

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

Member Name: Philippine Institute of Certified Public Accountants

Country: Philippines

Published Date: February 2007

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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.	<p><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?</p>	1 <input type="radio"/> Yes	<p>There is in place a mandatory provision of a quality assurance board that will be implemented by the Board of Accountancy but has not been implemented at the time being, reference can be found at the Implementing Rules and Regulations of Accountancy Act of 2004, Annex "B" No. 5. However the major accounting firms have their systems of quality review in place for the practice in compliance with the</p>

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		2 <input type="radio"/> No	requirements of IFAC.
1.1.2.	<p><i>Quality Assurance Review Program Follow Up</i> What plans do you have for developing and implementing a quality assurance review program, or if you do not have those plans, what special reasons or conditions for that fact exist?</p>	see 1.1.1	
2.	SMO 2		
2.1.	<p><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>	<p>1 <input checked="" type="checkbox"/> Complete a program of professional accountancy education</p> <p>2 <input type="checkbox"/> Complete a practical experience requirement</p> <p>3 <input checked="" type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies</p> <p>4 <input type="checkbox"/> None of the above</p>	<p>Three years of practical experience is required to be obtained to practice public accountancy which is granted by the Board of Accountancy and Professional Regulations Commission.</p>
2.2.	<p><i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development</p>	1 <input type="radio"/> Yes	Each member are required to earn a certain number of CPE (equivalent of CPD) units

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	(CPD)?	2 <input type="radio"/> No	before being allowed to renew PRC license
2.3.	Professional Accountancy Education		
2.3.1.	<p><i>Professional Accountancy Education Program</i></p> <p>Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Our organization</p> <p>2 <input type="checkbox"/> Another IFAC member body</p> <p>3 <input checked="" type="checkbox"/> Universities</p> <p>4 <input type="checkbox"/> Approved training institutions</p> <p>5 <input checked="" type="checkbox"/> Government bodies</p> <p>6 <input type="checkbox"/> Other organizations</p>	
2.3.2.	<p><i>Describe Other Organizations</i></p> <p>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>	Colleges and universities are registered with the Commission on Higher Education	
2.3.3.	<p><i>Prof Accountancy Education Program Follow Up</i></p> <p>Please describe how your organization ensures the professional accountancy</p>	PICPA is active in the preparation of the contents of the revised BSA	

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	<p>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>curriculum based on the IFAC requirements. The revised BSA curriculum together with course description of general education, business education and accountancy education componets including the syllabus for each of the course offerings are prepared by PICPA members headed by the vice-chair of the BOA</p>	
2.5.	Practical Experience Follow Up		
2.5.1.	<p><i>Plans for Practical Experience</i></p> <p>Are there plans to introduce a practical experience requirement?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	<p>The Implementing Rules and Regualtions of the Accountancy Law which was passed in 2004 requires at least 3 meaningful experience in audit before a CPA can be accredited as a public practitioner</p>
2.5.2.	<p><i>Describe Plans for Practical Experience</i></p> <p>Describe the proposed practical experience requirement including how the requirement will be undertaken and when your organization intends to implement the requirement.</p>	See. 2.5.1	
2.13.	IES 6 Assessment of Prof Capabilities and		

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Competence			
2.13.1.	<p><i>Assessment by IFAC Body or Other</i></p> <p>Section 2.13 deals with the final assessment requirements established by your organization.</p> <p>Select all the organizations involved in conducting the final assessment.</p> <p>If the final assessment is conducted jointly between various organizations, select all those that have some responsibility for conducting the final assessment and in the Comment Box, describe the nature of their respective roles and responsibilities.</p>	<p>1 <input type="checkbox"/> Our organization (including training entities that are affiliated with our organization or a subsidiary of our organization).</p> <p>2 <input type="checkbox"/> Another IFAC member body</p> <p>3 <input checked="" type="checkbox"/> Government or regulatory body</p> <p>4 <input type="checkbox"/> Other</p>	
2.13.2.	<p><i>Assessment - Name of IFAC Organization SMO 2</i></p> <p>State the name of the IFAC member body, government or regulatory body, or other organization that conducts the final assessment.</p>	<p>Board of Accountancy under the Professional Regulations Commission</p>	
2.13.3.	<p><i>MB Input Follow Up</i></p> <p>Please describe how does your organization provide input into the government or regulatory body or other organization's</p>	<p>The PICPA provides recommendations and inputs to what should be included in the</p>	

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	assessment activities?	curriculum	
2.13.4.	<p><i>Characteristics of Assessment</i> Which of the following characteristics are applicable to the final assessment process? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Uniform for all students</p> <p>2 <input checked="" type="checkbox"/> Given simultaneously where it is being held in more than once location in the country</p> <p>3 <input checked="" type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals</p> <p>4 <input type="checkbox"/> None of the above</p>	
2.13.5.	<p><i>Qualifying for Final Assessment</i> What requirements must the candidate satisfy to take the final assessment? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Specified pre-qualification requirements relating to professional knowledge, professional skills, and professional values, ethics, and attitudes</p> <p>2 <input type="checkbox"/> Specified practical experience requirements</p> <p>3 <input type="checkbox"/> Other (please describe)</p> <p>4 <input type="checkbox"/> None of the above</p>	
2.13.6.	<p><i>Timing Considerations for Final Assessment</i> Is there a requirement or restriction for completing the final assessment? For example, some organization may require the candidate to take the final examination</p>	1 <input type="radio"/> Yes	

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	within a specified number of years of meeting the pre-assessment requirements.	2Ⓒ No	
2.13.8.	<i>Assess Professional Knowledge</i> Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc) is assessed during the final assessment.	The examination covers the following subjects: 1. Theory of Accounts 2. Business Law and Taxation 3. Management Services 4. Auditing Theory 5. Auditing Problems 6. Practical Accounting Problems I 7. Practical Accounting Problems II	
2.13.9.	<i>Assess Professional Skills</i> Describe in general terms how required professional skills (e.g. ability to solve problems, make decisions, exercise judgment, personal skills, interpersonal and communication skills, organizational and business management skills etc) are assessed during the final assessment.	see 2.13.8	
2.13.10.	<i>Assess Professional Values, Ethics, Attitudes</i> Describe in general terms how required professional values, ethics, and attitudes are assessed during the final assessment.	Tested and included in the Auditing theory portion of the examination.	
2.13.11.	<i>Recorded or Oral Format</i> Is the final assessment conducted through:	1Ⓒ Recorded format with	

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		<p>recorded (e.g. written) response required</p> <p>2○ Oral format with oral responses</p> <p>3○ Both recorded and oral response formats</p>	
2.13.13.	<p><i>Assessment Formats</i></p> <p>What formats are used in conducting the final assessment (select all the answer options that are appropriate)?</p>	<p>1<input checked="" type="checkbox"/> Multiple choice questions</p> <p>2<input type="checkbox"/> Case studies</p> <p>3<input type="checkbox"/> Technical questions</p> <p>4<input type="checkbox"/> Thesis</p> <p>5<input type="checkbox"/> Other (please describe)</p> <p>6<input type="checkbox"/> None of the above</p>	
2.13.14.	<p><i>Reliability and Validity</i></p> <p>Describe in general terms the procedures in place to ensure the final assessments are reliable and valid. Include a description of how the assessment questions are set and by whom and also how reviewers / assessors are selected.</p>	<p>The question are reviewed by the Board of Accountancy and a meeting is held before and after each exam to evaluate the questions and recommended answers for each question.</p>	
2.13.15.	<p><i>Frequency of Final Assessments</i></p> <p>How many times in a year is the final assessment offered? Select the answer option that is the most appropriate.</p>	<p>1○ Yearly (or once a year)</p> <p>2<input checked="" type="radio"/> Half yearly (or twice a year)</p> <p>3○ Three sessions a year</p> <p>4○ Four sessions a year</p>	

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		5○ Five sessions a year 6○ Other (please describe the frequency of the examinations)	
2.14.	IES 7 Continuing Professional Development - CPD		
2.14.1.	<i>Responsibility for CPD Requirements</i> Section 2.14 deals with the continuous professional development requirements established by your organization. Who establishes the continuous professional development requirements applicable to your members? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Our organization 2 <input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body) 3 <input checked="" type="checkbox"/> Law and / or regulation (state the name of the law / regulation) 4 <input type="checkbox"/> Other (please describe)	PRC CPE Council and PICPA CPE Council tasked with the monitoring of the implementation of CPE programs
2.14.2.	<i>CPD and Professional Accountants</i> Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> All our qualified members 2 <input checked="" type="checkbox"/> Qualified members who	

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		<p>perform audits of listed entities</p> <p>3 <input checked="" type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input checked="" type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input checked="" type="checkbox"/> Qualified members who are employed in business</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	
2.14.3.	Requirement - CPD		
2.14.3.1.	<p><i>Type of CPD Requirement</i></p> <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 checked="" type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>3 <input checked="" type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content requirements (e.g. specified</p>	<p>Content requirements are defined by PRC. this include CPE Credits for courses in Accounting, Auditing, Tax, SEC, Corporate Governance, ethics and others</p>

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		courses or knowledge content) 4 <input type="checkbox"/> Other	
2.14.3.3.	<i>Hours of Continuous Professional Development</i> Which one of the following answer options best describes the continuous professional development hours required?	1 <input 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. 2 <input checked="" type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in each year 3 <input type="radio"/> Other	Minimum required CPE credits is 60 hours over a 3 year period
2.14.3.5.	<i>Describe Content Requirement</i> Describe the content requirement applicable to all members.	Accounting, Auditing, Tax, SEC, Corporate Governance, Ethics Special courses as approved by PRC CPE Council	
2.14.3.6.	<i>Content - Specialist / High Risk Areas</i> Which of the following have specific content requirements with regards to professional development? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Specialist areas (describe the specializations)	Specialized industries (Financial institutions, insurance, pre-need and other industries) Publicly listed, public and regulated industries (

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		2 <input checked="" type="checkbox"/> High risk areas (describe the risk factors or characteristics)	familiarization with SEC, BSP and IC) rules and regulations
2.14.3.7.	<i>Requirement - Specialist/High Risk Areas</i> Describe the continuous professional development content requirement for members operating in specialist or high risk areas.	Familiarity with new circulars, memorandum circulars and rules Risk management policies new accounting and auditing standards (IFRS and ISAs)	
2.14.3.8.	<i>Monitoring of CPD</i> Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements?	1 <input checked="" type="radio"/> Yes, there is a monitoring process for CPD requirements 2 <input type="radio"/> No, there is no monitoring process for CPD requirements	PRC/BOA and PICPA has a CPE Council who takes charge of the monitoring the compliance of CPE and accreditation of the CPE Providers Computerized monitoring will be implemented once PICPA has the infrastructure in place
2.14.4.	Monitoring of CPD Requirement		
2.14.4.1.	<i>Monitoring Process SMO 2</i>		

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	Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.	1 <input type="checkbox"/> Professional accountants are required to submit a declaration 2 <input checked="" type="checkbox"/> Professional accountants are required to submit evidence 3 <input type="checkbox"/> Our organization audits a sample of professional accountants to check compliance 4 <input checked="" type="checkbox"/> Compliance is monitored through firm quality control standards 5 <input type="checkbox"/> Compliance is monitored through a quality assurance review program 6 <input type="checkbox"/> Other (please describe) 7 <input type="checkbox"/> None of the above	
2.14.4.3.	<i>Sanctions SMO 2</i> 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?	1 <input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed 2 <input type="radio"/> No, sanctions or other non-compliance actions are not imposed	Yes, the CPE Credits requirements is a pre-requisite for the renewal of the license
2.14.4.4.	<i>Sanction Types and CPD</i> Describe the nature and extent of the	The Implementing Rules and	

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	sanction, expulsions or denial of the right to practice.	Regulations of the accountancy law provide guidance on non-compliance of the CPE Credit requirements for licensing	
2.15.	<i>Activities to Promote IESs SMO 2</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.	Publications - Accounting bulletins and journals CPE trainings and conferences Website	CHED will soon be issuing a CMO to approve the latest version of the Accountancy Program which was last revise in 2002. This new curriculum will complu with the International Education standards
3.	SMO 3	1 <input checked="" type="checkbox"/> Yes for audits of listed entities	Auditing Standards Practice Councils of PICPA reviews new audit pronouncements and exposure drafts for approval of BOA/PRC for publication in the official gazette. SEC monitors compliance with the standards
3.1.	<i>Auditing Standards in Law/Regulation</i> 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. 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 /	1 <input checked="" type="checkbox"/> Yes for audits of listed entities	Auditing Standards Practice Councils of PICPA reviews new audit pronouncements and exposure drafts for approval of BOA/PRC for publication in the official gazette. SEC monitors compliance with the standards

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	<p>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>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		
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 type="radio"/> The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial</p>	

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		<p>text of individual IAASB pronouncements)</p> <p>2Ⓒ The law/regulation contains the full text of each IAASB pronouncement</p> <p>3Ⓒ The law/regulation contains the basic principles and essential procedures of the IAASB pronouncement</p> <p>4Ⓒ The law / regulation has a requirement to use IAASB pronouncements using another approach (please describe)</p> <p>5Ⓒ The law / regulation requires the use of national standards with no reference to IAASB pronouncements</p>	
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Ⓐ Develop other authoritative pronouncements</p> <p>2Ⓐ Promulgate the IAASB pronouncements established by law / regulation (e.g. by publishing or communicating the standards to the public)</p>	<p>PICPA supports FSRC, AASC, the authoritative bodies for the promulgation and reviews of the standards (GAAS).</p>

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		<input type="checkbox"/> Other (please describe) <input type="checkbox"/> None of the above	
3.8.11.	<i>Describe Activities and Law/Reg SMO 3</i> Describe your organization's activities for promulgating and / or implementing the standards.	PICPA conducts conferences and seminars on new standards	
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: 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?	<input checked="" type="radio"/> Yes	
		<input type="radio"/> No	
3.9.2.	<i>Incorporation Description - Law/Reg SMO 3</i> If information about IAASB	<input checked="" type="radio"/> Yes, information is available	

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	<p>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 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>Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p>	<p>and in English and will be submitted to Compliance Staff</p>	<p>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>3○ No, information is not available</p>

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3.10.	Translation SMO 3		
3.10.1.	<i>Translation of IAASB Pronouncements</i> Are the IAASB pronouncements translated into a national language?	<p>1 <input checked="" type="radio"/> No as English is the national language or a widely spoken language</p> <p>2 <input type="radio"/> Yes, the IAASB pronouncements are translated</p> <p>3 <input type="radio"/> No and English is not an official language or is not widely spoken</p>	
3.11.	<i>Activities to Promote IAASB Pronouncements</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.	PICPA disseminates the information through the website, conferences, seminars and print materials	
4.	SMO 4		
4.1.	Responsibility and National Ethical Requirements		
4.1.1.	<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? Help text: In some countries, ethical requirements may be established on a regional, provincial, or	<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>	PICPA reviews the ethical standards and adopted the IFAC Code of Ethics

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	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.		
4.1.2.	<i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	Since 2003
4.1.9.	<i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to incorporate the IFAC Code? 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.	1 <input type="radio"/> Our organization adopted the IFAC Code as issued without modifications 2 <input checked="" type="radio"/> Our organization adopted the IFAC Code but with modifications 3 <input type="radio"/> Our organization has developed our own ethical	Very slight modification was done only on provisions on advertisement

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		<p>requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>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 differences between your organization's ethical requirements and the IFAC Code.</p>	<p>Committee on Ethics reviewed the provisions of the IFAC Code of Ethics and made their recommendations to the Board of PICPA. PICPA adopted the IFAC Code of Ethics after the recommendations was approved by BOA</p>	
4.2.	<p>MB and Version of IFAC Code</p>		
4.2.1.	<p><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?</p>	<p>1○ The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2⊙ A version issued prior to 2004</p> <p>3○ The revised IFAC Code issued and in effect June 30, 2006</p>	

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4.2.2.	<i>Version Pre 2004 Follow Up SMO 4</i> Please explain why the IFAC Code that is currently in effect has not been adopted or incorporated. Provide information about special conditions, challenges, or impediments relevant to this matter.	Committee on Ethics of PICPA will be tasked to review the changes in the IFAC Code of ethics adopted in June 2006 for adoption in the Philippines	
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.	<p>1 <input type="radio"/> Our organization has already amended our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>2 <input checked="" type="radio"/> Our organization is in the 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 <input type="radio"/> 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 <input type="radio"/> Other (please describe)</p>	
4.2.5.	<i>MB and Revision Plans</i> Please describe the work program timetable.	Review will commence probably in June or July 2006	

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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>	1 <input type="radio"/> Yes	
		2 <input checked="" type="radio"/> No	
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; 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</p>	1 <input checked="" type="radio"/> Yes, our organization has this information and it will be submitted	

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	by your organization and others including government and regulatory bodies that are applicable to your members.	<p>2 <input type="radio"/> This information will be submitted by another IFAC member body</p> <p>3 <input type="radio"/> 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 widely spoken language</p>	
4.15.	<p><i>Activities to Promote IFAC Code of Ethics</i></p> <p>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>PICPA is actively involved in the following areas:</p> <p>review of the CODE</p> <p>Preparation of recommendations to BOA</p> <p>Dissemination through the website,</p>	

Number	Question Title/Text/Help text	Answer	Comments
		publications and conference and seminars	
5.	SMO 5		
5.1.	<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?	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Information is not available or not known	Government agencies has provided accounting standards for the public sector which is primarily based on the Philippine Financial Reporting Standards based on the IFRS.
5.2.	IPSASs Convergence Follow Up		
5.2.1.	<i>Public Sector Accounting Standards - Cash/Accrual</i> Do the national public sector accounting standards require financial statements to be prepared on a cash basis or accrual basis?	<input type="radio"/> Cash <input checked="" type="radio"/> Accrual <input type="radio"/> Both cash and accrual are permitted	Please describe the requirement or circumstances permitting the use of the cash basis and accrual basis
5.2.2.	<i>Convergence Plans Follow Up SMO 5</i> Does the government have plans to converge national public sector accounting standards with IPSASs?	<input type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
		2 <input checked="" type="radio"/> No 3 <input type="radio"/> Information is not available or not known	
5.4.	<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.		PICPA undertakes to promote the IFRS in the government owned and controlled corporations
6.	SMO 6		
6.1.	<i>Investigation and Discipline Program</i> In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	PICPA has a Board of Ethics with specific responsibilities provided in its by-laws
6.3.	Responsibility for Investigation and Discipline		
6.3.1.	<i>Body Responsible for Investigation and Discipline</i> Is your organization responsible for investigation and discipline of misconduct,	1 <input type="radio"/> Yes, our organization has this responsibility	

Number	Question Title/Text/Help text	Answer	Comments
	<p>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>2○ No, responsibility for investigation and discipline rests solely with an external body 3⊙ Our organization shares responsibility for investigation and discipline with an external body 4○ Other</p>	
6.3.2.	<p><i>Name of Body Responsible for Investigation and Discipline</i> 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>	Board of Accountancy/Professional regulations Commission	
6.5.	SMO 6 - Detailed Assessment		
6.5.1.	Rules and Procedures for Investigation and Discipline		
6.5.1.1.	<p><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?</p>	<p>1⊙ Yes 2○ No</p>	

Number	Question Title/Text/Help text	Answer	Comments
6.5.1.3.	<p><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.</p>	<p>1 <input type="checkbox"/> Criminal activity</p> <p>2 <input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute</p> <p>3 <input checked="" type="checkbox"/> Breaches of professional standards</p> <p>4 <input checked="" type="checkbox"/> Breaches of ethical requirements</p> <p>5 <input checked="" type="checkbox"/> Gross professional negligence</p> <p>6 <input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights</p> <p>7 <input checked="" type="checkbox"/> Unsatisfactory work</p> <p>8 <input type="checkbox"/> Other (please describe)</p>	
6.5.2.	<p><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.</p>	<p>1 <input checked="" type="checkbox"/> Reprimand</p> <p>2 <input type="checkbox"/> Loss or restriction of practice rights</p> <p>3 <input checked="" type="checkbox"/> Fine/payment of costs</p> <p>4 <input type="checkbox"/> Loss of professional title (designation)</p>	

Number	Question Title/Text/Help text	Answer	Comments
		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 organization meets this requirement of SMO 6.	We disseminate the information. We publish the following books: Accountancy Law, Code of Ethics, Primer on Continuing Professional Education, etc. information is also available in our website.	
6.5.4.	Obligations to Report to Outside Bodies		
6.5.4.1.	<i>Reporting to Outside Bodies</i> 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	1 <input type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	public authority and disclose related information to that authority?	2 <input checked="" type="radio"/> No	
6.5.4.2.	<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.	This is not within our jurisdiction.	
6.5.5.	<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.	1 <input type="checkbox"/> Information-based 2 <input checked="" type="checkbox"/> Complaints-based 3 <input type="checkbox"/> Other (please describe) 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:	1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to co-	

Number	Question Title/Text/Help text	Answer	Comments
	Select all the answer options that are appropriate.	<p>operate in the investigation of complaints and to respond promptly to all communications from the member body</p> <p>2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply</p> <p>3 <input type="checkbox"/> None of the above</p>	
6.5.6.6.	<p><i>Expertise and Resource</i></p> <p>Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?</p>	<p>1 <input checked="" type="radio"/> Yes (please describe)</p> <p>2 <input type="radio"/> No</p>	<p>Our Ethics Board which is task to do this is composed of members who are both CPAs and lawyers by professions. Our organization has alloted a budget annually for this.</p>
6.5.6.8.	<p><i>Independence and Subject of Investigation</i></p> <p>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 investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	

Number	Question Title/Text/Help text	Answer	Comments
	connected with the investigation and hearing of cases.		
6.5.6.10.	<i>Infrastructure</i> Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.	<input checked="" type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3	One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action A single committee/panel to conduct the investigation and administer disciplinary action. Other
6.5.6.12.	<i>Independent Review</i> Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing?	<input checked="" type="radio"/> 1 <input type="radio"/> 2	Yes No
6.5.7.	The Disciplinary Process		
6.5.7.1.	<i>Composition of Tribunal</i> Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	<input type="radio"/> 1 <input checked="" type="radio"/> 2	Yes (please describe) No

Number	Question Title/Text/Help text	Answer	Comments
6.5.7.2.	<p><i>Composition of Tribunal Follow Up</i> Please explain why the tribunal responsible for the disciplinary hearing does not contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?</p>	<p>The members of our Ethics Board are all members of our organization. One must be a CPA to qualify as a member in our organization. Most members of our Ethics Board are both CPAs and Lawyers by profession</p>	
6.5.7.3.	<p><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?</p>	<p>1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No</p>	
6.5.7.4.	<p><i>Conflicts Follow Up</i> What plans do you have for introducing requirements to prevent an individual from serving as a member on both the investigation committee and the disciplinary tribunal or serving in relation to the same case, or if you do not have those plans, what special reasons or conditions for that fact exist?</p>	<p>Our Ethics Board is just serving as an investigative committee. The Board of Accountancy (Govenment) is the disciplinary tribunal.</p>	
6.5.7.5.	<p><i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.</p>	<p>The segregation of duties in itself is part of the independence process.</p>	

Number	Question Title/Text/Help text	Answer	Comments
6.5.7.6.	<p><i>Appeals Process</i> 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 type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input 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 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 type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p>	

Number	Question Title/Text/Help text	Answer	Comments
		6 <input type="checkbox"/> None of the above	
6.5.7.7.	<i>Appeals Process Follow Up</i> Please explain why your organization has not established the rules that were not selected.	This is done by our the Board of Accountancy.	
6.5.8.	Administrative Processes		
6.5.8.1.	<i>Elements of Administrative Processes</i> As a part of Investigation and Discipline administrative processes does your organization: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Establish time limits for disposal (completion) of all cases 2 <input checked="" type="checkbox"/> 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 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	

Number	Question Title/Text/Help text	Answer	Comments
		confidentiality, and (b) a binding agreement to maintain that confidentiality 4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence 5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings 6 <input type="checkbox"/> None of the above	
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.	1	3 complaints were received but 2 complaints were dismissed for failure to comply with the requirements
6.5.8.3.2.	<i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004.	4	5 complaints were received 1 was dismissed due to lack of jurisdiction
6.5.8.3.3.	<i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003.	2	no new cases were received. The committee heard existing cases
6.5.8.3.4.	<i>2005 Completed Case Numbers</i> Indicate the number of cases completed in	1	

Number	Question Title/Text/Help text	Answer	Comments
	2005.		
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.	2	
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 accounting standards to be used by reference to the set of standards to be used by their	1 <input checked="" type="checkbox"/>	Yes, for financial statements of listed entities

Number	Question Title/Text/Help text	Answer	Comments
	<p>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>Listed and non-listed companies adopt the same standard except that SEC issued a recent circular allowing Non-public entities with total assets as of 2004 of less than 250m to defer adoption of IFRS effective in 2005 in 2008</p>

Number	Question Title/Text/Help text	Answer	Comments
		2○ The accounting standards for listed entities and non-listed entities are not the same set of standards	
7.8.2.	<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.	1○ 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) 2⊙ The law/regulation contains the full text of each IFRS 3○ The law/regulation contains the main principles of the IFRSs 4○ The law / regulation has a requirement to use IFRSs using another approach (please describe) 5○ The law / regulation requires the use of national standards with no reference to IFRSs	
7.8.9.	<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.	1□ Develop other authoritative pronouncements 2☑ Promulgate the IFRSs	Disseminating the IFRS to the members through website, trainings and conferences and publications

Number	Question Title/Text/Help text	Answer	Comments
		established by law / regulation (e.g. by publishing or communicating the standards to the public) 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
7.8.11.	Describe Activities and Law/Reg SMO 7 Describe your organization's activities for promulgating and / or implementing the standards.	PICPA recommends members in the Financial Reporting Standards Council tasked for promulgating the standards PICPA is tasked with the dissemination of the standards	
7.9.	Law/Reg and IASB Pronouncements		
7.9.1.	Incorporation into Law/Reg SMO 7 Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including: 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	1 <input checked="" type="radio"/> Yes	Full convergence with IFRS took effect beginning January 1, 2005 except for Non-public entities where the standard council passed PAS 101 that differs adoption of more difficult standards until 2008 In the subsequent years as the IFRS are promulgated by IASB this will be adopted in the Philippines

Number	Question Title/Text/Help text	Answer	Comments
	<p>pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	2○ No	
7.9.2.	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs 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.doc 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>1⊙ Yes, information is available and in English and will be submitted to Compliance Staff</p> <p>2○ No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 7: Comparison with</p>	

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="radio"/>	IASB Pronouncements" and submit it to Compliance Staff 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"/> 2 <input type="radio"/> 3 <input type="radio"/>	No, as English is an official language or widely spoken language Yes, the IFRSs are translated 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.		Promotion and dissemination is through the website, conduct of seminars and conferences and in bulletins issued by PICPA
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 here to download a copy of the Certification form.	1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/>	Yes, the Certification of Chief Executive has been submitted

Number	Question Title/Text/Help text	Answer	Comments
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