

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

Member Name: The Chamber of Auditors of Azerbaijan Republic

Country: Azerbaijan

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| 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☉ Yes | Quality Assurance Review Program in Azerbaijan is subject to review and update as part of the IDF grant. Some of the responses presented below reflect planned design of the program. Planned implementation of the updated program is 2008. Accordingly, Statute on |

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| | | 2 <input type="radio"/> No | <p>quality assurance review was prepared and approved on February 4, 2008. Supplements and amendments to the Law on Audit Service related with issues on quality assurance review are considered. Proposal on establishment of quality assurance review body was put forward to the Cabinet of Ministers of the Republic of Azerbaijan.</p> |
| 1.2. | <p>Responsibility for Quality Assurance - Overview</p> | <p>1 <input checked="" type="radio"/> Yes - for all audits of financial statements</p> | <p>The role of the Chamber on Quality Assurance is to prepare normative and legal documents on Quality Assurance and to present them to the Cabinet of Ministers, to select and prepare specialists on Quality Assurance, perform quality assurance, as well as provide methodical guidelines and instructions.</p> |
| 1.2.1. | <p><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? Select the answer option that is most appropriate.</p> | <p>1 <input checked="" type="radio"/> Yes - for all audits of financial statements</p> | <p>The role of the Chamber on Quality Assurance is to prepare normative and legal documents on Quality Assurance and to present them to the Cabinet of Ministers, to select and prepare specialists on Quality Assurance, perform quality assurance, as well as provide methodical guidelines and instructions.</p> |

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| | | <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 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> | |
| 1.2.6. | <p><i>Quality Assurance (Member Body) All Audits - Scope</i></p> <p>What types of engagements are included in the scope of the quality assurance review program? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Financial statement audit - listed entities (minimum requirement)</p> <p>2 <input checked="" type="checkbox"/> Financial statement audit - audit of other than listed entities</p> <p>3 <input checked="" type="checkbox"/> Other services (e.g., review, compilation)</p> <p>4 <input type="checkbox"/> Insolvency</p> <p>5 <input type="checkbox"/> Other (please specify)</p> | |
| 1.4. | Member - Benchmarking | | |
| 1.4.1. | Quality Control Standards and Guidance | | |

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| 1.4.1.1. | <p><i>Quality Control Standards</i> Has your organization established and published quality control standards requiring firms to implement a system of quality control in accordance with International Standard on Quality Control 1?</p> | 1 <input type="radio"/> Yes | <p>The Chamber has established local Quality Control System not in compliance with the requirements of ISQC 1, but based on the requirements of the Law on Audit Service. In 2005 the Chamber decided to make transition to the implementation of International Standards of Auditing prepared by IFAC (without preparation of national standards). After the transition to ISAs this problem will be eliminated. Because Quality Control System will be regulated in compliance with ISQC established by IFAC. Quality Control System was regulated in compliance with the related guidelines and instruction before, but from 2008 it will be regulated in compliance with the Statute on Quality Control (based on the Statute on Quality Control of Lithuanian Chamber of</p> |

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| | | 2⊙ No | Auditors) approved on February 4, 2008. |
| 1.4.1.4. | <i>Other Quality Control Guidance</i> Has your organization established and published other quality control guidance to assist your members to understand the objectives of quality control and to implement and maintain appropriate systems of quality control? | 1⊙ Yes | |
| | | 2○ No | |
| 1.4.1.5. | <i>Other Quality Control Guidance - Name</i> State the name of the other quality control guidance. | Methodical guidance on the control of independent auditors and audit organizations; guidance regard to the control on the compliance with audit standards and legal documents of audits of audit organizations and independent auditors.Guideline on preparation of sample report and its appendix on half year activity of independent auditors, local audit firms and branches/representations of foreign audit firms. Sample report form on quality control of compliance with audit standards and legal acts of audits of audit firms and independent | Methodical guidance on the control of independent auditors and audit organizations was approved in accordance with the Council Decision dated May 31, 2004. Guidance and sample report form regard to the control on the compliance with audit standards and legal documents of audits of audit organizations and independent auditors was approved in accordance with the Council Decision dated April 20, 2001. Guideline on preparation of sample report |

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| | | auditors. | and its appendix on half year activity of independent auditors, local audit firms and branches/representations of foreign audit firms was approved in accordance with the Council Decision dated December 8, 2006. All the methodical guidelines are based on the Law on Audit Service, Regulations of the Chamber of Auditors, Civil and Tax Codes of the Republic of Azerbaijan, Code of Ethics for auditors and other related legislative documents, as well as international experience. |
| 1.4.2. | Design of the Quality Assurance Review Program | | |
| 1.4.2.1. | <i>Subject of the QA Review Program</i> Who is the subject of the quality assurance review program? | 1 <input checked="" type="checkbox"/> Audit firm 2 <input type="checkbox"/> Partner | |
| 1.4.2.2. | <i>Audit Firm</i> As the audit firm is the subject of the quality assurance review program, the quality assurance program should be designed, as | 1 <input type="radio"/> Yes | Quality Assurance Review Program is subject to review and update as part of the IDF |

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| | <p>required by SMO 1, to obtain reasonable assurance that:</p> <ul style="list-style-type: none"> - The firm has an adequate system of quality control relating to audits of financial statements of listed entities (and of other entities or engagements that are also included in the scope of the review). - The firm complies with that system. - The firm and engagement teams have adhered to professional standards and regulatory and legal requirements in performing audits of financial statements selected for review. <p>Does the quality assurance program contain all three of these elements?</p> | 2Ⓐ No | <p>grant.</p> <p>At this time only the 3rd element is implemented.</p> |
| 1.4.2.5. | <p><i>Publication of Scope</i></p> <p>Does your organization publish a description of the scope and design of its quality assurance review program?</p> | 1Ⓐ Yes 2Ⓐ No | |
| 1.4.2.7. | <p><i>Name of Documents</i></p> <p>Please name the published document(s) that describe the scope and design of the quality assurance review program.</p> | 1-4 volumes of the book "Audit. Legislation and normative documents" and national audit | |

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| | | standards prepared on the basis of ISAs. | |
| 1.4.2.8. | <i>Location of Documents</i> Please indicate where the document(s) that include details on the scope and design of the quality assurance program can be located (e.g., provide internet address or indicate that documents are available from your organization). | It is available in Azerbaijan language in print and e-format. We can send it by mail if needed. | |
| 1.4.3. | Review Cycle | | |
| 1.4.3.1. | <i>Selection Approach</i> Please select the approach used to select subjects for quality assurance review. Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Cycle approach 2 <input type="checkbox"/> Risk-based approach | |
| 1.4.3.2. | <i>Cycle Approach - Firm</i> As the audit firm is the subject of the review, please indicate the maximum number of years in the review cycle: | 1 <input checked="" type="radio"/> 1 year 2 <input type="radio"/> 2 years 3 <input type="radio"/> 3 years 4 <input type="radio"/> 4 years 5 <input type="radio"/> 5 years | |

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| | | 60 6 or more years | |
| 1.4.4. | Implementation of the Quality Assurance Program | | |
| 1.4.4.1. | <i>Date of Implementation</i> On what date did the quality assurance review program commence? (provide month/year) | 5/1/1997 | Application of National standard prepared in compliance with the requirements of ISA 220 was set on May 97; the application of methodical guidance on control of independent auditors and audit organizations was set on May 2004; The application of guideline on preparation of sample report and its appendix on half year activity of independent auditors, local audit firms and branches/representations of foreign audit firms was set on December 8, 2006. The application of guidance regard to the control of compliance with audit standards and legal documents of the audits of audit organizations and independent auditors was set |

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| | | | <p>on April 2001.the applications of the Statute on Quality Control (based on the Statute on Quality Control of Lithuanian Chamber of Auditors) was set on February 4, 2008.</p> <p>Quality Assurance Review Program is subject to review and update as part of the IDF grant. Planned implementation of the updated program is 2008.</p> |
| 1.4.4.2. | <p><i>Number of Reviews - 2005</i> How many quality assurance reviews were completed during the year ended December 31, 2005 (or other 12 month period ending in 2005)?</p> | 85 | |
| 1.4.4.3. | <p><i>Number of Reviews - 2004</i> How many quality assurance reviews were completed during the year ended December 31, 2004 (or other 12 month period ending in 2004)?</p> | 34 | |
| 1.4.4.4. | <p><i>Number of Reviews - 2003</i> How many quality assurance reviews were</p> | 29 | |

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| | completed during the year ended December 31, 2003 (or other 12 month period ending in 2003)? | | |
| 1.4.5. | Quality Assurance Review Team Procedures | | |
| 1.4.5.1. | <i>Publication of Review Guidelines</i> Does your organization publish guidelines for procedures to be followed by quality assurance review teams? | 1 <input checked="" type="radio"/> Yes | |
| | | 2 <input type="radio"/> No | |
| 1.4.5.2. | <i>Name of Guidelines</i> State the name of the published document(s) that include the procedures required to be followed by quality assurance review teams. | Methodical guidance on the control of independent auditors and audit organizations; guidance regard to the control on the compliance with audit standards and legal documents of audits of audit organizations and independent auditors. Sample report form on quality control of compliance with audit standards and legal acts of audits of audit firms and independent auditors.Guideline on preparation of sample report and its appendix on half year activity of independent | |

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| | | auditors, local audit firms and branches/representations of foreign audit firms. | |
| 1.4.5.4. | <p><i>Location of Guidelines</i> How can the document(s) that include the procedures required to be followed by quality assurance review teams be located (e.g., provide internet address or indicate that documents are available from your organization)?</p> | Statue on quality control is available in English, which we can send by mail. But the statue on internal control system is in Azerbaijan language. | |
| 1.4.5.5. | <p><i>Content of Guidelines</i> SMO 1 requires that the procedures to be performed during the quality assurance review include:</p> <p>a. An assessment of the system of quality control relating to audits of financial statements of listed entities (minimum requirement)</p> <p>b. Sufficient review of the quality control policies and procedures and reviews of engagement working papers to evaluate:</p> <ul style="list-style-type: none"> - The functioning of that system of quality control, and compliance with it; and - The compliance with professional standards and regulatory and legal requirements in respect of audits of financial | 1 <input checked="" type="radio"/> Yes | <p>Quality Assurance Review Program is subject to review and update as part of the IDF grant.</p> <p>Elements a. and b. are planned for implementation in 2008.</p> |

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| | <p>statements c. Review of engagement working papers d. Specific requirements regarding documentation of the review</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p> | <p><input type="radio"/> No</p> | |
| <p>1.4.5.7.</p> | <p><i>Review of Engagement Working Papers</i> SMO 1 requires procedures to be performed for the review of engagement working papers, including the evaluation of:</p> <ul style="list-style-type: none"> - The existence and effectiveness of the system of quality control implemented by the subject of the review; - Compliance with professional standards and regulatory and legal requirements in performing the engagement; - The sufficiency and appropriateness of evidence documented in the working papers; and - Whether the auditor's reports are appropriate in the circumstances. <p>Does your quality assurance review program include requirements for all of these procedures?</p> | <p><input checked="" type="radio"/> Yes</p> | <p>Quality Assurance Review Program is subject to review and update as part of the IDF grant.</p> <p>First element is planned for implementation in 2008.</p> |

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| | | 2 <input type="radio"/> No | |
| 1.4.5.9. | <p><i>Documentation</i></p> <p>Do the procedures to be performed by the quality assurance review team require documentation:</p> <ul style="list-style-type: none"> - of evidence supporting the quality assurance review report; and - that establishes that the quality assurance review was carried out in accordance with the established guidelines. <p>Are both of these requirements included in the quality assurance review program?</p> | 1 <input checked="" type="radio"/> Yes | |
| | | 2 <input type="radio"/> No | |
| 1.4.6. | The Quality Assurance Review Team | | |
| 1.4.6.1. | <p><i>Skills and Competence</i></p> <p>Members of the quality assurance review team should have the necessary competencies to perform expected work. As required by SMO 1, these competencies should include:</p> <ul style="list-style-type: none"> - Appropriate professional education - Relevant professional experience - Specific training on performing quality assurance reviews <p>Does the quality assurance review program</p> | 1 <input checked="" type="radio"/> Yes | |

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| | require members of the quality assurance review team to have all three of these competencies? | 2 <input type="radio"/> No | |
| 1.4.6.3. | <i>Certification/Credentials</i> Are members of the quality assurance review team required to possess certification or credentials issued by your organization to be eligible to serve as team members? | 1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No | |
| 1.4.6.4. | <i>Certification/Credentials Follow Up</i> Please explain why members of the quality assurance review team are not required to possess certification or credentials issued by your organization to be eligible to serve as team members. | Quality assurance review engagement is regulated by the statute of the Chamber of Auditors and also by Law on audit service of Azerbaijan Republic. | |
| 1.4.6.5. | <i>Quality Assurance Review Team Leader</i> Where more than one reviewer is used to conduct a review, is a quality assurance review team leader assigned for each quality assurance review assignment? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.6.7. | <i>QA Review Team Leader - Responsibilities</i> As required by SMO 1, the responsibilities of the quality assurance review team leader should include: | 1 <input checked="" type="radio"/> Yes | |

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| | <p>- Supervision of the quality assurance review. - Communication of the quality assurance review team's conclusions to the subject of the review. - Preparation of the quality assurance review report.</p> <p>Does the quality assurance program place all these responsibilities on the review team leader?</p> | <p>2 <input type="radio"/> No</p> | |
| 1.4.6.9. | <p><i>Size of Quality Assurance Review Team</i> Please estimate the average number of reviewers included on a review team.</p> | <p>3</p> | |
| 1.4.7. | <p>Quality Assurance Confidentiality - QA Review Team</p> | | |
| 1.4.7.1. | <p><i>Exemption for QA Reviewers</i> Does your organization exempt members from professional client confidentiality requirements concerning audit engagement working papers for the purpose of quality assurance reviews?</p> | <p>1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No</p> | |
| 1.4.7.3. | <p><i>Confidentiality Requirements</i></p> | | |

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| | Is the quality assurance review team required to follow professional confidentiality requirements similar to those established for professional accountants performing audits of financial statements? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.8. | Ethical Requirements and QA Review Team | | |
| 1.4.8.1. | <i>Fundamental Principles</i> Are the fundamental principles set out in the IFAC Code of Ethics (relevant national ethical requirements) considered in relation to the quality assurance review team's conduct of a review? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.8.3. | <i>Consideration of Independence</i> Quality assurance review team members are expected to be independent of the member (i.e., the accountant or firm being reviewed) and the member's clients selected for review. Do those who select and approve a review team determine whether the independence of the quality assurance review team leader and each member of the quality assurance review team has been reasonably assured? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.8.5. | <i>Reciprocal Reviews</i> | | |

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| | Where the review is performed by team members from a single firm (e.g., a "peer review"), please indicate whether firms are permitted to perform reciprocal quality assurance reviews. | <input type="radio"/> 1 Yes, reciprocal reviews are permitted <input checked="" type="radio"/> 2 No, reciprocal reviews are not permitted <input type="radio"/> 3 Not applicable - peer review is not used | |
| 1.4.9. | Reporting | | |
| 1.4.9.1. | <i>Quality Assurance Review Report</i> Is the quality assurance review team leader required to issue a written quality assurance review report to the reviewed firm or partner upon completion of each quality assurance review assignment? | <input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No | |
| 1.4.9.3. | <i>Contents of Report</i> As required by SMO 1, the quality assurance review report should include the following elements: <ul style="list-style-type: none"> - The review guidelines (referred to in Question 1.4.5.1) utilized by the quality assurance review team. - Recommendations for areas of improvement at both firm wide and engagement level. | <input checked="" type="radio"/> 1 Yes | |

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| | Does the quality assurance program require both of these elements to be included in the report? | 2 <input type="radio"/> No | |
| 1.4.9.5. | <p><i>Contents of Report - Firm</i></p> <p>As required by SMO 1, the quality assurance review report should include the following conclusions:</p> <ul style="list-style-type: none"> - Whether the firm's system of quality control has been designed to meet the requirements of the applicable quality control standards; - Whether the firm has complied with its system of quality control during the period under review; and - Reasons for reaching negative conclusions on either or both of the above. <p>Does the quality assurance program require all of these elements to be included in the report?</p> | 1 <input type="radio"/> Yes | |
| 1.4.9.7. | <p><i>Contents of Report Follow Up</i></p> <p>Please explain why any element required by SMO 1 to be included in the quality assurance review report has not been included.</p> | 2 <input checked="" type="radio"/> No | Currently the report focuses on compliance with professional standards. |

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| | | Quality Assurance Review Program is subject to review and update as part of the IDF grant. Implementation of the updated system is planned for 2008. | |
| 1.4.9.8. | <i>Response to Reporting</i> Is the subject of the review required to provide a timely written response to the recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.9.10. | <i>Reporting to the Public</i> Does your organization prepare and make available to the public (and upon request from regulatory authorities) an annual report summarizing the results of the quality assurance review program? | 1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No | |
| 1.4.9.11. | <i>Reporting to the Public Follow Up</i> Please explain why your organization does not prepare an annual report summarizing the results of the quality assurance review program available to the public? | We report results of the quality assurance review program in some cases meeting the confidentiality principle. | |

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| 1.4.10. | Corrective and Disciplinary Actions | | |
| 1.4.10.1. | <i>Corrective Actions Required</i> Does your organization require each of its members to make appropriate corrections to its system of quality control, or in its compliance with policies and procedures? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.10.3. | <i>Disciplinary Actions</i> If one of your members subsequently fails to demonstrate compliance with professional standards and regulatory and legal requirements, do you take appropriate disciplinary action? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.4.10.5. | <i>Linkage with Disciplinary Actions</i> Does your organization clearly establish a link between less than satisfactory results of quality assurance reviews and the initiation of corrective and disciplinary actions under its disciplinary system? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 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. | 1 <input checked="" type="checkbox"/> Complete a program of professional accountancy education | |

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| | | <input checked="" type="checkbox"/> Complete a practical experience requirement <input checked="" type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies <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)? | <input checked="" type="radio"/> Yes <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. | <input checked="" type="checkbox"/> Our organization <input type="checkbox"/> Another IFAC member body <input type="checkbox"/> Universities <input type="checkbox"/> Approved training institutions <input type="checkbox"/> Government bodies <input type="checkbox"/> Other organizations | |
| 2.7. | IES 1 Entry Requirements | | |
| 2.7.1. | <i>Entry Requirements and Equivalency</i> | | |

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| | <p>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 type="radio"/> Entry requirements are not equivalent to that for admissions into a recognized university degree program (or its equivalent)</p> | |
| 2.7.3. | <p><i>Process for Checking Equivalency</i></p> <p>Is there a formal process for assessing whether an individual's experience and knowledge is equivalent to that for admissions into a recognized university?</p> | <p>1 <input type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> | |
| 2.8. | <p>IES 2 Content of Professional Accounting Education Program</p> | | |
| 2.8.1. | <p><i>Gaining Accountancy Knowledge</i></p> <p>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</p> | <p>1 <input checked="" type="checkbox"/> Post-secondary accounting degree</p> | |

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| | recognized by your organization? Select all the answer options that are appropriate. | <p>2<input checked="" type="checkbox"/> Post-secondary business or finance degree</p> <p>3<input checked="" type="checkbox"/> Post-secondary degree in another subject matter</p> <p>4<input type="checkbox"/> Qualification offered by another IFAC member body</p> <p>5<input type="checkbox"/> Relevant work experience</p> <p>6<input type="checkbox"/> Other</p> | |
| 2.8.2. | <p><i>Describe Other Degree</i></p> <p>Describe in general terms the other degrees and specializations recognized by your organization.</p> | Law and economic field. | |
| 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> | |
| 2.8.7. | <i>Length Follow Up</i> | | |

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| | 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. | High education degree and minimum three years practice on accounting, law, finance and economy field. | |
| 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 checked="" 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> | |
| 2.8.8.3. | <i>Organizational and Business Knowledge</i> | | |

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| | Which of the following organizational and business knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate. | <p>1 <input checked="" type="checkbox"/> Economics</p> <p>2 <input checked="" type="checkbox"/> Business environment</p> <p>3 <input checked="" type="checkbox"/> Corporate governance</p> <p>4 <input checked="" type="checkbox"/> Business ethics</p> <p>5 <input checked="" type="checkbox"/> Financial markets</p> <p>6 <input checked="" type="checkbox"/> Quantitative methods</p> <p>7 <input checked="" type="checkbox"/> Organizational behavior</p> <p>8 <input checked="" type="checkbox"/> Management and strategic decision making</p> <p>9 <input checked="" type="checkbox"/> Marketing</p> <p>10 <input type="checkbox"/> International business and globalization</p> <p>11 <input type="checkbox"/> None of the above</p> | |
| 2.8.8.5. | <p><i>Information Technology</i></p> <p>Which of the following information technology (IT) subject areas and competences are required prior to qualification? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> General knowledge of IT</p> <p>2 <input checked="" type="checkbox"/> IT control knowledge</p> <p>3 <input checked="" type="checkbox"/> IT control competences</p> <p>4 <input checked="" type="checkbox"/> IT user competences</p> <p>5 <input type="checkbox"/> One of, or a mixture of, the competences of, the roles of manager, evaluator or</p> | |

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| | | designer of information systems 6 <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. | Those are not regulated by Law on Audit Service of Azerbaijan Republic | |
| 2.8.8.7. | <i>Additional Content by Requirement</i> Are there additional content requirements specified by law or regulation, or your organization? | 1 <input type="checkbox"/> Yes, as required by law or regulation 2 <input type="checkbox"/> Yes, as determined to be necessary by our organization 3 <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. At what points in the professional accountancy education program are intellectual skills developed? Select all the answer options that are appropriate. In | 1 <input checked="" 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 |
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| | <p>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 checked="" 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>The candidates should be prepared to meet the requirements to be asked in the examination and by the assessing working group. Those are to be assessed by an examination.</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 checked="" 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 content</p> <p>3<input checked="" type="checkbox"/> Through practical experience requirement</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 4 <input type="checkbox"/> Other (please describe) | |
| 2.9.4. | <i>Technical and Functional Skills</i> Describe the specific technical and functional skills candidates are required to have at the point of qualification and how these skills are assessed. | Through examination. | |
| 2.9.5. | <i>Development of Personal Skills</i> 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. | 1 <input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements 2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content 3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe) | |
| 2.9.6. | <i>Personal Skills</i> Describe the specific personal skills candidates are required to have at the point of qualification and how these skills are assessed. | By interviews | |
| 2.9.7. | <i>Dev of Interpersonal and Communication Skills</i> At what points in the professional | 1 <input checked="" type="checkbox"/> As part of general education | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>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>and / or as part of the professional accountancy education program entry requirements</p> | |
| | | <p>2☑ Through specific professional accountancy education course content</p> | |
| | | <p>3☑ Through practical experience requirement</p> | |
| | | <p>4☐ 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>By interviews</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 to this question refer to IES 3 paragraphs 13 and 18.</p> | <p>1☑ As part of general education and / or as part of the professional accountancy education program entry requirements</p> | |
| | | <p>2☑ Through specific professional accountancy education course</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | content 3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe) | |
| 2.9.10. | <i>Organizational and Business Management Skills</i> Describe the specific organizational and business management skills candidates are required to have at the point of qualification and how these skills are assessed. | By an examination | |
| 2.10. | IES 4 Professional Values, Ethics and Attitudes | | |
| 2.10.1. | <i>Content for Values, Ethics and Attitudes</i> Section 2.10 deals with professional ethics, values, and attitude content and requirements of the professional accountancy education program delivered by your organization. Does the professional accountancy education program include coverage of values, ethics and attitudes? | 1 <input checked="" type="radio"/> Yes 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 | 1 <input checked="" type="checkbox"/> The nature of ethics | |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|--|--|----------|
| | program content? Select all the answer options that are appropriate. | <ul style="list-style-type: none"> <li data-bbox="898 402 1318 537">2☑ Differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks <li data-bbox="898 542 1318 743">3☑ Compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality <li data-bbox="898 748 1318 846">4☑ Professional behavior and compliance with technical standards <li data-bbox="898 850 1318 948">5☑ Concepts of independence, skepticism, accountability and public expectations <li data-bbox="898 953 1318 1018">6☑ Ethics and the profession: social responsibility <li data-bbox="898 1023 1318 1153">7☑ Ethics and law, including the relationship between laws, regulations and the public interest <li data-bbox="898 1157 1318 1287">8☑ Consequences of unethical behavior to the individual, to the profession and to society at large <li data-bbox="898 1292 1318 1326">9☑ Ethics in relation to business | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 10 <input checked="" type="checkbox"/> and good governance 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 | Our Code of Ethics include the similar values, ethics and attitudes as included in the IFAC Code of 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 checked="" type="checkbox"/> As part of general education and / or as part of the program entry requirements 2 <input type="checkbox"/> Through specific program course content 3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe) | |
| 2.11. | IES 5 Practical Experience Requirement | | |
| 2.11.1. | <i>Approved Provider</i> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
|-----------|--|--|----------|
| | 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. | Audit firms, independent auditors and commercial firms. | |
| 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 | |
| 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 the practical experience requirement? | 1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 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): | <input checked="" type="checkbox"/> Before the professional accountancy education program of study <input type="checkbox"/> At the same time as the professional accountancy education program of study <input 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. | It must be completed before professional requirement assessment. | |
| 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? | <input checked="" type="radio"/> Yes <input type="radio"/> No | |
| 2.12.3. | <i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and assessed? Select all the answer options that are appropriate. | <input checked="" type="checkbox"/> Mentoring system <input type="checkbox"/> Approved training employers | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>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> | |
| 2.13. | IES 6 Assessment of Prof Capabilities and 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 checked="" 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 type="checkbox"/> Government or regulatory</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | body 4 <input type="checkbox"/> Other | |
| 2.13.4. | <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. | 1 <input checked="" type="checkbox"/> Uniform for all students 2 <input type="checkbox"/> Given simultaneously where it is being held in more than once location in the country 3 <input type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals 4 <input type="checkbox"/> None of the above | |
| 2.13.5. | <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. | 1 <input checked="" type="checkbox"/> Specified pre-qualification requirements relating to professional knowledge, professional skills, and professional values, ethics, and attitudes 2 <input checked="" type="checkbox"/> Specified practical experience requirements 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above | |
| 2.13.6. | <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 | 1 <input checked="" type="radio"/> Yes | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | candidate to take the final examination within a specified number of years of meeting the pre-assessment requirements. | 20 No | |
| 2.13.7. | <p><i>Requirement or Restrictions</i> Describe the requirements or restrictions relating to when the final assessment must be undertaken.</p> | <p>Each question is assessed by maximum 5 points. There are total 5 questions. Candidates who scored 20 or more points pass an exam. If a candidate fails to answer one of the questions (not more than 2 points) he/she will not pass an exam, although he/she answered other questions successfully.</p> <p>If the candidate fails an exam. there is a chance to make up it again, or if the candidate does not pass an exam, he/she has a right to make an appeal. If the candidate fails an exam two times, he/she is not permitted to participate at the examination for one year period.</p> | |
| 2.13.8. | <p><i>Assess Professional Knowledge</i> Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit,</p> | See q. 2.13.7 | |

| Number | Question Title/Text/Help text | Answer | Comments |
|----------|---|---|----------|
| | financial reporting, legislative requirements, information technology etc) is assessed during the final assessment. | | |
| 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 q. 2.13.7 | |
| 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. | Their cooperation and active involvement in activities are implemented and events are held by the Chamber of Auditors | |
| 2.13.11. | <i>Recorded or Oral Format</i> Is the final assessment conducted through: | <input checked="" type="radio"/> 1 Recorded format with recorded (e.g. written) response required <input type="radio"/> 2 Oral format with oral responses <input type="radio"/> 3 Both recorded and oral response formats | |
| 2.13.13. | <i>Assessment Formats</i> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | What formats are used in conducting the final assessment (select all the answer options that are appropriate)? | 1 <input checked="" type="checkbox"/> Multiple choice questions 2 <input checked="" type="checkbox"/> Case studies 3 <input checked="" type="checkbox"/> Technical questions 4 <input type="checkbox"/> Thesis 5 <input type="checkbox"/> Other (please describe) 6 <input type="checkbox"/> None of the above | |
| 2.13.14. | <i>Reliability and Validity</i> 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. | All the questions are placed in the envelope and disclosed only during an exam. 5 hours is the period considered for an exam. Answers are reviewed and assessed by each member of Education Commission separately. Finally, the results are summarized and the Commission makes a decision on the results of an exam. Each question is assessed by maximum of 5 points. There are total 5 questions. Candidates, which score 20 or more points, pass an exam. If a candidate fails to answer one of the questions (not more than 2 points) he/she will not pass an exam, although he/she answered other questions successfully. | |
| 2.13.15. | <i>Frequency of Final Assessments</i> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
|---------|--|--|----------|
| | How many times in a year is the final assessment offered? Select the answer option that is the most appropriate. | <p>1 <input type="radio"/> Yearly (or once a year)</p> <p>2 <input checked="" type="radio"/> Half yearly (or twice a year)</p> <p>3 <input type="radio"/> Three sessions a year</p> <p>4 <input type="radio"/> Four sessions a year</p> <p>5 <input type="radio"/> Five sessions a year</p> <p>6 <input type="radio"/> Other (please describe the frequency of the examinations)</p> | |
| 2.14. | IES 7 Continuing Professional Development - CPD | | |
| 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>2 <input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body)</p> <p>3 <input type="checkbox"/> Law and / or regulation (state the name of the law / regulation)</p> <p>4 <input type="checkbox"/> Other (please describe)</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 2.14.2. | <p><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.</p> | <p>1 <input checked="" type="checkbox"/> All our qualified members</p> <p>2 <input type="checkbox"/> Qualified members who perform audits of listed entities</p> <p>3 <input type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input 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> 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)</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>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>2 <input type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in each year</p> <p>3 <input type="radio"/> Other</p> | |
| 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 <input checked="" type="radio"/> Yes, there is a monitoring process for CPD requirements</p> <p>2 <input type="radio"/> No, there is no monitoring</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | process for CPD requirements |
| 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 <input type="checkbox"/> Professional accountants are required to submit a declaration</p> <p>2 <input type="checkbox"/> Professional accountants are required to submit evidence</p> <p>3 <input type="checkbox"/> Our organization audits a sample of professional accountants to check compliance</p> <p>4 <input type="checkbox"/> Compliance is monitored through firm quality control standards</p> <p>5 <input checked="" type="checkbox"/> Compliance is monitored through a quality assurance review program</p> <p>6 <input type="checkbox"/> Other (please describe)</p> <p>7 <input type="checkbox"/> None of the above</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>1 <input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed</p> <p>2 <input type="radio"/> No, sanctions or other non-</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | compliance actions are not imposed | |
| 2.14.4.4. | <i>Sanction Types and CPD</i> Describe the nature and extent of the sanction, expulsions or denial of the right to practice. | If a candidate participates and passes an exam not less than 3 years, the license period is extended for next 5 years without participating at an exam, and gains a priority by not paying an exam fee. If the candidate fails at the exams more than 3 years, then he/she participates at the exam with general terms. | |
| 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. | 1) translating and adopting those pronouncements 2) publishing those pronouncements for the public consideration 3) maintaining the application of this practice 4) presenting these pronouncements to the appropriate governmental authorities | |
| 3. | SMO 3 | | |
| 3.1. | <i>Auditing Standards in Law/Regulation</i> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <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> | <p>The National Strategy on "Increase of transparency and fight against corruption" approved by the Order of 28 June, 2007 of the president of the Republic of Azerbaijan defines that the Chamber of Auditors must realize the direct transition to the implementation of ISAs without preparation of National Auditing Standards.</p> |
| 3.8. | Law/Reg and Auditing Standards | | |
| 3.8.1. | <i>Law/Reg Auditing Standards - Private Sector</i> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|--|---|----------|
| | Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities? | <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 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 checked="" 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> <p>5 <input type="radio"/> The law / regulation requires</p> | |

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| | | the use of national standards with no reference to IAASB pronouncements | |
| 3.8.9. | <p><i>MB Responsibilities and IAASB SMO 3</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p> | <p>1 <input 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> | <p>In order to communicate the standards, IFAC Update and News to the public, the Chamber publishes appropriate articles in its monthly magazine "Audit and Azerbaijan".</p> |
| 3.8.11. | <p><i>Describe Activities and Law/Reg SMO 3</i> Describe your organization's activities for promulgating and / or implementing the standards.</p> | <p>The standards prepared by the CAAR are confirmed by the Ministry of Justice and are published for the public consideration.</p> | <p>The Chamber applied for permission to IFAC on translation and publication of IAASB pronouncements. The preparation of Memorandum of Understanding between two organization is in progress. After obtaining permission from IFAC IAASB pronouncements will</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | be translated and published. The translation process is considered to be finalized in 2008-2009. |
| 3.9. | Law / Reg and MB Responsibilities SMO 3 | | |
| 3.9.1. | <p><i>Incorporation into Law/Reg SMO 3</i></p> <p>Is information publicly available about the IAASB pronouncements that have been established into law/regulation, including:</p> <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>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p> | |
| 3.9.2. | <p><i>Incorporation Description - Law/Reg SMO 3</i></p> <p>If information about IAASB pronouncements that have been established</p> | <p>1 <input type="radio"/> Yes, information is available and in English and will be</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>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>Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p> | <p>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> |

| Number | Question Title/Text/Help text | Answer | Comments |
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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? | <input type="radio"/> No as English is the national language or a widely spoken language <input type="radio"/> Yes, the IAASB pronouncements are translated <input checked="" type="radio"/> No and English is not an official language or is not widely spoken | |
| 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. | 1) translating and adopting those pronouncements 2) publishing those pronouncements for the public consideration 3) maintaining the application of this practice 4) presenting these pronouncements to the appropriate governmental authorities | |
| 4. | SMO 4 | | |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|---|---|--|
| 4.1. | Responsibility and National Ethical Requirements | | |
| 4.1.1. | <p><i>IFAC MB and Ethical Requirements</i></p> <p>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></p> <p>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></p> <p>Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p> <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</p> | <p>1 <input type="radio"/> Our organization adopted the IFAC Code as issued without modifications</p> | <p>Articles related with fight against corruption were supplemented to the Code.</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>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 <input checked="" type="radio"/> Our organization adopted the IFAC Code but with modifications</p> <p>3 <input type="radio"/> Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>4 <input type="radio"/> Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p> | |
| 4.2. | MB and Version of IFAC Code | | |
| 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 <input type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004</p> | <p>A version issued in 2004 has been adopted since 2005. In compliance with the Decision of 15 March 2005 of the Chamber Council Code of</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <input checked="" type="radio"/> A version issued prior to 2004 <input type="radio"/> The revised IFAC Code issued and in effect June 30, 2006 | ethics was updated and published on February, 2006. |
| 4.2.3. | <p><i>MB and Revised Code</i></p> <p>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> | <input type="radio"/> Our organization has already amended our ethical requirements for the revised IFAC Code (effective June 30, 2006) <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) <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) <input type="radio"/> Other (please describe) | |
| 4.3. | <p><i>Ethical Requirements by Gov / Reg Bodies</i></p> <p>In addition to the ethical requirements established by your organization, are there</p> | <input type="radio"/> Yes | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | also laws or regulations that set out ethical requirements to be complied with by your members? | 2⊙ No | |
| 4.11. | <i>Translation of IFAC Code</i> 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. | <input type="checkbox"/> 1 No, as English is an official language or widely spoken language <input checked="" type="checkbox"/> 2 Yes, our organization has translated the IFAC Code <input type="checkbox"/> 3 Yes, a government, regulatory, or other body has translated the IFAC Code <input type="checkbox"/> 4 No, the IFAC Code has not been translated and English is not an official language or widely spoken language | |
| 4.14. | IFAC Code Translated SMO 4 | | |
| 4.14.1. | <i>IFAC Translation Policy SMO 4</i> Was the IFAC Translation Policy followed? | <input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No <input type="radio"/> 3 It was translated by a government or regulatory body and the information is not available | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 4.14.2. | <i>Principal Translator SMO 4</i> Who was the principal translator? Select the answer option that is the most appropriate. | <input checked="" type="radio"/> 1 Our organization is the principal translator <input type="radio"/> 2 The government or another organization is the principal translator <input type="radio"/> 3 Our organization and the government or another organization are the principal translators <input type="radio"/> 4 It was translated by a government or regulatory body and the information is not available | |
| 4.14.3. | <i>Key Words SMO 4</i> Does the translation process include a list of key words including terms defined within the IFAC Code? | <input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No <input type="radio"/> 3 It was translated by a government or regulatory body and the information is not available | |
| 4.14.4. | <i>Faithful Translation SMO 4</i> What processes are in place to ensure a faithful translation of the IFAC Code? If it was translated by a government or regulatory body and the information is not available, please state this in the response. | We have completely complied with IFAC Translation Policy. Translation is provided by the competent task force, appointed by the member body. | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 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>1) translating and adopting those pronouncements 2) publishing those pronouncements for the public consideration 3) maintaining the application of this practice 4) presenting these pronouncements to the appropriate governmental authorities</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 2 <input checked="" type="radio"/> No 3 <input type="radio"/> Information is not available or not known</p> | |
| 5.2. | IPSASs Convergence Follow Up | | |
| 5.2.1. | <p><i>Public Sector Accounting Standards - Cash/Accrual</i></p> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | 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 type="radio"/> Accrual <input checked="" type="radio"/> Both cash and accrual are permitted | It depends on the accounting policy of each organization. |
| 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 checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Information is not available or not known | |
| 5.2.3. | <i>Describe Plans Follow Up SMO 5</i> Describe the government's plans to converge national public sector accounting standards with IPSASs. | At this time the Ministry of Finance is preparing the National Accounting Standards based on Public Sector Accounting Standards. The adoption is expected from 2009. | |
| 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 | The CAAR cooperates on preparing the project of these standards with the Ministry of Finance. CAAR makes recommendations for promoting IPSASB pronouncements. | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | they are not within the scope of your organization's objectives or work program. | | |
| 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 | |
| 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, 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. | 1 <input checked="" type="radio"/> Yes, our organization has this responsibility | The Commission on Discipline was established within the Chamber. Investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members and other related issues are considered by the Commission and appropriate arrangements are |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body</p> <p>3 <input type="radio"/> Our organization shares responsibility for investigation and discipline with an external body</p> <p>4 <input type="radio"/> Other</p> | realized. |
| 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? | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> | |
| 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. | <p>1 <input checked="" 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</p> | Delay on paying the membership fee |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | standards 4☑ Breaches of ethical requirements 5☑ Gross professional negligence 6☑ A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights 7☑ Unsatisfactory work 8☑ 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☑ Reprimand 2☑ Loss or restriction of practice rights 3☑ Fine/payment of costs 4☑ Loss of professional title (designation) 5☑ Exclusion from membership 6☑ Other (please describe) | Suspending the audit activity until the time the misconduct is amended. |
| 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: | 1Ⓐ Yes | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | - 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? | 2○ 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. | By the web-site and publications (books, magazines, guidance). | |
| 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 public authority and disclose related information to that authority? | 1⊙ Yes 2○ No | |
| 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☑ Information-based 2☑ Complaints-based | During the analysis of the reports. |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 3 <input checked="" 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: 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) | We have a special Quality Control Department and Department on Fight Against Corruption and Internal Audit within CAAR and these departments are financed by |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 2○ No | the Chamber. |
| 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 investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else connected with the investigation and hearing of cases.</p> | <p>1⊙ Yes</p> <p>2○ No</p> | |
| 6.5.6.10. | <p><i>Infrastructure</i> Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.</p> | <p>1⊙ One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2○ A single committee/panel to conduct the investigation and administer disciplinary action.</p> <p>3○ Other</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 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? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> 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)? | 1 <input checked="" type="radio"/> Yes (please describe) 2 <input type="radio"/> No | Accountants and lawyers, economists, auditors. |
| 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 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 6.5.7.4. | <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 | This is solved by the management decision. | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | 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? | | |
| 6.5.7.5. | <i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence. | This Comission is acting on the base of its statue. | |
| 6.5.7.6. | <i>Appeals Process</i> Does your organization's rules: Select all the answer options that are appropriate. | <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 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</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>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 hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p> | |
| 6.5.7.7. | <p><i>Appeals Process Follow Up</i></p> <p>Please explain why your organization has not established the rules that were not selected.</p> | <p>These rules are not established by law and legal documents.</p> | |
| 6.5.8. | <p>Administrative Processes</p> | | |
| 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>1 <input checked="" type="checkbox"/> Establish time limits for disposal (completion) of all cases</p> <p>2 <input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>handled, and that all necessary action is taken at the appropriate stage</p> <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. | 7 | 2005: Breaches of ethical requirements - 5 cases Breaches of professional |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | standards - 2 cases 2004: Breaches of professional standards - 1 case 2003: Breaches of professional standards - 1 case |
| 6.5.8.3.2. | <i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004. | 1 | |
| 6.5.8.3.3. | <i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003. | 1 | |
| 6.5.8.3.4. | <i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005. | 7 | |
| 6.5.8.3.5. | <i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004. | 1 | |
| 6.5.8.3.6. | <i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003. | 1 | |
| 6.5.8.3.7. | <i>Average time required for disposal of cases</i> Indicate the average time (in months) | 0.5 | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>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.</p> | | |
| 7. | SMO 7 | | |
| 7.1. | <p><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.</p> <p>Where the law / regulation establishes the 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</p> | <p>1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | accounting standards that are established. | <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 | Yes, for financial statements of non-listed entities No, for financial statements of listed entities No, for financial statements of non-listed entities |
| 7.8. | Law/Reg and Accounting Standards | | |
| 7.8.1. | <i>Law/Reg Accounting Standards - Private Sector</i> Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities? | <input type="radio"/> 1 <input checked="" type="radio"/> 2 | The accounting standards for listed entities and non-listed entities are the same set of standards The accounting standards for listed entities and non-listed entities are not the same set of standards |
| 7.8.3. | <i>Accounting Standards for Listed</i> Does the law/regulation require the use of International Financial Reporting Standards issued by the International Accounting Standards Board for preparation of financial statements of listed entities? Select the answer option that is most appropriate. | <input checked="" type="radio"/> 1 <input type="radio"/> 2 | 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) For listed entities, the law/regulation contains the full text of each IFRS |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>3○ For listed entities, the law/regulation contains the main principles of the IFRSs</p> <p>4○ For listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5○ For listed entities, the law / regulation requires the use of national standards with no reference to IFRSs</p> | |
| 7.8.4. | <p><i>Accounting Standards for Non-Listed</i></p> <p>Does the law/regulation require the use of International Financial Reporting Standards issued by the International Accounting Standards Board for preparation of financial statements of non-listed entities? Select the answer option that is most appropriate.</p> | <p>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)</p> <p>2○ For non-listed entities, the law/regulation contains the full text of each IFRS</p> <p>3○ For non-listed entities, the</p> | <p>Publicly important bodies will adopt the IAS and IFRS beginning from 2008 according to the Law on Accounting of Azerbaijan Republic. Other commercial entities will adopt the National Standards prepared on the base of international standards. They can also adopt IAS and IFRS voluntary. SME will adopt only National Standards.</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>law/regulation contains the main principles of the IFRSs</p> <p>4Ⓐ For non-listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5Ⓐ For non-listed entities, the law / regulation requires the use of national standards with no reference to IFRSs</p> | |
| 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. | <p>1Ⓐ Develop other authoritative pronouncements</p> <p>2Ⓐ Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public)</p> <p>3Ⓐ Other (please describe)</p> <p>4☑ None of the above</p> | |
| 7.8.12. | <i>Other Organization SMO 7</i> Do any of the following organizations have responsibility for developing or implementing the accounting standards established in law / regulation? | 1Ⓐ Another IFAC member body(ies) | The representative of the CAAR is the member of an Advisory Board of the Ministry of Finance on preparing National Accounting Standards. |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>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 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>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 IASB Pronouncements" and submit it to Compliance Staff</p> <p>3○ No, information is not available</p> |
| 7.10. | Translation SMO 7 | | |
| 7.10.1. | <p><i>Translation of IFRSs</i></p> <p>Are the IFRSs and other IASB pronouncements translated into national</p> | <p>1○ No, as English is an official language or widely spoken</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
|---------|--|---|----------|
| | language? | language 2 <input checked="" type="radio"/> Yes, the IFRSs are translated 3 <input type="radio"/> No and English is not an official language or is not widely spoken | |
| 7.10.4. | <i>Translation coordinator SMO 7</i> Who is the translation coordinator? Select the answer option that is most appropriate. | 1 <input type="radio"/> Our organization is the translation coordinator 2 <input checked="" type="radio"/> The government or another organization is the translation coordinator 3 <input type="radio"/> Our organization and the government or another organization are the translation coordinators | |
| 7.10.5. | <i>Key Terms SMO 7</i> Does the translation process include a list of key terms? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 7.10.6. | <i>Faithful Translation SMO 7</i> What processes are in place to ensure a faithful translation of the IFRSs? | We have completely complied with IFAC Translation Policy. Translation is provided by the competent task force, appointed by the member body. | |
| 7.11. | <i>Promotion Activities SMO 7</i> Please describe the activities your | 1) translating and adopting those | |

| Number | Question Title/Text/Help text | Answer | Comments |
|-----------|---|--|----------|
| | organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities. | pronouncements 2) publishing those pronouncements for the public consideration 3) maintaining the application of this practice 4) presenting these pronouncements to the appropriate governmental authorities | |
| 8. | Certification of Chief Executive | | |
| 8.1. | <p><i>Complete Certification</i></p> <p>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.</p> | <p>1 <input checked="" type="checkbox"/> Yes, the Certification of Chief Executive has been submitted</p> <p>2 <input type="checkbox"/></p> | |