.

11. The Committee noted the contents of the notice of hearing and was satisfied that it contained all of the information required by Regulation 10 of the Regulations.

12. The Committee concluded that service of the notice of hearing had been effected in accordance with Regulations 10 and 22 of the Regulations.

PROCEEDING IN ABSENCE

13. Mr Mustafa made an application that the hearing proceed in the absence of Mr Hon.

14. The Committee, having satisfied itself that the requirements of Regulations 10 and 22 of the Regulations had been complied with, went on to consider whether to proceed in the absence of Mr Hon.

15. The Committee took into account the submissions of Mr Mustafa. The Committee accepted and took into account the advice of the Legal Adviser, who referred it to Regulation 10(7) of the Regulations, the ACCA document 'Guidance for Disciplinary Committee hearings' and the relevant principles from the cases of *R v Jones* [2002] UKHL 5, and *GMC v Adeogba and GMC v Visvardis* [2016] EWCA Civ 162.

16. The Committee bore in mind that its discretion to proceed in the absence of Mr Hon must be exercised with the utmost care and caution.

17. The Committee noted that ACCA had sent the notice of hearing to Mr Hon at his registered email address and that Mr Hon had responded by email on 30 June 2026 stating that he would not be attending the hearing.

18. On the basis of the evidence set out above, the Committee was satisfied that ACCA had made reasonable efforts to notify Mr Hon about today's hearing and that Mr Hon knew about the hearing. The Committee noted that Mr Hon had not applied for an adjournment of the hearing and there was no indication that such an adjournment would secure his attendance on another date. Furthermore, there was no evidence that Mr Hon was absent due to incapacity or illness. The Committee therefore concluded that Mr Hon had voluntarily absented himself from the hearing.

19. The Committee considered that any disadvantage to Mr Hon in not being present at the hearing to provide his account of the relevant events could be addressed by the Committee's thorough assessment of the evidence presented by ACCA, the opportunity for Committee questions to test the evidence presented by ACCA, and the Committee's consideration of Mr Hon's correspondence with ACCA during its investigation.

20. The Committee was mindful that there is a public interest in dealing with regulatory matters expeditiously.

21. Having balanced the public interest with Mr Hon's own interests, the Committee decided that it was fair, appropriate and in the interests of justice to proceed in Mr Hon's absence.

BACKGROUND

22. Mr Hon became a Member of ACCA on 23 April 1987 and a Fellow on 23 April 1992.

23. On 24 December 2025 Mr Hon notified ACCA that he had been disciplined by the Accounting and Financial Reporting Council of Hong Kong (the AFRC-HK).

He provided a copy of the AFRC-HK Statement of Disciplinary Action and an associated press release from the AFRC-HK dated 20 November 2025.

24. The AFRC-HK 'Statement of Disciplinary Action' included the following:

"*1. Pursuant to section 37CA of the Accounting and Financial Reporting Council Ordinance (Cap. 588) (AFRCO), the Accounting and Financial Reporting Council (AFRC) has:*

1.1. Publicly reprimanded each of [Firm A]*,* […] *and Mr Hon Hing Hon (Ngan); […]*

1.4 imposed a pecuniary penalty of HK$90,000 against Ngan.

2. The sanctions were imposed in relation to the audit of the consolidated financial statements of [Company B] *and its subsidies (collectively, the Group) for the year ended 31 March 2017 (2017 Financial Statements).*

3. [Firm A] *conducted the audit of the 2017 Financial Statements (2017 Audit).* […]

5. Ngan was the engagement quality control reviewer (EQCR) for the 2017 Audit and director of [Firm A] *at that time.*

6. The AFRC found multiple audit deficiencies in the 2017 Audit, specifically in relation to the valuation of technologies and the impairment testing of goodwill following a major acquisition by the Group in December 2016. […]

36. The AFRC found multiple deficiencies in the engagement quality control review performed by Ngan in the 2017 Audit.

37. As the EQCR, Ngan was obliged to evaluate the engagement team's significant judgments and conclusions, particularly in respect of key audit matters such as goodwill impairment testing. His work in this regard was *inadequate and fell significantly short of discharging this obligation, in breach of HKSA 220.20.*

38. Based on the audit documentation which Ngan reviewed (or should have reviewed), he ought to have identified that the Auditor lacked sufficient appropriate audit evidence to support its conclusions on the fair value of the Technologies and impairment of goodwill, and declined to sign off on the completion of the engagement quality control review until this had been resolved.

39. However, Ngan failed to identify this, and instead proceeded to sign off on the engagement quality control review. He thereby allowed the Auditor to incorrectly issue an unmodified audit opinion in the 2017 Audit. […]

41.1. The misconduct by the Auditor and the EQCR involved moderately serious failures to meet the standard of care expected of them, as well as breaches of the PAO professional standards.

41.2. As a result of the misconduct, the Auditor incorrectly issued an unmodified audit opinion on the financial statements of a publicly-listed company.

41.3. The misconduct potentially caused material misstatements in the 2017 Financial Statements, particularly in light of the fact that in the following year, the Company recognised impairment losses for the entirety of the HK$90.98 million in goodwill arising from the acquisition of [Company C] *and the vast majority (i.e. HK$24.4 million) of the Technologies.*

41.4. That being said, the AFRC does not make any finding of intentional, dishonest or deliberate misconduct by any of the regulates, and all three regulates have a clean disciplinary record with AFRC and HKICPA [Hong Kong Institute of Certified Public Accountants]".

25. On 23 January 2026 ACCA's investigation team wrote to Mr Hon about the disciplinary action taken against him by the AFRC-HK.

26. In February 2026 Mr Hon made an application to resign his membership of ACCA but that application was declined.

27. On 12 February 2026 Mr Hon responded to ACCA's investigation team, confirming that he accepted the findings of AFRC-HK, had not appealed the decision of AFRC-HK, had paid the AFRC-HK fine, and providing details of CPD courses and seminars that he had undertaken "*to ensure the shortcomings identified by AFRC will not be repeated*".

28. Mr Hon also confirmed that he:

    a. is a registered partner of a [REDACTED] audit firm, carrying on public practice activities;

    b. holds a practising certificate with the AFRC-HK; and

    c. has applied to join ACCA's Register of Practitioners.

ALLEGATIONS

1. Pursuant to bye-law 8(a)(vi), Mr Ngan Hing Hon, an ACCA Member, is liable to disciplinary action by virtue of the disciplinary action taken against him by the Accounting and Financial Reporting Council of Hong Kong on 20 November 2025.

DECISION ON FACTS AND REASONS

Allegation 1 – Proved

29. As no formal admission had been made by Mr Hon (by returning a completed Case Management Form), it was for ACCA to prove its case in relation to the allegation put forward.

30. The Committee considered with care all of the documentary evidence presented, and the submissions made by Mr Mustafa on behalf of ACCA.

31. The Committee accepted the advice of the Legal Adviser. The burden of proof rested on ACCA and the standard of proof was the civil standard, the balance of probabilities.

32. The Committee noted the self-referral from Mr Hon, together with the AFRC-HK 'Statement of Disciplinary Action' and press release dated 20 November 2025. Based on that documentary evidence, the Committee concluded that, on 20 November 2025, the AFRC-HK had publicly disciplined Mr Hon and imposed the sanction of a reprimand together with a financial penalty in the sum of HK$90,000.00. The Committee noted Mr Hon's confirmation that he was not seeking to appeal against the findings or disciplinary action taken by the AFRC-HK.

33. The Committee noted ACCA bye-law 8(a)(vi) which provided as follows:

"8 (a) A member, relevant firm or registered student shall, subject to bye-law 11, be liable to disciplinary action if: […]

(vi) he or it has been disciplined by another professional or regulatory body".

34. The Committee noted that the AFRC-HK press release dated 20 November 2025 included a description of the organisation as follows:

"*The Accounting and Financial Reporting Council (AFRC) is an independent body established under the Accounting and Financial Reporting Council Ordinance. As an independent regulator, the AFRC leads the accounting profession by upholding professional standards, safeguarding the public interest, and promoting the profession's healthy development*".

35. Based on that information, the Committee was satisfied that the AFRC-HK is an independent regulator of accounting professionals in Hong Kong. As such,

it found that it fell within the description of "*another professional or regulatory body*" at ACCA bye-law 8(a)(vi).

36. Taking all of this information into account, the Committee found that Mr Hon has had disciplinary action taken against him by another professional or regulatory body, namely AFRC-HK, on 20 November 2025, and he is therefore liable to disciplinary action pursuant to ACCA bye-law 8(a)(vi).

37. Accordingly, the Committee found Allegation 1 proved.

DECISION ON SANCTION AND REASONS

Submissions on behalf of ACCA

38. Mr Mustafa stated that ACCA took a neutral position as to which sanction, if any, ought to be imposed by the Committee.

39. Mr Mustafa informed the Committee that, whilst Mr Hon had a finding against him by the regulatory body in Hong Kong, he had no previous professional regulatory findings against him from ACCA. He also acknowledged that, although Mr Hon had not returned a completed Case Management Form making formal admissions, he had self-referred to the ACCA and had not disputed the matters alleged. Mr Mustafa also invited the Committee to note that Mr Hon had cooperated with the ACCA investigation.

40. In assessing seriousness, Mr Mustafa invited the Committee to consider the findings of the ARFC-HK in the Statement of Disciplinary Action. He also drew the Committee's attention to Sections E and F of the ACCA document 'Guidance for Disciplinary Sanctions' which provided specific guidance in relation to disciplinary action taken by another professional body.

41. In assessing remorse, insight and corrective steps, Mr Mustafa invited the Committee to consider the email correspondence from Mr Hon, together with supporting documentation.

Submissions from Mr Hon

42. Mr Hon had not provided written representations specifically for this hearing. However, when he responded to ACCA's questions on 12 February 2026, he had made clear that he accepted the AFRC-HK findings, was not seeking to appeal the findings, and that he had paid the fine imposed (together with a receipt for payment). Mr Hon had also provided a list of CPD courses and seminars that he said were relevant and had been taken "*to ensure the shortcomings identified by AFRC will not be repeated*". The list included ten items across the date range 16 September 2020 to 05 November 2024.

43. Furthermore, the Committee noted Mr Hon's email to ACCA dated 30 June 2026 in which he stated:

"[…]
2. I informed the case to ACCA in good faith.
3. The case was under my CPA practising in [REDACTED] *under my practising certificate in* [REDACTED]*, not from using ACCA membership or practising certificate in* [REDACTED]*.*
4. I have already paid penalty for the case to AFRC in Hong Kong.
5. I have already resigned from ACCA membership in February 2026.
6. I will not accept disciplinary actions of any kind from you.
7. I am sorry for ACCA to take such actions like this despite my 40 years' membership and my reasons above.
8. I think you should consider to close the case against me considering my 40 years contribution to ACCA and my reasons above".

Decision and reasons

44. In reaching its decision on sanction, the Committee took into account all of the documentation before it, and the submissions made by Mr Mustafa and Mr Hon. The Committee also referred to the ACCA document 'Guidance for Disciplinary Sanctions' (10 February 2026).

45. The Committee accepted the advice of the Legal Adviser including the following principles:

a. The purpose of a sanction is not to punish, but to protect the public, maintain public confidence in the profession and to maintain proper standards of conduct;

b. Any sanction must be proportionate, so the Committee must balance the interests of the member with the interests of wider ACCA membership and the public; and

c. The Committee must consider the sanctions in order of severity, starting with the least severe first.

46. The Committee assessed Mr Hon's conduct to be serious. With reference to Section F of the 'Guidance for Disciplinary Sanctions' document, the Committee noted that being disciplined by another professional body is categorised as 'Very serious' but that, in assessing seriousness, the Committee should take into account any relevant aggravating or mitigating factors. The Committee therefore took 'Very serious' as its starting point in assessing seriousness. The Committee then went on to note that the AFRC-HK's Statement of Disciplinary Action assessed Mr Hon's conduct as having involved "*moderately serious failures*" resulting in the incorrect issue of an unmodified audit opinion and having potentially caused material mis-statements in the 2017 financial statements of a publicly-listed company. However, the AFRC-HK also stressed that there were no findings that the failures had been intentional, dishonest or deliberate. Bearing in mind the starting point of 'Very serious', the AFRC-HK's assessment of moderate seriousness, and the Committee having identified substantial mitigation (see below), the Committee concluded that, in all the circumstances of this case, Mr Hon's conduct was properly to be categorised as 'Serious'.

47. The Committee did not identify any aggravating features.

48. The Committee identified the following mitigating features:

a. The AFRC-HK's Statement of Disciplinary Action made clear that there was no finding that Mr Hon's failures were intentional, dishonest or deliberate;

b. Single isolated incident in an otherwise unblemished long (approximately 40 years) membership with ACCA;

c. Self-referral, co-operation and engagement with the ACCA investigation and the disciplinary processes;

d. Early admissions, in the sense that the AFRC-HK findings were accepted and the ACCA allegation was not disputed;

e. Demonstration of insight into the underlying matters, in accepting the finding of the AFRC-HK and paying the financial penalty imposed, prompt self-referral to ACCA, and decision to take corrective steps (reflection and CPD courses and seminars);

f. Evidence of appropriate corrective steps taken – relevant and targeted CPD courses and seminars; and

g. No evidence of repetition.

49. No employment references or character testimonials were provided for the consideration of the Committee.

50. Given the substantial mitigation identified, including insight, corrective steps and no evidence of repetition, the Committee assessed the risk of repetition to be very low. The Committee therefore assessed there to be no continuing risk to public protection. However, given the nature and seriousness of the AFRC-HK finding against Mr Hon, the Committee did consider that the other two limbs of the public interest – the maintenance of public confidence in the profession and ACCA and the upholding of proper professional standards of conduct and performance – were engaged.

51. The Committee considered the available sanctions in increasing order of severity.

52. The Committee was mindful of the guidance at Section E1 of the ACCA Guidance for Disciplinary Sanctions, that it is not the purpose of sanctions to punish a member for the second time in relation to a sanction imposed by another professional body. The Committee also noted Section F of the guidance that it should take into account the sanction imposed by the other body although it is not constrained to follow it.

53. The Committee considered that taking no action and imposing an admonishment would all be inappropriate given the seriousness of Mr Hon's underlying conduct and the risks identified to maintaining public confidence in the profession and ACCA, and in upholding proper professional standards of conduct and performance.

54. The Committee considered imposing a reprimand. The Committee noted that the guidance indicated that a reprimand is usually appropriate where the conduct is of a minor nature and there is no ongoing risk to the public. Although the Committee had found no ongoing risk to the public, Mr Hon's underlying conduct could not be properly described as "*mino*r". Indeed, the Committee had assessed his conduct to have been serious. For that reason, the Committee concluded that a reprimand would be insufficient to mark the seriousness of the conduct and address the risks to the wider public interest in this case.

55. The Committee next considered imposing a severe reprimand on Mr Hon. The Committee noted that the guidance indicated that a severe reprimand would be appropriate in cases where the conduct is of a serious nature but where the circumstances of the case or mitigation advanced satisfies the Committee that there is no continuing risk to the public. The Committee reminded itself of its earlier findings that Mr Hon's underlying conduct had been serious but that there was substantial mitigation indicating that there was no continuing risk to the public. Furthermore, the Committee considered that a number of the factors

listed at paragraph C4.1 of the guidance document were present in this case, namely:

a. The misconduct was not intentional and is no longer continuing;
b. Insight into failings;
c. Previous good record (with ACCA);
d. No repetition of failure/conduct – it was an isolated incident;
e. Rehabilitative/corrective steps taken to cure the conduct and ensure future errors do not occur;
f. Co-operation during the investigations stage.

56. On that basis, the Committee considered that a severe reprimand would be appropriate in this case.

57. To confirm its reasoning, the Committee considered the next sanction up in order of seriousness – exclusion from ACCA membership. However, noting the substantial mitigation in this case and the fact that there is no continuing risk to the public, the Committee concluded that exclusion from ACCA membership would be a disproportionate response in the circumstances.

58. The Committee therefore concluded that a severe reprimand would be the appropriate and proportionate sanction to impose in this case.

DECISION ON COSTS AND REASONS

Submissions on behalf of ACCA

59. Mr Mustafa, on behalf of ACCA, applied for Mr Hon to make a contribution to the costs of ACCA in bringing this case. Mr Mustafa applied for costs in the sum of £5,760.00. The application was supported by a schedule breaking down the costs incurred by ACCA in connection with the investigation and the hearing.

Submissions from Mr Hon

60. Mr Hon had not provided the Committee with a Statement of Financial Position. Nor had he provided any written representations in relation to this stage of the ACCA proceedings.

Decision and reasons

61. The Committee accepted the advice of the Legal Adviser who referred the Committee to Regulation 15(1) of the Regulations and the ACCA document ‘Guidance for Costs Orders’ (September 2023).

62. The Committee was satisfied that ACCA was entitled to costs in principle and had been justified in investigating these matters. Having reviewed the schedule, the Committee considered that the costs claimed appeared to have been reasonably and proportionately incurred.

63. Without any information from Mr Hon as to his personal and financial circumstances, the Committee had no basis to reduce the amount of costs awarded on the basis of ability to pay or other personal circumstances.

64. The Committee made a reduction to the costs awarded to take into account the slightly shorter running time of the hearing than that estimated in the ACCA costs schedule.

65. Taking all of these circumstances into account, the Committee decided that Mr Hon should be ordered to make a contribution to the costs of ACCA in the sum of £5,000.00.

ORDER

66. The Committee made the following order:

    a. Mr Hon is severely reprimanded; and

    b. Mr Hon shall make a contribution to ACCA’s costs in the sum of £5,000.00.

EFFECTIVE DATE OF ORDER

67. In accordance with Regulation 20(1)(a) of the Regulations, the order relating to sanction shall take effect at the end of the appeal period.

68. In accordance with Regulation 20(2) of the Regulations, the order relating to costs shall take effect immediately.

Mr Andrew Gell
Chair
14 July 2026