

Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

Member Name: The Malta Institute of Accountants

Country: Malta

Published Date: December 2006

Disclaimer: Please refer to the Disclaimer published on IFAC's website about this assessment.

Number	Question Title/Text/Help text	Answer	Comments
IFAC Part 2 SMO Self-Assessment			
1.	SMO 1		
1.1.	Quality Assurance Program		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	The quality assurance review program has been legislated on 17 February 2006. All auditors performing audits of financial statements of limited liability companies in Malta will be subject to the QA review program.
1.2.	Responsibility for Quality Assurance - Overview		
1.2.1.	<i>Responsibility for Quality Assurance</i> Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements?	1 <input type="radio"/> Yes - for all audits of financial statements	Responsibility for quality assurance for all audits rests with the Accountancy Board, which is the authority

Number	Question Title/Text/Help text	Answer	Comments
	Select the answer option that is most appropriate.	<p>2 <input type="radio"/> Yes - for all audits except those of listed entities</p> <p>3 <input type="radio"/> Our organization shares responsibility for the quality assurance program with another body</p> <p>4 <input checked="" type="radio"/> No, responsibility for quality assurance for all audits rests with another body</p> <p>5 <input type="radio"/> Other (please describe)</p> <p>6 <input type="radio"/> Not applicable - no members of our organization perform audits of listed entities</p>	regulating the profession in Malta.
1.2.2.	<i>Name of Other Body Responsible for QA</i> State the name of the other body that is responsible for quality assurance review for all audits.	The Accountancy Board (the regulator) is the body that is responsible for quality assurance review for all audits.	
1.2.4.	<i>Quality Assurance (Other Body) - Scope</i> Is the scope of the of the quality assurance review program implemented by another body materially narrower than the scope of the requirements of SMO1?	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>	
1.3.	<i>Activities to promote SMO 1</i> Please describe what activities your organization undertakes to promote	The Malta Institute of Accountants promotes the Quality Assurance	

Number	Question Title/Text/Help text	Answer	Comments
	obligations set in SMO 1 Quality Assurance.	system by encouraging members to implement the highest level of quality standards. It does so primarily by holding regular Continuous Professional Education (CPE) events to assist members in complying with such standards. The Institute is also responsible for administering the educational process of the QA program by monitoring adherence to CPE requirements by members and non-members (holding a warrant) of the Institute.	
2.	SMO 2		
2.1.	<i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Complete a program of professional accountancy education</p> <p>2 <input checked="" type="checkbox"/> Complete a practical experience requirement</p>	Following completion of professional accountancy education, an individual may join the Malta Institute of Accountants as an Associate. The individual will subsequently become a full Member after having completed the necessary practical experience requirements.

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies 4 <input type="checkbox"/> None of the above	
2.2.	<i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.3.	Professional Accountancy Education		
2.3.1.	<i>Professional Accountancy Education Program</i> Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Our organization	An individual may only become an Associate after having completed a professional accountancy education program. In Malta one can do so through either of two routes. The first is a Bachelor of Accountancy (Hons.) degree provided by the University of Malta. The second route is ACCA + local variants in Law and Taxation. While the Institute administers the local scheme, there are currently two approved training institutions

Number	Question Title/Text/Help text	Answer	Comments
		<p>2 <input type="checkbox"/> Another IFAC member body 3 <input checked="" type="checkbox"/> Universities 4 <input type="checkbox"/> Approved training institutions 5 <input type="checkbox"/> Government bodies 6 <input type="checkbox"/> Other organizations</p>	<p>providing tuition courses for such exams.</p>
2.3.2.	<p><i>Describe Other Organizations</i> Where your response in question 2.3.1 indicates another IFAC member body, universities, approved training institutions, and / or other organizations deliver the professional accountancy education program, describe these organizations and their legal authority to deliver the program. (Include the name of the other IFAC member body where relevant).</p>	<p>The Accountancy Profession Act sets out the pre-requisites which an individual must satisfy in order to be awarded a warrant and one of such pre-requisites is education. The Act requires an applicant to have completed a Bachelor of Accountancy Hons. degree from the University of Malta, or an equivalent academic qualification as approved by the Accountancy Board, provided the applicant has successfully passed examinations in local laws and taxation.</p> <p>The University of Malta provides the Bachelor of Accountancy Honours degree on an annual basis. The Malta Institute of Accountants administers the ACCA joint scheme, which is ACCA</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>examinations together with local variants.</p> <p>Both the University of Malta, and the Malta Institute of Accountants, are approved by the Accountancy Board.</p>	
2.3.3.	<p><i>Prof Accountancy Education Program Follow Up</i></p> <p>Please describe how your organization ensures the professional accountancy education program, delivered by the organization in response to question 2.3.1., meets the required content.</p> <p>Include in your description the specific activities your organization undertakes with regards to the necessary content requirements.</p>	<p>Both the University of Malta and ACCA enjoy a very good reputation and their syllabus is deemed to be of a very high caliber. The respective qualifications are highly regarded and recognised worldwide.</p> <p>The Institute administers the ACCA joint scheme in Malta and therefore has some degree of control over the content requirements. The Institute also assesses the Bachelor of Accountancy (Hons) degree content regularly and is very much aware of the course program and the high level of taught.</p> <p>Both qualifications meet the desired education standards which the MIA</p>	

Number	Question Title/Text/Help text	Answer	Comments
			demands of its applicants.
2.4.	Final Assessment Follow Up		
2.4.1.	<i>Final Assessment Approach Follow Up</i> Since your organization does not require completion of a final assessment, please describe how your organization assesses whether an individual has the required professional capabilities and competencies.		Although the Malta Institute of Accountants does not require the completion of a final assessment for associateship and membership, it relies on the successful completion of final examinations in the Bachelor of Accountancy (Hons) degree and ACCA course for an applicant's admission.
2.4.2.	<i>Plans for Final Assessment</i> Are there plans to introduce a final assessment of professional capabilities and competence?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
2.4.4.	<i>Plans for Final Assessment Follow Up</i> Please explain why there is no plan to introduce a final assessment of professional capabilities and competence.		For an applicant to be admitted as an associate of the Institute he or she must have successfully completed the final examinations and obtained the respective qualification from the University of Malta or MIA (ACCA + local variants). Both institutions enjoy an excellent reputation and their final assessments are considered to be of

Number	Question Title/Text/Help text	Answer	Comments
		<p>a very high calibre. As a result, the Institute relies on the completion of these exams as a final assessment of one's competence to be admitted as an associate.</p>	
2.7.	IES 1 Entry Requirements		
2.7.1.	<p><i>Entry Requirements and Equivalency</i> Section 2.7 deals with the entry requirements to the professional accountancy education program delivered by your organization.</p> <p>Are the entry requirements to the program equivalent to admissions requirements for a recognized university degree program (or its equivalent)?</p>	<p>1 <input type="radio"/> Entry requirements are at least equivalent to that for admission into a recognized university degree program (or its equivalent)</p> <p>2 <input checked="" type="radio"/> Entry requirements are not equivalent to that for admissions into a recognized university degree program (or its equivalent)</p>	
2.7.2.	<p><i>Entry Requirements Follow Up</i> Please describe in general terms the experience and / or knowledge required to enter into the professional accountancy education program. For example, whether the individual must have secondary education (e.g. high school diploma) or the type and number of years of work</p>	<p>To enter into the professional accountancy education program, a prospective student must possess at least three ordinary level (GCE) exams, and two advanced level (post-secondary level) exams. A pass in Maths and English, either in</p>	

Number	Question Title/Text/Help text	Answer	Comments
	experience that is recognized.	ordinary or advanced levels, is compulsory.	
		To apply for a University degree a prospective student must have successfully obtained two advanced level exams, and four intermediate level exams (same level as advanced but one-third of the syllabus).	
2.8.	IES 2 Content of Professional Accounting Education Program		
2.8.1.	<p><i>Gaining Accountancy Knowledge</i> Section 2.8 deals with the general content of the professional accountancy education program delivered by your organization.</p> <p>What forms of pre-qualification, professional accountancy knowledge are recognized by your organization? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Post-secondary accounting degree</p> <p>2 <input type="checkbox"/> Post-secondary business or finance degree</p> <p>3 <input type="checkbox"/> Post-secondary degree in another subject matter</p> <p>4 <input checked="" type="checkbox"/> Qualification offered by another IFAC member body</p> <p>5 <input checked="" type="checkbox"/> Relevant work experience</p>	

Number	Question Title/Text/Help text	Answer	Comments
2.8.3.	<p><i>Describe Other IFAC Qualification</i> State the name of the IFAC member body and the title / designation offered by the IFAC member body that is recognized by your organization.</p>	<p>6 <input type="checkbox"/> Other</p> <p>The following qualifications are also recognised, provided they are accompanied by exams in local variants: ACCA The Institute of Chartered Accountants in England and Wales (ICAEW) The Chartered Institute of Management Accountants (CIMA) provided applicant sits for and passess auditing exams, in addition to local variants</p>	
2.8.4.	<p><i>Relevant Work Experience</i> Describe the type and length of work experience that is recognized as part of pre-qualification professional accountancy knowledge.</p>	<p>For an applicant to gain admission to membership, he or she must demonstrate that he has obtained a minimum of three years of acceptable supervised, practical experience in an accountancy role (or roles) and has reached the required standard of competence.</p> <p>In obtaining the minimum practical experience required for admission,</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>applicants need to be familiar with the 9 Key Areas that cover a range of technical and management functions. Within each of these Key Areas, specific elements of competence have been defined. Each element of competence relates to a specific skill, task or area of responsibility that may be demonstrated by a candidate in the workplace.</p> <p>The nine Key Areas identified are: Financial Information Business Analysis and Measurement Taxation Statutory Audit Internal Review and Consultancy Asset Management Business Growth and Development Manage Information Systems Manage People</p> <p>Practical experience obtained by graduates during the course of their studies may be contributed to the practical experience requirement.</p>	

Number	Question Title/Text/Help text	Answer	Comments
		Full details of practical experience requirements may be downloaded through the following link: http://www.miamalta.org/Practical_Experience_Requirements_for_Propective_Members.pdf	
2.8.6.	<p><i>Pre-Qualification for Professional Knowledge</i></p> <p>What is the length of the professional accountancy knowledge component of pre-qualification education? Select the answer option that is the most appropriate.</p>	<p>1 <input type="radio"/> Two years of full-time study or part-time equivalent</p> <p>2 <input type="radio"/> Less than two years of full-time study or part-time equivalent</p> <p>3 <input checked="" type="radio"/> More than two years of full-time study or part-time equivalent study</p>	<p>Bachelor of Accountancy Hons degree - 5 years full-time study</p> <p>ACCA with local variants - average of 5 years part-time study</p>
2.8.7.	<p><i>Length Follow Up</i></p> <p>Please describe the extent of professional accountancy knowledge that is required as part of the pre-qualification education component. Include in your description factors that were relevant in selecting the extent of knowledge required.</p>	The pre-qualification education component must include in depth knowledge in subjects related to the areas of Accounting, Auditing, Management and Management Accounting and Financial Management.	

Number	Question Title/Text/Help text	Answer	Comments
2.8.8.	Pre-Qualification Content		
2.8.8.1.	<p><i>Accounting and Finance</i> Section 2.8.8.1 deals with the specific content of the professional accountancy education program delivered by your organization.</p> <p>Which of the following accounting, finance, and related knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Financial accounting and reporting</p> <p>2 <input checked="" type="checkbox"/> Management accounting and control</p> <p>3 <input type="checkbox"/> Control</p> <p>4 <input checked="" type="checkbox"/> Taxation</p> <p>5 <input checked="" type="checkbox"/> Business and commercial law</p> <p>6 <input checked="" type="checkbox"/> Audit and assurance</p> <p>7 <input checked="" type="checkbox"/> Finance and financial management</p> <p>8 <input checked="" type="checkbox"/> Professional values and ethics</p> <p>9 <input type="checkbox"/> None of the above</p>	
2.8.8.2.	<p><i>Accounting and Finance Follow Up</i> For the accounting and finance subjects in question 2.10.8.1 that are not required by your organization, please explain the special conditions or reasons why they are not required.</p>	Accounting and finance subjects are required by our organisation.	
2.8.8.3.	<i>Organizational and Business Knowledge</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Which of the following organizational and business knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Economics 2 <input checked="" type="checkbox"/> Business environment 3 <input type="checkbox"/> Corporate governance 4 <input type="checkbox"/> Business ethics 5 <input checked="" type="checkbox"/> Financial markets 6 <input checked="" type="checkbox"/> Quantitative methods 7 <input checked="" type="checkbox"/> Organizational behavior 8 <input checked="" type="checkbox"/> Management and strategic decision making 9 <input type="checkbox"/> Marketing 10 <input type="checkbox"/> International business and globalization 11 <input type="checkbox"/> None of the above <input type="checkbox"/>	
2.8.8.4.	<i>Organizational and Business Follow Up</i> For the organizational and business knowledge subjects in question 2.10.8.3 that are not required by your organization, please explain the special conditions or reasons why they are not required.	The Malta Institute of Accountants had decided to participate in a joint scheme with ACCA whose syllabus is followed. The Institute has discretion on the local variants.	
2.8.8.5.	<i>Information Technology</i> Which of the following information technology (IT) subject areas and competences are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> General knowledge of IT	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> IT control knowledge <input type="checkbox"/> IT control competences <input type="checkbox"/> IT user competences <input type="checkbox"/> One of, or a mixture of, the competences of, the roles of manager, evaluator or designer of information systems <input type="checkbox"/> None of the above	
2.8.8.6.	<i>Information Technology Follow Up</i> For the information technology subjects in question 2.8.8.6 that are not required by your organization, please explain the special conditions or reasons why they are not required.	The Malta Institute of Accountants had decided to participate in a joint scheme with ACCA whose syllabus is followed. The Institute has discretion on the local variants.	
2.8.8.7.	<i>Additional Content by Requirement</i> Are there additional content requirements specified by law or regulation, or your organization?	<input type="checkbox"/> Yes, as required by law or regulation <input type="checkbox"/> Yes, as determined to be necessary by our organization <input checked="" type="checkbox"/> No	
2.9.	IES 3 Professional Skills		
2.9.1.	<i>Development of Intellectual Skills</i> Section 2.9 deals with the professional skills required by the professional accountancy education program delivered by your organization.	<input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements	

Number	Question Title/Text/Help text	Answer	Comments
	<p>At what points in the professional accountancy education program are intellectual skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 14.</p>	<p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3<input type="checkbox"/> Through practical experience requirement</p> <p>4<input type="checkbox"/> Other (please describe)</p>	
2.9.2.	<p><i>Intellectual Skills</i> Describe the specific intellectual skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>At point of qualification candidates are expected to possess understanding, interpretation, application, knowledge and evaluation skills.</p>	
2.9.3.	<p><i>Development of Technical and Functional Skills</i> At what points in the professional accountancy education program are technical and functional skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 15.</p>	<p>1<input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>content</p> <p>3 <input type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.4.	<p><i>Technical and Functional Skills</i></p> <p>Describe the specific technical and functional skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	Refer to ACCA course guidelines.	
2.9.5.	<p><i>Development of Personal Skills</i></p> <p>At what points in the professional accountancy education program are personal skills developed? Select all the answer options that are appropriate. In responding to this question IES 3 paragraphs 13 and 16.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.6.	<p><i>Personal Skills</i></p> <p>Describe the specific personal skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	Candidates are not expected to be in possession of personal skills identified in paragraph 16 of IES 3 at point of qualification. Such skills are obtained through practical experience.	

Number	Question Title/Text/Help text	Answer	Comments
2.9.7.	<p><i>Dev of Interpersonal and Communication Skills</i> At what points in the professional accountancy education program are interpersonal and communication skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 17.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.8.	<p><i>Interpersonal and Communication Skills</i> Describe the specific interpersonal and communication skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>Candidates are not expected to be in possession of personal skills identified in paragraph 17 of IES 3 at point of qualification. Such skills are obtained through practical experience.</p>	
2.9.9.	<p><i>Dev of Organizational and Business Mngt Skills</i> At what points in the professional accountancy education program are organizational and business management skills developed? Select all the answer options that are appropriate. In responding</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p>	

Number	Question Title/Text/Help text	Answer	Comments
	to this question refer to IES 3 paragraphs 13 and 18.	<p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.10.	<p><i>Organizational and Business Management Skills</i></p> <p>Describe the specific organizational and business management skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>Refer to ACCA course guidelines. A number of organisational and business management skills are acquired as part of the professional accountancy education program. Others are obtained through practical experience.</p>	
2.10.	<p>IES 4 Professional Values, Ethics and Attitudes</p>		
2.10.1.	<p><i>Content for Values, Ethics and Attitudes</i></p> <p>Section 2.10 deals with professional ethics, values, and attitude content and requirements of the professional accountancy education program delivered by your organization.</p> <p>Does the professional accountancy education program include coverage of values, ethics and attitudes?</p>	<p>1 <input checked="" type="radio"/> Yes</p>	

Number	Question Title/Text/Help text	Answer	Comments
		2 <input type="radio"/> No	
2.10.2.	Values, Ethics and Attitudes in Content		
2.10.2.1.	<i>Program Content for Values, Ethics and Attitudes</i> Which of the following are included in the program content? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> The nature of ethics 2 <input checked="" type="checkbox"/> Differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks 3 <input checked="" type="checkbox"/> Compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality 4 <input checked="" type="checkbox"/> Professional behavior and compliance with technical standards 5 <input checked="" type="checkbox"/> Concepts of independence, skepticism, accountability and public expectations 6 <input checked="" type="checkbox"/> Ethics and the profession: social responsibility 7 <input checked="" type="checkbox"/> Ethics and law, including the relationship between laws, regulations and the public interest 8 <input checked="" type="checkbox"/> Consequences of unethical	

Number	Question Title/Text/Help text	Answer	Comments
		behavior to the individual, to the profession and to society at large 9 <input checked="" type="checkbox"/> Ethics in relation to business and good governance 10 <input checked="" type="checkbox"/> Ethics and the individual professional accountant: whistle blowing, conflicts of interest, ethical dilemmas and their resolution. 11 <input type="checkbox"/> None of the above	
2.10.2.3.	<i>IFAC Code of Ethics</i> Is the program content based on the relevant sections of the IFAC Code of Ethics?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	ACCA 2007 syllabus is still being drawn up, however ACCA have clearly stated that a separate paper will be wholly devoted to ethics.
2.10.2.4.	<i>Workplace Learning Development</i> At what points in the professional accountancy education program are values, ethics, attitudes and adherence to them developed? Select all the answer options that are appropriate.	1 <input type="checkbox"/> As part of general education and / or as part of the program entry requirements 2 <input checked="" type="checkbox"/> Through specific program course content 3 <input checked="" type="checkbox"/> Through practical experience	

Number	Question Title/Text/Help text	Answer	Comments
		requirement 4 <input type="checkbox"/> Other (please describe)	
2.11.	IES 5 Practical Experience Requirement		
2.11.1.	<i>Approved Provider</i> Section 2.11 deals with the practical experience requirement established by your organization. Does the practical experience requirement have to be obtained with approved providers or employers?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.11.2.	<i>Provider Characteristics</i> Please describe the characteristics set by your organization for recognizing approved providers.	Established practitioners in the profession.	
2.11.4.	<i>Length of Practical Experience</i> What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Three years 2 <input type="radio"/> Less than three years 3 <input type="radio"/> More than three years	Three years supervised practical experience at a senior level must be obtained.
2.11.6.	Practical Application SMO 2		
2.11.6.1.	<i>Practical Application</i> Where relevant graduate (beyond undergraduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to	1 <input type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	the practical experience requirement?	2 <input checked="" type="radio"/> No	
2.11.7.	Timing of Experience		
2.11.7.1.	<i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate):	1 <input type="checkbox"/> Before the professional accountancy education program of study 2 <input checked="" type="checkbox"/> At the same time as the professional accountancy education program of study 3 <input checked="" type="checkbox"/> After the professional accountancy education program of study	
2.11.7.2.	<i>Describe Pre or Post Experience</i> Describe the length of practical experience that may be obtained pre-qualification and / or post-qualification.	Three years supervised practical experience at a senior level must be obtained. Pre/post qualification is not relevant.	
2.12.	IES 5 Monitoring of Practical Experience Requirement		
2.12.1.	<i>Monitoring of Practical Experience</i> Is the period of practical experience monitored?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	Yes, practical experience must be supervised by a more senior official within one's place of employment.
2.12.3.	<i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and	1 <input checked="" type="checkbox"/> Mentoring system	The mentor (supervisor) is required to endorse the

Number	Question Title/Text/Help text	Answer	Comments
	<p>assessed? Select all the answer options that are appropriate.</p>	<p>2 <input type="checkbox"/> Approved training employers and organizations</p> <p>3 <input type="checkbox"/> Self-declaration required from the candidate</p> <p>4 <input checked="" type="checkbox"/> Record of the practical experience is kept and submitted to the member body when applying for membership</p> <p>5 <input checked="" type="checkbox"/> An assessment is made by the mentor or employer</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	<p>practical experience declaration when one is applying for membership.</p>
2.14.	<p>IES 7 Continuing Professional Development - CPD</p>		
2.14.1.	<p><i>Responsibility for CPD Requirements</i> Section 2.14 deals with the continuous professional development requirements established by your organization.</p> <p>Who establishes the continuous professional development requirements applicable to your members? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Our organization</p>	<p>The Malta Institute of Accountants has been requiring its members to complete an annual CPE program since the year 2001.</p> <p>Directive number 1 issued under the Accountancy Profession Act establishes the CPE requirement on all warrant holders. The directive was issued in 2004.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body) <input checked="" type="checkbox"/> Law and / or regulation (state the name of the law / regulation) <input type="checkbox"/> Other (please describe)	
2.14.2.	<p><i>CPD and Professional Accountants</i></p> <p>Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.</p>	<input checked="" type="checkbox"/> All our qualified members <input type="checkbox"/> Qualified members who perform audits of listed entities <input type="checkbox"/> Qualified members who perform audits of entities other than listed entities <input type="checkbox"/> Qualified members who provide services (other than audit) to the public <input type="checkbox"/> Qualified members who are employed in business <input checked="" type="checkbox"/> Other (please describe)	<p>In addition to the Institute's Members, all of the Institute's Associates (who must also be qualified in order to be admitted to associateship) are required to complete an annual CPE program.</p>
2.14.3.	Requirement - CPD		
2.14.3.1.	<i>Type of CPD Requirement</i>		

Number	Question Title/Text/Help text	Answer	Comments
	<p>Which of the following answer options describes the way the continuous professional development is structured? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years</p> <p>2 <input type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>3 <input type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>4 <input type="checkbox"/> Other</p>	
2.14.3.3.	<p><i>Hours of Continuous Professional Development</i></p> <p>Which one of the following answer options best describes the continuous professional development hours required?</p>	<p>1 <input checked="" type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</p>	<p>Members are currently required to complete a minimum of 90 hours over a period of three years, subject to a minimum of 20 hours each year. The CPE requirements are however currently being revisited and will be brought in line with</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>2○ Members have to complete a minimum of 20 hours or equivalent learning units in each year</p> <p>3○ Other</p>	IFAC's IES 7 as from calendar year 2007.
2.14.3.8.	<p><i>Monitoring of CPD</i></p> <p>Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements?</p>	<p>1⊙ Yes, there is a monitoring process for CPD requirements</p> <p>2○ No, there is no monitoring process for CPD requirements</p>	
2.14.4.	Monitoring of CPD Requirement		
2.14.4.1.	<p><i>Monitoring Process SMO 2</i></p> <p>Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.</p>	<p>1☑ Professional accountants are required to submit a declaration</p> <p>2☐ Professional accountants are required to submit evidence</p> <p>3☑ Our organization audits a sample of professional accountants to check compliance</p> <p>4☐ Compliance is monitored through firm quality control standards</p> <p>5☐ Compliance is monitored through a quality assurance</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>review program</p> <p><input type="checkbox"/> Other (please describe)</p> <p><input type="checkbox"/> None of the above</p>	
2.14.4.2.	<p><i>Declaration and CPD SMO 2</i></p> <p>Describe the matters addressed in the declaration (select all that apply):</p>	<p><input type="checkbox"/> Professional accountant's obligation to meet ethical obligations</p> <p><input type="checkbox"/> Professional accountant's obligation to maintain knowledge</p> <p><input type="checkbox"/> Professional accountant's obligation to maintain skills to perform competently</p> <p><input checked="" type="checkbox"/> Compliance with CPD requirement</p> <p><input type="checkbox"/> Other (please describe)</p>	
2.14.4.3.	<p><i>Sanctions SMO 2</i></p> <p>Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed?</p>	<p><input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed</p> <p><input type="radio"/> No, sanctions or other non-compliance actions are not imposed</p>	
2.14.4.4.	<p><i>Sanction Types and CPD</i></p> <p>Describe the nature and extent of the sanction, expulsions or denial of the right to</p>	<p>The Malta Institute of Accountants may suspend a member from</p>	

Number	Question Title/Text/Help text	Answer	Comments
	practice.	<p>membership if he or she persistently fails to complete the necessary CPE.</p> <p>The Accountancy Board, which is the accountancy profession regulator in Malta and which has established the CPE requirement on all warrant holders by virtue of directive number 1, may impose a fine, suspend or revoke one's warrant to practice, and make admonitions and reprimands with or without notification to the public.</p>	
2.15.	<p><i>Activities to Promote IESs SMO 2</i></p> <p>Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.</p>	<p>The Malta Institute of Accountants holds regular (fortnightly) seminars to assist members in meeting their CPE requirements.</p> <p>The Institute is currently revisiting its CPE requirements to bring these in line with IFAC's International Education Standard 7.</p> <p>The MIA CPE requirements are compulsory on all of the Institute's members.</p>	

Number	Question Title/Text/Help text	Answer	Comments
3.	SMO 3		
3.1.	<p><i>Auditing Standards in Law/Regulation</i></p> <p>Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>1 <input checked="" type="checkbox"/> Yes for audits of listed entities</p> <p>2 <input checked="" type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input type="checkbox"/> No for audits of listed entities</p> <p>4 <input type="checkbox"/> No for audits of non-listed entities</p>	
3.8.	Law/Reg and Auditing Standards		

Number	Question Title/Text/Help text	Answer	Comments
3.8.1.	<p><i>Law/Reg Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The auditing standards for listed entities and non-listed entities are not the same set of standards</p>	
3.8.2.	<p><i>Auditing Standards for Private Sector</i></p> <p>Does the law/regulation require the use of IAASB pronouncements? Select the answer option that is most appropriate.</p>	<p>1 <input checked="" type="radio"/> The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements)</p> <p>2 <input type="radio"/> The law/regulation contains the full text of each IAASB pronouncement</p> <p>3 <input type="radio"/> The law/regulation contains the basic principles and essential procedures of the IAASB pronouncement</p> <p>4 <input type="radio"/> The law / regulation has a requirement to use IAASB pronouncements using another approach (please describe)</p>	

Number	Question Title/Text/Help text	Answer	Comments
		5 <input type="radio"/> The law / regulation requires the use of national standards with no reference to IAASB pronouncements	
3.8.9.	<p><i>MB Responsibilities and IAASB SMO 3</i></p> <p>Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input checked="" type="checkbox"/> Promulgate the IAASB pronouncements established by law / regulation (e.g. by publishing or communicating the standards to the public)</p> <p>3 <input type="checkbox"/> Other (please describe)</p> <p>4 <input type="checkbox"/> None of the above</p>	
3.8.10.	<p><i>Authoritative Pronouncements and Law/Reg SMO 3</i></p> <p>Please state the name of the other authoritative pronouncements and describe their purpose.</p>	<p>The MIA can issue Technical Releases (pronouncements) on topics on which there is no international standard or guidance. The application of these pronouncements may be made mandatory on the Institute's members. For example, a recent pronouncement was issued on the auditor's duties and responsibilities when signing specialised Companies Act reports.</p>	

Number	Question Title/Text/Help text	Answer	Comments
		The MIA does not have the legal authority to issue and enforce its pronouncements on the public in general but has the authority to impose such pronouncements on its members.	
3.8.11.	<i>Describe Activities and Law/Reg SMO 3</i> Describe your organization's activities for promulgating and / or implementing the standards.	International Standards on Auditing and International Financial Reporting Standards have been enacted in the Maltese Companies Act in 1995 and have since been used for the preparation and audit of the financial statements of limited liability companies. The Institute holds regular CPE events to update members on developments in both sets of standards and requires its members to follow the IFAC Code of Ethics.	
3.9.	Law / Reg and MB Responsibilities SMO 3		
3.9.1.	<i>Incorporation into Law/Reg SMO 3</i> Is information publicly available about the IAASB pronouncements that have been established into law/regulation, including:	1 ☉ Yes	

Number	Question Title/Text/Help text	Answer	Comments
	<p>The IAASB pronouncements that have been established into law / regulation; Whether the IAASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IAASB pronouncement; The differences between the IAASB pronouncement and what was established into law / regulation; and The reasons for the differences?</p>	<p>20 No</p>	
<p>3.9.2.</p>	<p><i>Incorporation Description - Law/Reg SMO 3</i></p> <p>If information about IAASB pronouncements that have been established into law / regulation is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, refer to the SMO 3 Comparison with IAASB Pronouncements.doc SMO 3: Comparison with IAASB Pronouncements report by clicking on the link and complete it to the extent your organization is able to and submit it in Word format to Compliance Staff.</p>	<p>10 Yes, information is available and in English and will be submitted to Compliance Staff</p>	<p>Article 179 of the Maltese Companies Act requires an auditor to conduct audits in accordance with International Standards on Auditing. Therefore ISAs become automatically applicable in Malta through legislation, having the same effective date as that assigned by the IAASB.</p> <p>The Companies Act 1995 can be downloaded through the following link:</p>

Number	Question Title/Text/Help text	Answer	Comments
	Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.	<p data-bbox="1003 496 1435 826">2○ No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 3: Comparison with IAASB Pronouncements" report and submit it to Compliance Staff</p> <p data-bbox="1003 831 1435 895">3○ No, information is not available</p>	http://docs.justice.gov.mt/lom/legislation/english/leg/vol_11/chapt386.pdf
3.10.	Translation SMO 3		
3.10.1.	<i>Translation of IAASB Pronouncements</i> Are the IAASB pronouncements translated into a national language?	<p data-bbox="1003 983 1435 1086">1⊙ No as English is the national language or a widely spoken language</p> <p data-bbox="1003 1091 1435 1195">2○ Yes, the IAASB pronouncements are translated</p> <p data-bbox="1003 1200 1435 1310">3○ No and English is not an official language or is not widely spoken</p>	
3.11.	<i>Activities to Promote IAASB Pronouncements</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.	The MIA holds regular CPE events and has a regular IFRS, IAS and ISA Update page in its quarterly journal the Accountant.	
4.	SMO 4		
4.1.	Responsibility and National Ethical Requirements		
4.1.1.	<p><i>IFAC MB and Ethical Requirements</i> Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p>Help text: In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p>	<p>1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements</p> <p>2 <input type="radio"/> No, our organization does not establish ethical requirements</p>	
4.1.2.	<p><i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
4.1.9.	<p><i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p>	<p>1 <input type="radio"/> Our organization adopted the IFAC Code as issued without modifications</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>For the purposes of the Part 2 SMO 4 module, modifications include: Deletion/omission of concepts, principles, or guidance that are established in the IFAC Code; Inclusion of concepts, principles, or guidance that are not in the IFAC Code; Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p>	<p>2☉ Our organization adopted the IFAC Code but with modifications 3○ Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code 4○ Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p>	
4.1.10.	<p><i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC Code or the process used to eliminate</p>	<p>The Accountancy Board, which is the profession's regulator in Malta,</p>	

Number	Question Title/Text/Help text	Answer	Comments
	differences between your organization's ethical requirements and the IFAC Code.	enacted the IFAC Code of Ethics with few additional requirements to take into account local circumstances. The Malta Institute of Accountants implemented the Code issued by the Accountancy Board and made it mandatory on all its members. The MIA Code and the IFAC Code are very similar but the former includes few additional requirements, especially in the Independence section.	
4.2.	MB and Version of IFAC Code		
4.2.1.	<i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?	<input checked="" type="radio"/> 1 The IFAC Code currently in effect, revised and issued in June 2004 <input type="radio"/> 2 A version issued prior to 2004 <input type="radio"/> 3 The revised IFAC Code issued and in effect June 30, 2006	
4.2.3.	<i>MB and Revised Code</i> Does your organization have plans to adopt the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to incorporate the revised IFAC Code? Select the option that is the most relevant.	<input type="radio"/> 1 Our organization has already amended our ethical requirements for the revised IFAC Code (effective June 30, 2006) <input checked="" type="radio"/> 2 Our organization is in the	

Number	Question Title/Text/Help text	Answer	Comments
		<p>process of amending or has included a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>3○ Our organization currently has not included in our work program a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>4○ Other (please describe)</p>	
4.2.5.	<p><i>MB and Revision Plans</i> Please describe the work program timetable.</p>	<p>A comparison report was commissioned by the MIA in November 2005 and the exception report was received in February 2006. It is foreseen that the MIA Code will be updated by the IFAC's effective date of 30 June 2006.</p>	
4.3.	<p><i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?</p>	<p>1⊙ Yes</p> <p>2○ No</p>	
4.4.	<p>Gov / Reg Bodies and Ethical</p>		

Number	Question Title/Text/Help text	Answer	Comments
Requirements			
4.4.1.	<p><i>Gov/Reg Bodies - Ethical Requirements</i> Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants</p> <p>2 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities</p> <p>3 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit entities other than listed entities</p> <p>4 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>5 <input type="checkbox"/> There is a law / regulation</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>that sets out ethical requirements for professional accountants employed in business</p> <p><input type="checkbox"/> None of the above</p>	
4.4.3.	<p><i>Describe Law / Reg - Prof Accountants</i></p> <p>Regarding your response to question 4.4.1 and the law / regulation for professional accountants, please:</p> <p>State the law / regulation's name;</p> <p>Provide a general description of the law / regulation;</p> <p>Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>	<p>The name of the directive is Accountancy Profession Act 1979 - Directive number 2 issued in terms of the Accountancy Profession Act (Cap 281) and of the Accountancy Profession Regulations 1986 (as amended).</p> <p>The directive enacts the Code of Ethics for warrant holders, which is essentially the IFAC Code of Ethics with a few additional requirements.</p> <p>It applies to all persons having a warrant to practice the Accountancy profession. Hence, MIA members who are also warrant holders have to abide by the requirements of the Accountancy Board code. This distinction is however irrelevant since the Accountancy Board code and the MIA code are identical. The MIA has nonetheless extended</p>	

Number	Question Title/Text/Help text	Answer	Comments
		the requirements therein to members who do not hold a warrant under the Accountancy Profession Act.	
4.4.7.	<p><i>Gov/Reg and Convergence</i> Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p>	The MIA is represented on the Accountancy Board by two out of a total of 7 Board members. Since the IFAC Code of Ethics was enacted by the Board through legislation, there was no scope in promoting adherence to the latter.	
4.5.	<p><i>Comparison of Requirements SMO 4</i> Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements;</p>	1 ☉ Yes, our organization has this information and it will be submitted	

Number	Question Title/Text/Help text	Answer	Comments
	<p>Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>2○ This information will be submitted by another IFAC member body</p> <p>3○ No, the information is not available</p>	
4.11.	<p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> No, as English is an official language or widely spoken language</p> <p>2<input type="checkbox"/> Yes, our organization has translated the IFAC Code</p> <p>3<input type="checkbox"/> Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4<input type="checkbox"/> No, the IFAC Code has not been translated and English is not an official language or</p>	

Number	Question Title/Text/Help text	Answer	Comments
			widely spoken language
4.15.	<p><i>Activities to Promote IFAC Code of Ethics</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.</p>	<p>The MIA adopted the Code of Ethics issued by the Accountancy Board, which is the IFAC Code of Ethics with few additional requirements.</p>	
5.	SMO 5		
5.1.	<p><i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?</p>	<p>1 <input type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> <p>3 <input checked="" type="radio"/> Information is not available or not known</p>	
5.4.	<p><i>Activities to Promote IPSASB Pronouncements</i> Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.</p>	<p>The Malta Institute of Accountants publishes relevant information on pronouncements issued by the IAASB and the IPSASB in its quarterly journal the Accountant. The journal is distributed to all of the Institute's members, which includes professional accountants employed with governmental</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>organisations, and to government institutions.</p> <p>The MIA is not however in a position to exert significant influence on the application of IPSAS within governmental institutions. Due to the size and the limited resources employed by the Institute, issues are dealt with in order of priority. Given the recent changes in IFRS and International Standards on Auditing, much attention was lately devoted to the latter. The Institute intends however to look into the current state of affairs and actively commence putting pressure on Government to converge its standards with IPSAS.</p>	
6.	SMO 6		
6.1.	<p><i>Investigation and Discipline Program</i></p> <p>In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	

Number	Question Title/Text/Help text	Answer	Comments
6.3.	Responsibility for Investigation and Discipline		
6.3.1.	<p><i>Body Responsible for Investigation and Discipline</i></p> <p>Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.</p>	<p>1○ Yes, our organization has this responsibility</p> <p>2○ No, responsibility for investigation and discipline rests solely with an external body</p> <p>3⊙ Our organization shares responsibility for investigation and discipline with an external body</p> <p>4○ Other</p>	
6.3.2.	<p><i>Name of Body Responsible for Investigation and Discipline</i></p> <p>Provide the name(s) of the external body responsible for investigation and discipline or the name of the body sharing this responsibility with the member body.</p>	<p>The Malta Institute of Accountants has the power to investigate and discipline its members, and suspend or exclude a person from membership. The Accountancy Board (regulator) has the right to investigate and discipline warrant holders as well as impose fines,</p>	

Number	Question Title/Text/Help text	Answer	Comments
		suspending or revoking one's warrant.	
6.5.	SMO 6 - Detailed Assessment		
6.5.1.	Rules and Procedures for Investigation and Discipline		
6.5.1.1.	<i>Rules and Procedures</i> Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.1.3.	<i>Misconduct</i> In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Criminal activity 2 <input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute 3 <input checked="" type="checkbox"/> Breaches of professional standards 4 <input checked="" type="checkbox"/> Breaches of ethical requirements 5 <input checked="" type="checkbox"/> Gross professional negligence 6 <input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights	

Number	Question Title/Text/Help text	Answer	Comments
		7 <input type="checkbox"/> Unsatisfactory work 8 <input type="checkbox"/> Other (please describe)	
6.5.2.	<i>Types of Sanctions</i> Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Reprimand 2 <input checked="" type="checkbox"/> Loss or restriction of practice rights 3 <input checked="" type="checkbox"/> Fine/payment of costs 4 <input checked="" type="checkbox"/> Loss of professional title (designation) 5 <input checked="" type="checkbox"/> Exclusion from membership 6 <input type="checkbox"/> Other (please describe)	
6.5.3.	Provision of Information and Guidance to Members		
6.5.3.1.	<i>Information and Guidance</i> Does your organization make each member fully aware of: - All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and - Consequences of non-compliance?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.3.2.	<i>Information and Guidance Description</i> Provide a brief description of how your	The Institute's Code of Ethics is	

Number	Question Title/Text/Help text	Answer	Comments
	organization meets this requirement of SMO 6.	<p>freely downloadable from the Institute's website. The MIA also holds workshops from time to time to discuss ethical requirements and also consequences of non-compliance. The last of such workshops was held on 28 June 2005 when the MIA adopted the revised Code of Ethics. Articles are also published from time to time in its quarterly journal.</p> <p>The MIA also holds regular (CPE) updates on International Financial Reporting Standards and International Standards on Auditing, which are both entrenched into Maltese law since 1995. Features in the quarterly journal are also published in this respect.</p>	
6.5.4.	Obligations to Report to Outside Bodies		
6.5.4.1.	<p><i>Reporting to Outside Bodies</i></p> <p>Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority?</p>	1 <input type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
6.5.4.2.	<p><i>Reporting to Outside Bodies Follow Up</i> Please describe your plans to introduce an obligation or requirement to report possible involvement in serious crimes and offences by individual members or member firms to the appropriate public authority and disclose related information to that authority.</p>	<p>2⊙ No</p> <p>The Institute may enter into Joint Disciplinary Proceedings with the Accountancy Board. Hence the Institute may report to the latter whenever members are deemed to have been involved in serious crimes and offences.</p> <p>Also, the current Anti-Money Laundering legislation in Malta requires supervisory authorities to report related offence to the Financial Intelligence Unit. The MIA is however not included under the current definition of a supervisory authority. Procedures will be put in place if the legislation is amended and the Institute is considered as a supervisory authority.</p>	
6.5.5.	<p><i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer options that are appropriate.</p>	<p>1☑ Information-based</p> <p>2☑ Complaints-based</p> <p>3☐ Other (please describe)</p>	

Number	Question Title/Text/Help text	Answer	Comments
		4 <input type="checkbox"/> None of the above	
6.5.6.	Investigative Powers and Processes		
6.5.6.1.	<i>Powers</i> Does your organization have all required powers so that authorized personnel can carry out an effective investigation?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
6.5.6.3.	<i>Cooperation of Members</i> Do the powers to carry out an effective investigation include: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to cooperate in the investigation of complaints and to respond promptly to all communications from the member body 2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply 3 <input type="checkbox"/> None of the above	
6.5.6.6.	<i>Expertise and Resource</i> Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?	1 <input checked="" type="radio"/> Yes (please describe)	The Statute and Bye-Laws require the Council of the Malta Institute of Accountants to keep separate Investigations and Disciplinary committees. No member can sit on both committees.

Number	Question Title/Text/Help text	Answer	Comments
		2○ No	<p>The Chairperson of the disciplinary committee is preferably a person from the legal profession. Members on the committees are carefully chosen and are normally senior partners or professional accountants with considerable experience.</p> <p>The Institute is well staffed and enjoys a healthy financial position. Lack of resources would certainly not be a problem in the event of investigations and disciplinary proceedings.</p>
6.5.6.8.	<p><i>Independence and Subject of Investigation</i> Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p>Help text: If a conflict exists at the start of an investigation, or arises during the</p>	<p>1⊙ Yes</p> <p>2○ No</p>	<p>It is standard practice that anyone having a conflict of interest in any particular ongoing investigation should withdraw from participating in the proceedings.</p>

Number	Question Title/Text/Help text	Answer	Comments
	disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	2○ No	Disciplinary Committee shall preferably be a person from the legal profession who shall chair all sittings of the Disciplinary committee. The Chairman does not have the right to vote on any of the decisions to be taken by the Disciplinary Committee.
6.5.7.3.	<i>Conflicts</i> Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?	1○ Yes	The Institute's Statute and Bye-Laws explicitly state that no person may serve concurrently on both the Investigations and Disciplinary Committees.
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.	2⊙ No	It is standard practice that any members sitting on the investigations and disciplinary committees who have, or may have, any conflict of interest related to the member or the subject matter under investigation, is not involved in the process for that particular case. Council has the appropriate authority to request such a member to withdraw from the respective

Number	Question Title/Text/Help text	Answer	Comments
		committee.	
6.5.7.6.	<p><i>Appeals Process</i></p> <p>Does your organization's rules:</p> <p>Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her throughout the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that appeal</p> <p>4 <input checked="" type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input checked="" type="checkbox"/> Require that the same procedures apply to the appeal process as apply to</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>hearings before the disciplinary tribunal</p> <p><input type="checkbox"/> 6 None of the above</p>	
6.5.8.	Administrative Processes		
6.5.8.1.	<p><i>Elements of Administrative Processes</i></p> <p>As a part of Investigation and Discipline administrative processes does your organization:</p> <p>Select all the answer options that are appropriate.</p>	<p><input checked="" type="checkbox"/> 1 Establish time limits for disposal (completion) of all cases</p> <p><input checked="" type="checkbox"/> 2 Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p>	<p>Although there is a 12 week time limit imposed on the disciplinary committee for completion of all cases, no such deadline is imposed on the investigations committee.</p> <p>In relation to the 3rd point above, although there is no formal binding confidentiality agreement to which committee members must subscribe, confidentiality requirements are entrenched into the Institute's statute and bye-laws. All committee members are aware of their responsibilities to this effect.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>3 <input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p>4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence</p> <p>5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings</p> <p>6 <input type="checkbox"/> None of the above</p>	
6.5.8.3.	Case Numbers		
6.5.8.3.1.	<i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005.	0	
6.5.8.3.2.	<i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004.	0	
6.5.8.3.3.	<i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003.	0	

Number	Question Title/Text/Help text	Answer	Comments
6.5.8.3.4.	<i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005.	0	
6.5.8.3.5.	<i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004.	0	
6.5.8.3.6.	<i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.	0	
6.5.8.3.7.	<i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.	9	
7.	SMO 7		
7.1.	<i>Accounting Standards in Law/Regulation</i> Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate. Where the law / regulation establishes the	1 <input checked="" type="checkbox"/>	Yes, for financial statements of listed entities

Number	Question Title/Text/Help text	Answer	Comments
	<p>accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p>	<p>2 <input checked="" type="checkbox"/> Yes, for financial statements of non-listed entities</p> <p>3 <input type="checkbox"/> No, for financial statements of listed entities</p> <p>4 <input type="checkbox"/> No, for financial statements of non-listed entities</p>	
7.8.	Law/Reg and Accounting Standards		
7.8.1.	<p><i>Law/Reg Accounting Standards - Private Sector</i></p> <p>Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/> The accounting standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The accounting standards for listed entities and non-listed entities are not the same set</p>	

Number	Question Title/Text/Help text	Answer	Comments
7.8.2.	<p><i>Accounting Standards for Private Sector</i> Does the law/regulation require the use of International Financial Reporting Standards and other pronouncements issued by the International Accounting Standards Board? Select the answer option that is most appropriate.</p>	<p style="text-align: center;">of standards</p> <p>1 <input checked="" type="radio"/> The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2 <input type="radio"/> The law/regulation contains the full text of each IFRS</p> <p>3 <input type="radio"/> The law/regulation contains the main principles of the IFRSs</p> <p>4 <input type="radio"/> The law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5 <input type="radio"/> The law / regulation requires the use of national standards with no reference to IFRSs</p>	
7.8.9.	<p><i>MB Responsibilities and IASB SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input checked="" type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public)</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> Other (please describe) <input type="checkbox"/> None of the above	
7.8.10.	<p><i>Authoritative Pronouncements and Law/Reg SMO 7</i> Please state the name of the other authoritative pronouncements and describe their purpose.</p>	<p>The Malta Insitute of Accountants has the authority to issue Technical Releases, the application of which may be made mandatory on the Institute's members. Such pronouncements are however not a substitute to any IFRS or IFRIC Interpretation, and are issued on topics that are not regulated or on which very little regulation exists.</p> <p>An example of a recent Technical Release related to the auditor's reponsibilities in engagements to report on original subscriptions and subsequent issues of shares for non-cash consideration, as required by the Maltese Companies Act 1995.</p>	
7.8.11.	<p><i>Describe Activities and Law/Reg SMO 7</i> Describe your organization's activities for promulgating and / or implementing the standards.</p>	<p>The Institute regularly holds CPE seminars related to IFRS and the implementation thereof. In addition, an IFRS, IAS and ISA Update is always published in the Institute's quarterly journal, the</p>	

Number	Question Title/Text/Help text	Answer	Comments
		Accountant. The MIA was also instrumental in getting International Accounting Standards entrenched into local legislation in 1995.	
7.9.	Law/Reg and IASB Pronouncements		
7.9.1.	<p><i>Incorporation into Law/Reg SMO 7</i></p> <p>Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p>IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
7.9.2.	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs</p>	1 <input checked="" type="radio"/> Yes, information is available	The Companies Act 1995,

Number	Question Title/Text/Help text	Answer	Comments
	<p>and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 7: Comparison with IASB Pronouncements report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p>	<p>and in English and will be submitted to Compliance Staff</p>	<p>which established IFRS into local legislation is freely downloadable through the following link:</p> <p>http://docs.justice.gov.mt/lom/legislation/english/leg/vol_11/chapt386.pdf</p> <p>Section 167 of the Act requires all limited liability companies to prepare their financial statements in accordance with generally accepted accounting principles and practice (GAAP). GAAP is defined in section 2 sub-section 4 of the same Act as 'adherence to International Accounting Standards as may be issued from time to time by the International Accounting Standards Board'. Hence, the latest version of IFRS becomes automatically applicable through legislation as and when issued by the IASB.</p>

20 No, information is not

Number	Question Title/Text/Help text	Answer	Comments
		available; however our organization or jointly with another IFAC member / associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff	
		3 <input type="radio"/> No, information is not available	
7.10.	Translation SMO 7		
7.10.1.	<i>Translation of IFRSs</i> Are the IFRSs and other IASB pronouncements translated into national language?	1 <input checked="" type="radio"/> No, as English is an official language or widely spoken language 2 <input type="radio"/> Yes, the IFRSs are translated 3 <input type="radio"/> No and English is not an official language or is not widely spoken	
7.11.	<i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.	As aforesaid, regular updates through CPE seminars and publications in the quarterly journal.	
8.	Certification of Chief Executive		
8.1.	<i>Complete Certification</i> Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click <a href="Part 2	1 <input checked="" type="checkbox"/> Yes, the Certification of Chief Executive has been submitted	

Number	Question Title/Text/Help text	Answer	Comments
	SMO Self Assessment Certification.doc">here to download a copy of the Certification form.	2□	

		Corresponding para in AB Code -----					Report reference
		IFAC Ref	Agrees	Similar - with minor variations	No corr. Para in IFAC code	Remarks	
Part A							
<i>General Application of the Code</i>							
Introduction & Fundamental Principles	S100	-			1.1	General introduction	
		-			1.2	" "	
		-			1.3	" "	
		-			1.4	" "	
		-			1.5	" "	
		100.1	1.6/1.8				
		-			1.7	Definition of public interest	4.2
		100.2		1.9			
		100.3	-	-			
		100.4	1.14				
		100.5	1.10				
		100.6	1.12				
		100.7	1.11				
		100.8	1.12				
		100.9	1.13				
		100.10	1.15				
		100.11	1.16				
		100.12	1.17				
		100.13	1.18				
		100.14	1.19				
		100.15	1.20				
		100.16	1.21				
		100.17	1.22				
		100.18	1.23				
		100.19	1.23				
		100.20		1.24		More detailed in IFAC Code	
		100.21	1.25				
Integrity	S110	110.1	2.1				
		110.2	2.2				
		110.3	-	-		Exception to Para 110.2 of the IFAC Code	
Objectivity	S120	120.1	3.1				
		120.2	3.2				

				Corresponding para in AB Code ----- Similar - No corr. Para with minor in IFAC variations code			Remarks		Report reference
		IFAC Ref	Agrees						
Part A									
<i>General Application of the Code</i>									
Professional Competence & Due Care	S130	130.1 130.2 130.3 130.4 130.5 130.6	4.1 4.2 4.4 4.5	4.3 4.6			Attainment of prof. competence not included in IFAC Code		4.3
Confidentiality	S140	140.1 140.2 140.3 140.4 140.5 140.6 140.7 140.8	5.1 5.2 5.3 - 5.4 5.5 5.6 5.7	-			Maintain confidentiality within firm/employing organisation		
Professional Behaviour	S140	150.1 150.2	6.1 6.2						

		IFAC Ref	Corresponding para in AB Code			Remarks	Report reference
			Agrees	Similar - with variations	No corr. Para in IFAC code		
Part B							
<i>Professional Accountants in Public Practice</i>							
Conflicts of Interest	S220	220.1 220.2 220.3 220.4 220.5 220.6	3.1 3.2 3.6	3.3 3.4 3.5		One or more safeguard(s) differ One or more safeguard(s) differ Same substance, different wording	
Second Opinions	S230	230.1 230.2 230.3	5.1 5.2 5.3				
Fees & Other types of Remuneration	S240	240.1 240.2 240.3 - - 240.4 - - 240.5 240.6 240.7 240.8	6.1 6.2 6.11 - 6.10	6.3 6.7 6.12	6.4 6.5 6.6 6.8 6.9	More elaborate in Accountancy Board Code Contingent Fees " " Safeguards are different Commissions for referral of work " " " " Referral fee to obtain a client More safeguards included in IFAC Code	5.7
Marketing Professional Services	S250	250.1 250.2	2.1	2.2		Safegaurds against self-interest threat to compliance	5.4
Gifts & Hospitality	S260	260.1 260.2 260.3	2.15 2.16	2.17		Same substance, different wording	
Custody of Client Assets	S270	270.1 270.2 270.3	7.1 7.2 7.3				

	IFAC Ref	Corresponding para in AB Code			Remarks	Report reference
		Agrees	Similar - with variations	No corr. Para in IFAC code		
Part B						
<i>Professional Accountants in Public Practice</i>						
Independence - Assurance Engagements (cont)	290.28	8.24				
-	-			8.25	Threats to Independence	5.16
-	-			8.26	" "	5.16
-	-			8.27	" "	5.16
-	-			8.28	" "	5.16
-	-			8.29	" "	5.16
-	-			8.30	" "	5.16
-	-			8.31	Safeguards	5.16
-	-			8.32	"	5.16
-	-			8.33	"	5.16
-	-			8.34	"	5.16
	290.29	8.35				
	290.30	8.36				
-	-			8.37	Safeguards	
-	-			8.38	"	
-	-			8.39	"	
	290.31	8.40				
	290.32	8.41				
	290.33	8.42				
	290.34	8.43				

		IFAC Ref	Corresponding para in AB Code			Remarks	Report reference
			Agrees	Similar - with variations	No corr. Para in IFAC code		
Part B							
<i>Professional Accountants in Public Practice</i>							
Conflicts of Interest	S220	220.1 220.2 220.3 220.4 220.5 220.6	3.1 3.2 3.6	3.3 3.4 3.5		One or more safeguard(s) differ One or more safeguard(s) differ Same substance, different wording	
Second Opinions	S230	230.1 230.2 230.3	5.1 5.2 5.3				
Fees & Other types of Remuneration	S240	240.1 240.2 240.3 - - 240.4 - - 240.5 240.6 240.7 240.8	6.1 6.2 6.11 - 6.10	6.3 6.7 6.12	6.4 6.5 6.6 6.8 6.9	More elaborate in Accountancy Board Code Contingent Fees " " Safeguards are different Commissions for referral of work " " " " Referral fee to obtain a client More safeguards included in IFAC Code	5.7
Marketing Professional Services	S250	250.1 250.2	2.1	2.2		Safegaurds against self-interest threat to compliance	5.4
Gifts & Hospitality	S260	260.1 260.2 260.3	2.15 2.16	2.17		Same substance, different wording	
Custody of Client Assets	S270	270.1 270.2 270.3	7.1 7.2 7.3				

	IFAC Ref	Corresponding para in AB Code			Remarks	Report reference
		Agrees	Similar - with variations	No corr. Para in IFAC code		
Part B						
<i>Professional Accountants in Public Practice</i>						
Independence - Assurance Engagements (cont)	290.28	8.24				
	-			8.25	Threats to Independence	5.16
	-			8.26	" "	5.16
	-			8.27	" "	5.16
	-			8.28	" "	5.16
	-			8.29	" "	5.16
	-			8.30	" "	5.16
	-			8.31	Safeguards	5.16
	-			8.32	"	5.16
	-			8.33	"	5.16
	-			8.34	"	5.16
	290.29	8.35				
	290.30	8.36				
	-			8.37	Safeguards	
	-			8.38	"	
	-			8.39	"	
	290.31	8.40				
	290.32	8.41				
	290.33	8.42				
	290.34	8.43				

IFAC/ACCOUNTANCY BOARD CODE OF ETHICS

MATRIX C

		IFAC Ref	Corresponding para in AB Code			Remarks	Report reference
			Agrees	Similar - with variations	No corr. Para in IFAC code		
Part C							
<i>Professional Accountants in Business</i>							
Financial Interests	S340	340.1 340.2 340.3 340.4	5.1 5.2 5.4	5.3		More safeguards in IFAC Code	
Inducements	S350	350.1 350.2 350.3 350.4 350.5 350.6 350.7 350.8	6.1 6.2 6.3 6.4 6.5 6.6 6.8 6.9				
		-			7.1	Disclosing confidential information	6.2
		-			7.2	" " "	6.2
		-			7.3	" " "	6.2
		-			7.4	" " "	6.2
		-			7.5	" " "	6.2
		-			7.6	" " "	6.2

CODE OF ETHICS – REVIEW REPORT

INTERNATIONAL FEDERATION OF ACCOUNTANTS

–

ACCOUNTANCY BOARD

Prepared by: Jennifer Piccinino/Raymond J Vella

Date: February 2006

CODE OF ETHICS – REVIEW REPORT

INTERNATIONAL FEDERATION OF ACCOUNTANTS – ACCOUNTANCY BOARD

EXECUTIVE SUMMARY

We have been requested by the Malta Institute of Accountants to review and report the differences between the Code of Ethics issued by the International Ethics Standards Board for Accountants (IFAC Code) and that issued by the Accountancy Board (AB Code). The purpose of the report is to highlight the major differences between the two codes.

From our review we conclude that there is a lot of similarity in substance between the two codes. As a matter of fact Parts A and C of both codes are almost identical. The main differences relate to Part B which applies to Professional Accountants/Warrant Holders in Public Practice.

There are differences of presentation in that the format and sequence of some sections, sub-sections and paragraphs of the AB Code are different from those of the IFAC Code. Furthermore the IFAC Code includes more detailed provisions on some key areas notably 'independence' and 'objectivity'. The IFAC Code also includes a number of interpretations on the application of the independence requirements contained in the Code.

On the other hand the AB Code includes a number of provisions that are more detailed or more relevant to the local context than the IFAC Code. These provisions include the safeguard of communicating with the existing warrant holder, provisions on contingent fees and financial dependency on assurance clients.

We have summarized these and other differences on the attached matrices, which clearly list the paragraphs and sections that are in agreement, those in which there are variations and those which are included in one code but not the other.

CODE OF ETHICS – REVIEW REPORT

CODE OF ETHICS – REVIEW REPORT

INTERNATIONAL FEDERATION OF ACCOUNTANTS – ACCOUNTANCY BOARD

Contents

<i>Section</i>		<i>Pages</i>
1.	Introduction	1 – 2
2.	General	2
3.	Definitions	3
4.	Part A	3
5.	Part B	4 – 7
6.	Part C	7
7.	Conclusion	7 – 8

Matrices

A.	Part A – General Application of the Code	Matrix A
B	Part B – Professional Accountants in Public Practice	Matrix B
B(2)	Part B – General Application of the Code	Matrix B(2)
C	Part C – Professional Accountants in Business	Matrix C

1. Introduction

1.1 We have been requested by the Malta Institute of Accountants to review and report the differences between the Code of Ethics issued by the International Ethics Standards Board for Accountants (formerly the Ethics Committee) under the auspices of the International Federation of Accountants (hereinafter referred to as the IFAC Code) and that issued by the Accountancy Board (referred to as the AB Code). The purpose of the report is to highlight the major differences between the two codes.

1.2 As explained in its 'Introductory Memorandum' the AB Code is largely based on the IFAC Code with amendments in certain areas. Since the date of issue of the AB Code the IFAC Code has been revised and this report will underline those areas which have been added to the IFAC Code. At the same time, the report will also highlight those areas or paragraphs, which are included in the AB Code but not in the IFAC Code.

1.3 The two Codes are broken down into three sections:

1. General application of the Code
2. Professional Accountants/Warrant Holders in public practice (including Application of Principles to Specific Situations)
3. Professional Accountants /Warrant Holders in business

Each code also has its own set of definitions, some of which differ and these will also be highlighted in this report.

1.4 Generally, the paragraphs of the AB Code are similar and, very often identical to those contained within the IFAC Code. There are some paragraphs where the substance is the same although not necessarily the form. There are some other paragraphs where the variations in substance is considerable and also paragraphs and sections which are not included in the AB Code and vice versa.

1.5 For each section we have prepared a matrix showing the enumerated paragraphs of the IFAC Code and the corresponding paragraph in the AB Code. We have shown separately those corresponding paragraphs where there are variations between the two codes. Finally we have enumerated those paragraphs in the AB Code, for which no corresponding paragraph was found in the IFAC code.

- 1.6 It is beyond the scope of this report to highlight each and every difference between the two codes. There are some phrases or sentences within a paragraph in one code which are worded differently or omitted altogether in the other code. These will not be highlighted in the report although the attached matrices show under a separate column the reference of those paragraphs which are similar in substance but different in wording.

2. General

- 2.1 The AB Code applies to warrant holders, whereas the IFAC code applies to professional accountants, the latter being defined as 'an individual who is a member of an IFAC member body'. Similarly the IFAC code refers to professional accountants in business and professional accountants in public practice whilst the AB Code refers to warrant holders in similar capacities.
- 2.2 Additionally, the AB Code refers to an 'audit client' and an 'audit engagement' whereas the IFAC Code refers to 'financial statement audit client' and 'financial statement audit engagement'. Both terms have similar definitions.
- 2.3 Having said that however, it must be pointed out that although on the front page of the AB Code there is the phrase 'Code of Ethics for Warrant Holders', on the inside pages this is substituted for 'Code of Ethics for Professional Accountants'.
- 2.4 Throughout the two codes reference is made intermittently to threats and the safeguards required to eliminate or reduce them to an acceptable level. Whereas in the IFAC Code the term 'eliminate or reduce them....' is used regularly there are some instances in the AB Code where, despite the fact that the sentence or paragraph is identical in every other aspect the word 'eliminate' is not used.

3. Definitions

- 3.1 There are differences in the two bodies' definitions of 'assurance client' and 'assurance engagement'. There are no corresponding definitions in the AB Code to the IFAC's definitions of 'clearly insignificant', 'contingent fee' 'engagement quality control review', 'engagement team', 'existing accountant' and 'financial statements'. The term 'lead engagement partner' applied in the AB Code is defined in connection with an audit engagement, whereas the IFAC Code defines an 'engagement partner' in relation to any engagement.
- 3.2 On the other hand the IFAC code does not include a corresponding definition for the following terms used in the AB Code: 'client account', 'company', 'key management position', 'objectivity', 'partnership of accountants', 'publicity' and 'solicitation'.

4. Part A

- 4.1 As can be seen from Matrix A, the first part of the two codes is very similar, the main differences being in the introductory paragraphs. There are a few paragraphs included in the IFAC Code but not so in the AB Code. These can be seen in Matrix A.
- 4.2 Paragraph 1.7 of Section 1 Part A of the AB Code defines the term 'public interest' a definition which is not included in the IFAC Code although reference is made in the Code to the 'public interest.'
- 4.3 Paragraph 130.3 of the IFAC Code which includes reference to 'continuing professional development' as a means of maintaining 'the capabilities that enable a professional accountant to perform competently within the professional environments'. No such reference is made in the corresponding paragraph 4.4 of the AB Code.

5. Part B

- 5.1 This section is the longest section and the one with the most differences between the two codes. Matrix B highlights the differences between the two codes at a glance. There are also differences in the way the sub-sections are divided. For instance sub-section 250 (Marketing Professional Services) of the IFAC code is shown as a separate section. There is no corresponding sub-section within the AB Code although the paragraphs in sub-section 250 can be found within other sub-sections of the Code. There are other similar cases of incongruity between the two codes.
- 5.2 As was the case in Part A, the introductory paragraphs are dissimilar in that the AB Code repeats the fundamental principles that warrant holders are required to comply with.
- 5.3 Section 2 of Part B of the AB Code entitled 'Behavior in Public Practice' does not have a corresponding section in the IFAC Code, although this section and Section 4 'Changes in Professional Appointment' cover almost all the principles referred to in Section 210 of the IFAC Code entitled 'Professional Appointment'. One notable difference between the two codes in this section is paragraph 4.9 in the AB Code which includes provisions for communicating with an existing warrant holder, which is not included in the IFAC Code.
- 5.4 Furthermore, as already mentioned in 5.1 above, Section 2 of Part B of the AB Code includes a sub-section dealing with 'Marketing Professional Services' (paras 2.1 and 2.2), which in the IFAC Code is dealt with under a separate section, that is Section 250.
- 5.5 Similarly, the sub-section 'Gifts and Hospitality' within the same section of the AB Code (paras 2.15 to 2.17) is dealt with under a separate section (Section 260) in the IFAC Code.
- 5.6 Also within Section 2 of the same section of the AB Code there is a sub-section entitled 'Individual Service on an Engagement' which does not have a corresponding section or sub-section in the IFAC Code.

- 5.7 Section 6 (Part B) of the AB Code corresponds with Section 240 of the IFAC Code and deals with 'Fees and Other Types of Remuneration'. Within this section paras 6.3 to 6.7 (AB Code) is a sub-section entitled 'Contingent Fees' which is far more detailed than its corresponding paragraphs 240.3 and 240.4 in the IFAC Code.
- 5.8 There is further reference to contingency fees in both codes and this will be dealt with in a later section in this report(vide 5.23 below).
- 5.9 A sub-section which is completely excluded from the AB Code is sub-section 280 'Objectivity – All Services'.
- 5.10 Section 290 of the IFAC code entitled ' Independence – Assurance Engagements' is a section where there are some notable differences between the two codes. As can be seen from Matrix B there are a number of paragraphs in the IFAC Code that do not have a corresponding paragraph in the AB Code and vice versa.
- 5.11 To start with the 'International Standard on Assurance Engagements' and the ' International Auditing Practices Committee' in the AB Code are replaced in the IFAC Code by 'The International Framework for Assurance Engagements' and the 'International Auditing and Assurance Standards Board' respectively. Furthermore, the IFAC Code refers to 'International Standards on Review Engagements' and 'International Standards on Assurance Engagements' not referred to in the AB Code.
- 5.12 One main difference between Section 290 'Independence – Assurance Engagements' in the IFAC Code and Section 8 (Part B) 'Independence' of the AB Code is the fact that the IFAC Code classifies assurance engagements as 'assertion based' or 'direct reporting' a distinction not made in the AB Code. Both types of assurance engagements involve three separate parties: a public accountant (warrant holder) in public practice, a responsible party and intended users.
- 5.13 The distinction is made on the basis as to which party is responsible for the evaluation or measurement of the subject matter and the presentation of the outcome (subject matter information) of the said evaluation or measurement to the intended users.
- 5.14 The IFAC Code also includes provisions under paragraph 290.20 for dealing with 'Multiple Responsible Parties' a term not used in the AB Code.

- 5.15 The AB Code includes similar provisions to the IFAC Code for ensuring independence of mind and in appearance but such provisions are not specifically directed towards a particular type of assurance engagement as is the case in the IFAC Code.
- 5.16 Another difference in this same section is that the AB Code includes a sub-section on 'Threats to Independence' and another one on 'Safeguards', which are not included in Section 290 of the IFAC Code. This is not to say that the IFAC Code does not include similar provisions. However, in the IFAC Code these provisions have been included in an earlier section - Section 200. Even the AB Code includes earlier sections where threats and safeguards are highlighted. As a matter of fact paras 1.6 to 1.19 of Section 1 of Part B of the AB Code address the potential threats to independence and possible safeguards to eliminate or reduce threats to an acceptable level. However, these are repeated and discussed more fully in paras 8.25 to 8.39.

Part B – Application of Framework to Specific Situations

- 5.17 This section includes examples describing specific circumstances and relationships that may create threats to independence. There is a lot of similarity in this section between the two codes. The attached Matrix B(2) shows the corresponding paragraphs of both codes and those paragraphs where there are variations or which have not been included in one or the other code.
- 5.18 This section of the IFAC Code also includes a number of interpretations which provide 'further guidance on the application of the independence requirements.....to assurance engagements that are not financial statement audit engagements'. No such interpretations are included in the AB Code.
- 5.19 In this section of the IFAC Code, the sub-heading 'Recent Service with Assurance Clients' (paras 290.146 to 290.148) is more detailed than its corresponding section of the AB Code (paras 8.143 & 8.144).
- 5.20 Similarly, the sub-heading 'Serving as an Officer or Director on the Board of Assurance Clients' (paras 290.149 to 290.152) is far more elaborate in its provisions than the AB Code's equivalent sub-heading 'Serving in a Key Management Position with an Assurance Client' (paras 8.145 and 8.146).

- 5.21 Under the heading 'Long Association of Senior Personnel With Assurance Clients' the IFAC Code introduces the term 'the individual who is responsible for the engagement quality control review' a term which is not included in the AB Code. The IFAC Code provides that this 'individual' and the engagement partner both fall within the ambit of the rotation provisions.
- 5.22 There are some other variances between the two codes under the 'Fees and Pricing' Sections. The AB Code paragraph 8.202 includes a provision determining financial dependence on the basis of fees receivable from an assurance client as a proportion of total fees. No such or similar provisions are included in the IFAC Code.
- 5.23 Earlier in this report reference was made (Section 5.8) to a section on contingency fees. The topic of contingency fees is again dealt with in paras 8.207 to 8.209 of the AB Code and paras 290.210 to 290.212 of the IFAC code. With one exception, the paras of the IFAC Code are different in substance to those of the AB Code.

6. Part C

- 6.1 As with Parts A and B, the introductory paragraphs of Part C of the AB Code include a reiteration of the fundamental principles. There are a few other minor variations between the two codes and these are highlighted in Matrix C.
- 6.2 Part C of the AB Code includes a section (Section No 7) entitled 'Disclosing Information' which is not included in the IFAC Code.

7. Conclusion

- 7.1 As explained in the introductory paragraphs, the purpose of this report is not to detail each and every single difference between the two codes but rather to identify such differences. Accordingly, we note these differences on the attached matrices, which clearly list the paragraphs and sections that are in agreement, those in which there are variations and those which are included in one code but not the other.

- 7.2 From our review we conclude that there is a lot of similarity in substance between the two codes. Parts A and C of both codes are almost identical. The main differences between the two codes relate to Part B which applies to Professional Accountants/Warrant Holders in Public Practice.
- 7.3 There are differences of presentation in that the format and sequence of some sections, sub-sections and paragraphs of the AB Code are different from those of the IFAC Code. Secondly, and more importantly the IFAC Code includes more detailed provisions on some key areas notably 'independence' and 'objectivity'. The IFAC Code also includes a number of interpretations on the application of the independence requirements contained in the Code.
- 7.4 On the other hand the AB Code includes a number of provisions that are more detailed or more relevant to the local context than the IFAC Code notably the safeguard of communicating with the existing warrant holder, provisions on contingent fees and financial dependency on assurance clients.