

Press Release

16 December 2025

AFRC reprimands BOFA CPA Limited for improperly backdating audit working papers and imposes a pecuniary penalty

The Accounting and Financial Reporting Council (**AFRC**) has sanctioned BOFA CPA Limited (**BOFA**)¹ for improperly backdating audit working papers in two audit engagements, amounting to CPA misconduct and FR misconduct. The AFRC has:

- issued a public reprimand against BOFA; and
- imposed a pecuniary penalty of HK\$175,000 on BOFA.

The disciplinary action arises from professional and practice irregularities identified during an AFRC inspection that concluded in 2024. The inspection covered BOFA's audits of the consolidated financial statements of a listed company for the year ended 31 December 2021 and the financial statements of a licensed corporation for the year ended 31 March 2022, with audit reports issued in March 2022 and July 2022 respectively.

Among other issues identified during the inspection, the AFRC observed that the audit working papers for both audit engagements included audit programmes related to audit planning – specifically, risk assessment and audit strategy – that were sourced from the 2022 edition of the Audit Practice Manual issued by the Hong Kong Institute of Certified Public Accountants (**HKICPA**) in September 2022, *after* the respective audit report issuance and file assembly dates. As such, these audit programmes could not have existed as at those dates.

Furthermore, BOFA was not able to provide any documentary evidence demonstrating the existence of any superseded audit programmes purportedly prepared during the course of the audits. It is undisputed that these audit programmes were created after the audit file assembly dates, but were backdated (and signed) to various dates prior to the issuance of the respective audit reports.

The AFRC considered that the backdated nature of these programmes created a misleading impression that they had been prepared and reviewed by the engagement team during the course of the audits, even though they were in fact created after the audit file assembly dates. This raises concerns as to whether the auditor had actually performed the necessary audit planning work at the time of the audits.

As a result, BOFA's practice fell short of the fundamental principle of integrity as set out in the Code of Ethics for Professional Accountants, and breached the requirements

¹ Registration number M0749.

of Hong Kong Standard on Auditing 230 – Audit Documentation, as the final audit files were not assembled on a timely basis, or were altered without proper documentation of the reasons and details for such modification.

In determining the appropriate disciplinary sanctions, the AFRC considered all the relevant circumstances, including the nature, seriousness, duration, frequency and impact of the misconduct. Specifically, the AFRC took into account the following:

- the misconduct was serious, involving backdating of audit documentation across both inspected audit engagements, which could have undermined public confidence in the profession;
- there was, however, no evidence to suggest that the misconduct led to audit deficiencies or material misstatements in the financial statements;
- the engagement partner concerned, who was the sole practising director, quality control system responsible person and shareholder of BOFA at the relevant time of the misconduct, has since left the practice and is no longer involved in BOFA's business;
- BOFA implemented remedial measures as directed by the AFRC and as recommended by an external consultant within the required timeframe, and voluntarily refrained from accepting any new PIE engagements whilst remediation was ongoing; and
- BOFA has clean disciplinary records with the HKICPA and the AFRC.

BOFA admitted its misconduct, accepted the AFRC's disciplinary action in full, and reached an early settlement with the AFRC. In light of BOFA's cooperative attitude, the AFRC has exercised its discretion under the [Guidance Note on Cooperation with the AFRC](#) and reduced the pecuniary penalties by 30%.

Ms Hester Leung, Head of Discipline, said, "Improper backdating or alteration of audit documentation is a serious breach of integrity that undermines the credibility of the profession. The integrity of audit documentation is not merely a technical requirement, but a cornerstone of audit quality and public trust. Firms must have strong systems in place to ensure audit documentation is complete, archived promptly, and protected from improper alteration."

This message echoes the AFRC's earlier call to action in its publication, [The Importance of Audit Documentation Integrity](#), issued on 29 May 2024, which urged the profession to strengthen audit documentation systems and controls to ensure integrity of audit documentation.

The investigation into the relevant engagement partner is currently underway.

For details of the decision, please refer to the [Statement of Disciplinary Action](#).

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About the Accounting and Financial Reporting Council

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.

For more information about the statutory functions of the AFRC, please visit www.afr.org.hk.

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