

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

Member Name: Association of Accountants of the Republic of Latvia

Country: Latvia

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Number	Question Title/Text/Help text	Answer	Comments
IFAC Part 2 SMO Self-Assessment			
1.	SMO 1		
1.1.	Quality Assurance Program		
2.	SMO 2		
2.1.	<p><i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.</p>	<p>1 <input type="checkbox"/> Complete a program of professional accountancy education</p>	<p>In accordance with the AARL statutes any capacitated physical entity may enter into the Association by submitting appropriate application form. Decision to accept the entry of any member into the Association is taken by the Board. AARL members, as well as other persons who are not members of the association, after all the requirements laid down in AARL ‘Professional accountants’ attestation</p>

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		<p>2 <input type="checkbox"/> Complete a practical experience requirement</p> <p>3 <input type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies</p> <p>4 <input checked="" type="checkbox"/> None of the above</p>	<p>regulation for obtaining of the highest degree certificate” performance can obtain a Professional accountant’s certificate - a document issued by the Association of Accountants of the Republic of Latvia certifying person’s professional preparedness in line with qualification requirements. Persons who have got a Professional accountant certificate enter into Association of Accountants of the Republic of Latvia.</p>
2.2.	<p><i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?</p>	1 <input checked="" type="radio"/> Yes	<p>There are requirements to develop and maintain competence through CPD, which are addressed to those AARL Members who own the certificate of professional</p>

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		20 No	accountants. These requirements formulated in Recertification regulation for professional accountants of AARL.
2.3.	Professional Accountancy Education		
2.3.4.	<i>Prof Accountancy Education Follow Up</i> Please describe what does your organization require in terms of professional accountancy education for your members?	AARL as a minimum requires froms Members who allies on certificate of professional accountant a bachelor's degree in econimics, finance or business and practical experience, obtained prior to qualification exams.	
2.4.	Final Assessment Follow Up		
2.4.1.	<i>Final Assessment Approach Follow Up</i> Since your organization does not require completion of a final assessment, please describe how your organization assesses whether an individual has the required professional capabilities and competencies.	Organization of qualification exams and work order of examination commission is defined by the Regulation of Qualification exams for obtaining of professional accountant's certificate, which is approved by Attestation Committee. Attestation committee approves results of professional accountants' exams.	

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2.5.	Practical Experience Follow Up		
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>	
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>For all AARL members who obtained a certificate of professional accountant issued by AARL</p>

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		<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6	Qualified members who perform audits of entities other than listed entities Qualified members who provide services (other than audit) to the public Qualified members who are employed in business Other (please describe)
2.14.3.	Requirement - CPD		
2.14.3.1.	<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.	<input checked="" type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	Members must satisfy a number of hours of continuous professional development a year or over a number of years All members are to satisfy specified content requirements (e.g. specified courses or knowledge content) 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) Other

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2.14.3.3.	<p><i>Hours of Continuous Professional Development</i> Which one of the following answer options best describes the continuous professional development hours required?</p>	<p>1 <input type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</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 checked="" type="radio"/> Other</p>	<p>Minimal volume of trainings and seminars is 250 hours received in five year period after the receipt of professional accountant's certificate.</p>
2.14.3.4.	<p><i>Other Hours Follow Up</i> Describe the continuous development hours required by members.</p>	<p>Distribution of qualification trainings and seminars: -Participation in international scientific conferences: 25 hours; participation in scientific discussions with report: 50 hours; -International qualification trainings and seminars: 10 hours per day; Trainings and seminars are considered to be international if they have been attended abroad or if foreign lecturers have done lecturing in Latvia; -Local qualification trainings and seminars: 8 hours per day</p>	

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		<p>(equivalent to eight hours). Trainings and seminars are considered to be local if they take place in Latvia and if lecturers are professors of Latvia's universities, professionals of the Ministry of Finances or professionals of the State Revenue Service, certified auditors, certified accountants and tax advisors. Members of the Accountants' Association of the Republic of Latvia receive 4 hours for each attended seminar organized by the Association if this seminar does not comply with the above mentioned criteria. It the applicant has improved his knowledge in any higher educational establishment accredited by the State, he receives 50 reaccreditation hours for every year of studies.</p>	
2.14.3.8.	<p><i>Monitoring of CPD</i> Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements?</p>	<p>1 ☉ Yes, there is a monitoring process for CPD requirements</p>	<p>Attestation committee of AARL evaluates if professional accountant meets the continuous professional</p>

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		2 <input type="radio"/> No, there is no monitoring process for CPD requirements	development within recertification process.
2.14.4.	Monitoring of CPD Requirement		
2.14.4.1.	<i>Monitoring Process SMO 2</i> Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Professional accountants are required to submit a declaration 2 <input checked="" type="checkbox"/> Professional accountants are required to submit evidence 3 <input type="checkbox"/> Our organization audits a sample of professional accountants to check compliance 4 <input type="checkbox"/> Compliance is monitored through firm quality control standards 5 <input type="checkbox"/> Compliance is monitored through a quality assurance review program 6 <input type="checkbox"/> Other (please describe) 7 <input type="checkbox"/> None of the above	
2.14.4.2.	<i>Declaration and CPD SMO 2</i> Describe the matters addressed in the declaration (select all that apply):	1 <input type="checkbox"/> Professional accountant's obligation to meet ethical obligations 2 <input type="checkbox"/> Professional accountant's	Detailed description of training received is required with dates, names of providers, topics and numbers of hours.

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		obligation to maintain knowledge 3 <input type="checkbox"/> Professional accountant's obligation to maintain skills to perform competently 4 <input checked="" type="checkbox"/> Compliance with CPD requirement 5 <input type="checkbox"/> Other (please describe)	
2.14.4.3.	<i>Sanctions SMO 2</i> Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed?	1 <input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed 2 <input type="radio"/> No, sanctions or other non-compliance actions are not imposed	
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.	Cancellation of certificate of professional accountant	
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.	Currently AARL is in process of improvement it's internal regulations in conjunction of IFAC IAES requirements	

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

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

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		5○ The law / regulation requires the use of national standards with no reference to IAASB pronouncements	
3.8.9.	<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.	1□ Develop other authoritative pronouncements 2☑ Promulgate the IAASB pronouncements established by law / regulation (e.g. by publishing or communicating the standards to the public) 3□ Other (please describe) 4□ None of the above	
3.8.11.	<i>Describe Activities and Law/Reg SMO 3</i> Describe your organization's activities for promulgating and / or implementing the standards.	In accordance with the procedure laid down in 22.01.2004. "Law On Sworn Auditors", the decision on application of the International Standards on Auditing (ISAs) in Latvia was taken by the LACA Board. Code of Ethics is approved in the general meeting of LACA. LACA Compliance Responses and Action Plan, as well as Response to the Part 2, SMO Self-Assessment Questionnaire, which is published on IFAC website, provide a description of the legal and	

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		<p>professional framework governing audit and other assurance standards, as well as ethics standards in Latvia. The law has a requirement to use International Standards on Auditing approved by LACA – this is due to the fact that LACA has to ensure translation and publication of standards into Latvian before implementation.</p> <p>Since 2008, within the introduction of European Union directives, substantial changes in the oversight system of audit of the financial statements services in Latvia have been made - new principles were introduced and amendments to the “Law On Sworn Auditors” were adopted.</p> <p>Latvian public oversight mechanism is implemented by Audit Advisory Council. Audit Advisory Council has been established in accordance with the requirements of the “Law On Sworn Auditors”; its composition was approved by the Cabinet on November 25, 2008 order. The Council is composed of one</p>	

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		<p>member from each of the following: the Ministry of Finance, the Ministry of Justice, the Finance and Capital market Commission, the Latvian Association of Sworn Auditors, Latvian Accountants Association, the Riga Stock Exchange, the Foreign Investors Council in Latvia, the Employers' Confederation of Latvia and one of the higher education institutions. Association of Accountants of the Republic of Latvia is represented in the Council by its member. The objective of Audit Advisory Council is to promoting the increase of quality of audit services. The Council shall examine the documents prepared by the Latvian Association of Sworn Auditors regarding examination and certification of applicants of sworn auditors, licensing of commercial companies of sworn auditors, maintaining the qualification of sworn auditors and the quality control of the professional activity, as well as regarding international auditing standards and ethical guidelines recognised in Latvia and</p>	

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		<p>shall make recommendations to the Latvian Association of Sworn Auditors for their improvement while concurrently informing the Ministry of Finance of the recommendations it has made. Thus, AARL through their participation and work in the Audit Advisory Council participates in the development and implementation process of auditing and ethical standards in Latvia.</p>	
3.9.	<p>Law / Reg and MB Responsibilities SMO 3</p>		
3.9.1.	<p><i>Incorporation into Law/Reg SMO 3</i> 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</p>	1 <input checked="" type="radio"/> Yes	

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	into law / regulation; and The reasons for the differences?	2○ No	
3.9.2.	<p data-bbox="398 387 1048 451"><i>Incorporation Description - Law/Reg SMO 3</i></p> <p data-bbox="398 459 1048 675">If information about IAASB pronouncements that have been established into law / regulation is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p data-bbox="398 722 1048 1010">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 data-bbox="398 1058 1048 1198">Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p>	1⊙	Yes, information is available and in English and will be submitted to Compliance Staff
		2○	No, information is not available; however our organization or jointly with another IFAC member / associate will complete the

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		"SMO 3: Comparison with IAASB Pronouncements" report and submit it to Compliance Staff	
		3○ No, information is not available	
3.10.	Translation SMO 3		
3.10.1.	<i>Translation of IAASB Pronouncements</i> Are the IAASB pronouncements translated into a national language?	1○ No as English is the national language or a widely spoken language 2⊙ Yes, the IAASB pronouncements are translated 3○ No and English is not an official language or is not widely spoken	
3.10.2.	<i>IFAC Translation Policy SMO 3</i> Is the IFAC Translation Policy followed?	1⊙ Yes 2○ No	
3.10.4.	<i>Key Words SMO 3</i> Does the translation process include a list of key words?	1⊙ Yes 2○ No	
3.10.5.	<i>Faithful Translation SMO 3</i> What processes are in place to ensure a faithful translation of the IAASB pronouncements?	NA	
3.11.	<i>Activities to Promote IAASB</i>		

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	<i>Pronouncements</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.	NA	
4.	SMO 4		
4.1.	Responsibility and National Ethical Requirements		
4.1.1.	<i>IFAC MB and Ethical Requirements</i> Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members? Help text: In some countries, ethical requirements may be established on a regional, provincial, or 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.	1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements 2 <input type="radio"/> No, our organization does not establish ethical requirements	
4.1.2.	<i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
4.1.9.	<i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to	1 <input type="radio"/> Our organization adopted the IFAC Code as issued without	Code of Ethics for Professional Accountants,

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	<p>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 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>modifications</p> <p>2○ Our organization adopted the IFAC Code but with modifications</p> <p>3⊙ 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○ Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p>	<p>which was adopted on the General Meeting of the Association of Accountants of the Republic of Latvia in 2002, is based on the published IFAC Code of Ethics. In 2011 AARL decided not to develop and amend further its Code of Ethics, but to use the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA).</p>
4.1.10.	<p><i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC</p>	<p>AARL Ethics committee is</p>	

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	Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.	responsible for the process of actualization of the text of the Code of Ethics for Professional Accountants, incl. elimination differences between AARL ethical requirements and the IFAC Code.	
4.2.	MB and Version of IFAC Code		
4.2.1.	<i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?	<p>1 <input type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2 <input checked="" type="radio"/> A version issued prior to 2004</p> <p>3 <input type="radio"/> The revised IFAC Code issued and in effect June 30, 2006</p>	
4.2.2.	<i>Version Pre 2004 Follow Up SMO 4</i> Please explain why the IFAC Code that is currently in effect has not been adopted or incorporated. Provide information about special conditions, challenges, or impediments relevant to this matter.	It is necessary to conclude the agreement concerning using of the translation to Latvian language of IFAC Code with IFAC un IFAC existing member in Latvia - LACA.	
4.2.3.	<i>MB and Revised Code</i> Does your organization have plans to adopt the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to incorporate the revised IFAC Code? Select	1 <input type="radio"/> Our organization has already amended our ethical requirements for the revised IFAC Code (effective June	

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	the option that is the most relevant.	30, 2006) 2 <input checked="" type="radio"/> Our organization is in the process of amending or has included a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006) 3 <input type="radio"/> Our organization currently has not included in our work program a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006) 4 <input type="radio"/> Other (please describe)	
4.2.5.	<i>MB and Revision Plans</i> Please describe the work program timetable.	Training seminars on the IFAC Code (effective June 2006) are scheduled in 2013	
4.3.	<i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
4.5.	<i>Comparison of Requirements SMO 4</i> Does your organization have information that identifies any differences between the	1 <input type="radio"/> Yes, our organization has this information and it will be	Please state the name of the IFAC member body who will

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	<p>IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>submitted</p> <p>2 <input checked="" type="radio"/> This information will be submitted by another IFAC member body</p> <p>3 <input type="radio"/> No, the information is not available</p>	<p>submit the information to Compliance Staff: LACA</p>
4.11.	<p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated</p>	<p>1 <input type="checkbox"/> No, as English is an official language or widely spoken</p>	

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	the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.	<p>language</p> <p>2 <input type="checkbox"/> Yes, our organization has translated the IFAC Code</p> <p>3 <input checked="" type="checkbox"/> Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4 <input type="checkbox"/> No, the IFAC Code has not been translated and English is not an official language or widely spoken language</p>	
4.12.	<i>Translation Body SMO 4</i> What organization translated the IFAC Code and which version of the Code was translated (e.g. IFAC Code currently in effect, a previous version)?	Latvian Association of Certified Auditors (LACA)	
4.14.	IFAC Code Translated SMO 4		
4.14.1.	<i>IFAC Translation Policy SMO 4</i> Was the IFAC Translation Policy followed?	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> <p>3 <input type="radio"/> It was translated by a government or regulatory body and the information is not available</p>	
4.14.2.	<i>Principal Translator SMO 4</i> Who was the principal translator? Select the answer option that is the most appropriate.	<p>1 <input type="radio"/> Our organization is the principal translator</p> <p>2 <input checked="" type="radio"/> The government or another</p>	It is available to members of LACA (sworn auditors)

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		<p>organization is the principal translator</p> <p>3○ Our organization and the government or another organization are the principal translators</p> <p>4○ It was translated by a government or regulatory body and the information is not available</p>	
4.14.3.	<p><i>Key Words SMO 4</i></p> <p>Does the translation process include a list of key words including terms defined within the IFAC Code?</p>	<p>1⊙ Yes</p> <p>2○ No</p> <p>3○ It was translated by a government or regulatory body and the information is not available</p>	
4.14.4.	<p><i>Faithful Translation SMO 4</i></p> <p>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.</p>	Information is inaccessible to AARL	
4.15.	<p><i>Activities to Promote IFAC Code of Ethics</i></p> <p>Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements</p>	AARL explains of rules implied in the Code of Ethics for Professional Accountants in the context of the	

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	(e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.	respective professional ethical rules, which are based on IFAC's Code.	
5.	SMO 5		
5.1.	<i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No 3 <input type="radio"/> Information is not available or not known	
5.3.	Convergence and IPSASs		
5.3.1.	<i>Convergence Approach - IPSASs</i> Which of the following best describes government's convergence objective? Select the answer option that is the most appropriate.	1 <input type="checkbox"/> IPSASs are adopted as drafted without amendments 2 <input type="checkbox"/> IPSASs are adopted with amendments 3 <input type="checkbox"/> National public sector accounting standards are developed with a process to eliminate differences between the national standards and IPSASs 4 <input checked="" type="checkbox"/> IPSASs are incorporated using another approach	

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5.3.2.	<p><i>Other Basis of Incorporation SMO 5</i> Please provide a description about the approach used to incorporate IPSASs.</p>	<p>Currently the principles set by IPSAS are incorporated in secondary legislation (with some exceptions though), but the policy us to work towards full convergence with IPSAS.</p>	
5.3.3.	<p><i>Comparison Information SMO 5</i> Is information about the IPSASs that have been incorporated (e.g. by adoption or other approaches) publicly available? Information should include the IPSASs issued and in effect that have been incorporated and differences between the IPSASs and national public sector accounting standards where differences exist.</p>	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p> <p>3 <input type="radio"/> Our organization is not aware of such information</p>	
5.4.	<p><i>Activities to Promote IPSASB Pronouncements</i> Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.</p>	<p>AARL cooperates with extensive training programmes providers concering information exchange on courses. AARL respresentatives take part in development of relevant accounting legislation.</p>	

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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 2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body 3 <input type="radio"/> Our organization shares responsibility for investigation and discipline with an external body	

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		4○ Other	
6.5.	SMO 6 - Detailed Assessment		
6.5.1.	Rules and Procedures for Investigation and Discipline		
6.5.1.1.	<i>Rules and Procedures</i> Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?	1⊙ Yes 2○ No	
6.5.1.3.	<i>Misconduct</i> In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.	1☑ Criminal activity 2☑ Acts or omissions likely to bring the accountancy profession into disrepute 3☑ Breaches of professional 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)	

Number	Question Title/Text/Help text	Answer	Comments
6.5.2.	<p><i>Types of Sanctions</i></p> <p>Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Reprimand</p> <p>2 <input type="checkbox"/> Loss or restriction of practice rights</p> <p>3 <input type="checkbox"/> Fine/payment of costs</p> <p>4 <input checked="" type="checkbox"/> Loss of professional title (designation)</p> <p>5 <input checked="" type="checkbox"/> Exclusion from membership</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	
6.5.3.	<p>Provision of Information and Guidance to Members</p>		
6.5.3.1.	<p><i>Information and Guidance</i></p> <p>Does your organization make each member fully aware of:</p> <p>- 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</p> <p>- Consequences of non-compliance?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
6.5.3.2.	<p><i>Information and Guidance Description</i></p> <p>Provide a brief description of how your organization meets this requirement of SMO 6.</p>	<p>In line with AARL Disciplinary regulations: Ethics committee examines</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>received applications, complaints and objections related to activities of association members and certified professional accountants and takes decisions about necessity of disciplinary proceedings. Every application, complaint or objection is examined in committee meeting in line with the order provided in Disciplinary regulations. A written decision is prepared in relation with every received application, complaint or objection, containing conclusion and propositions.</p> <p>Types of committee resolutions: If examination of circumstances mentioned in application reveals that disciplinary offence cannot be established, the Ethics Committee prepares justified refusal.</p> <p>If sufficient evidence is found to prove the breach of professional conduct, taking into account the nature and severity of this offence, the committee can take the following decisions about disciplinary punishments:</p> <ul style="list-style-type: none">a) warning;b) reprimand;	

Number	Question Title/Text/Help text	Answer	Comments
			c) request to cancel certificate of professional accountant and/ or to expel from association. Committee's decision and copies of examination documents are sent to Attestation Committee and to the Board in three days after the respective decision is made.
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 <input type="radio"/> Yes 2 <input checked="" type="radio"/> 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 <input checked="" type="checkbox"/> Information-based 2 <input checked="" type="checkbox"/> Complaints-based 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
6.5.6.	Investigative Powers and Processes		
6.5.6.1.	<i>Powers</i>		

Number	Question Title/Text/Help text	Answer	Comments
	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 co-operate 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 type="radio"/> Yes (please describe) 2 <input checked="" type="radio"/> No	Cases of complaints are very rare
6.5.6.7.	<i>Expertise and Resources Follow Up</i> What plans do you have for developing the appropriate expertise and resources required to enable timely investigative and disciplinary action, or if you do not have	In case of need Disciplinary process can be modernized	

Number	Question Title/Text/Help text	Answer	Comments
	those plans, what special reasons or conditions for that fact exist?		
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 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> 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 <input type="radio"/> One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2 <input checked="" type="radio"/> A single committee/panel to conduct the investigation and administer disciplinary action.</p> <p>3 <input type="radio"/> Other</p>	

Number	Question Title/Text/Help text	Answer	Comments
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 type="radio"/> Yes (please describe) 2 <input checked="" type="radio"/> No	
6.5.7.2.	<i>Composition of Tribunal Follow Up</i> Please explain why the tribunal responsible for the disciplinary hearing does not contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?		Existing approach can be reconsidered in case of need
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 type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.	2 <input checked="" type="radio"/> No	Declaration of independence
6.5.7.6.	<i>Appeals Process</i> Does your organization's rules: Select all the answer options that are appropriate.	1 <input 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 2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction 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 4 <input type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction	

Number	Question Title/Text/Help text	Answer	Comments
		5 <input checked="" type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal 6 <input type="checkbox"/> None of the above	
6.5.7.7.	<i>Appeals Process Follow Up</i> Please explain why your organization has not established the rules that were not selected.	In case of need the regulation of process can be detailed	
6.5.8.	Administrative Processes		
6.5.8.1.	<i>Elements of Administrative Processes</i> As a part of Investigation and Discipline administrative processes does your organization: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Establish time limits for disposal (completion) of all cases 2 <input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage 3 <input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the	

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

Number	Question Title/Text/Help text	Answer	Comments
6.5.8.3.5.	<p><i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004.</p>	0	
6.5.8.3.6.	<p><i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.</p>	0	
6.5.8.3.7.	<p><i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.</p>	3	
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</p>	1 <input checked="" type="checkbox"/>	Yes, for financial statements of listed entities

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

Number	Question Title/Text/Help text	Answer	Comments
	<p>issued by the International Accounting Standards Board for preparation of financial statements of listed entities? Select the answer option that is most appropriate.</p>	<p>Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2 <input checked="" type="radio"/> For listed entities, the law/regulation contains the full text of each IFRS</p> <p>3 <input type="radio"/> For listed entities, the law/regulation contains the main principles of the IFRSs</p> <p>4 <input type="radio"/> For listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5 <input type="radio"/> 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 <input type="radio"/> The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2 <input type="radio"/> For non-listed entities, the law/regulation contains the full text of each IFRS</p>	<p>Exception - use of IFRS is compulsory for financial institution and assurance companies</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>3○ For non-listed entities, the 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>	
7.8.7.	<p><i>National Accounting Standards - Non-Listed</i> Provide the name of the national accounting standards for non-listed entities and other authoritative pronouncements established by law/regulation.</p>	Latvian Accounting Standards	<p>Latvian Accounting Standards are developed based on IFRS, by exclusion of alternatives which contradict to the Latvian accounting legislation, by reducing the disclosure requirements for financial information and by introducing additional illustrations to the standards. In a way - a Latvian version IFRS for SMEs is being developed.</p>
7.8.8.	<p><i>MB Responsibilities National Standards</i> <i>SMO 7</i></p>		

Number	Question Title/Text/Help text	Answer	Comments
	Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Develop or assist in developing the proposed standards as law / regulation</p> <p>2 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>3 <input type="checkbox"/> Promulgate the accounting standards (e.g. by publishing or communicating the standards to the public)</p> <p>4 <input type="checkbox"/> Other (please describe)</p> <p>5 <input type="checkbox"/> None of the above</p>	AARL participates in the work of the Accounting Council of the Republic of Latvia, which is responsible for the development of Latvian accounting standards and amendments projects, as well as examine the accounting industry and other general accounting methodology questions. As determined by law AARL delegates 1 of 11 members of the Accounting Council.
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 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input checked="" type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating</p>	

Number	Question Title/Text/Help text	Answer	Comments
		the standards to the public) 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
7.8.11.	<i>Describe Activities and Law/Reg SMO 7</i> Describe your organization's activities for promulgating and / or implementing the standards.	Association of Accountants of the Republic of Latvia is actively involved in development and implementation of public policy on accounting issues in Latvia, preparing written answers to amendments to the accounting and financial reporting regulatory enactments proposed by the Ministry of Finance (“Law On Accounting”, “Law On Annual Reports” of the Republic of Latvia and related laws and regulations, etc.), as well as answers to other competent authorities, i.e., on the accounting profession qualification standards issues.	
7.8.13.	<i>National Standards and Convergence SMO 7</i> Please describe the activities your organization has undertaken to promote IFRSs and other IASB pronouncements to the relevant government or regulatory body that sets national standards. Include in your explanation descriptions of any specific	AARL is interested in participating in IFAC activities that focus on development and expansion of regulatory issued by IFAC and IASB, with the participation of experts and delegated	

Number	Question Title/Text/Help text	Answer	Comments
	activities and the outcome.	representatives in discussion groups by organizing the discussion of issues and relevant research among AARL members. AARL undertakes to provide information to their members on the activities of IFAC in the field of IFRS, IPSAS, ISA, ethics and education standards adoption, if necessary, to provide translation of this information, to organize training on IRFS, IPSAS, professional ethics issues, as well as to provide proposals in the relative fields to the Ministry of Finance. Similarly, the association plans to continue its cooperation with other institutions and related organizations in matters relating to the scope.	
7.9.	Law/Reg and IASB Pronouncements		
7.9.1.	<p data-bbox="398 1058 860 1090"><i>Incorporation into Law/Reg SMO 7</i></p> <p data-bbox="398 1098 972 1233">Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p data-bbox="398 1281 972 1380">IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement</p>	1 <input checked="" type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	<p>established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	<p>2○ No</p>	
<p>7.9.2.</p>	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 7 Comparison with IASB Pronouncements.doc SMO 7: Comparison with IASB Pronouncements report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p>	<p>1○</p>	<p>Yes, information is available and in English and will be submitted to Compliance Staff</p>

Number	Question Title/Text/Help text	Answer	Comments
		<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.	<i>Translation of IFRSs</i> Are the IFRSs and other IASB pronouncements translated into national language?	<p>1○ No, as English is an official language or widely spoken language</p> <p>2☉ Yes, the IFRSs are translated</p> <p>3○ No and English is not an official language or is not widely spoken</p>	
7.10.4.	<i>Translation coordinator SMO 7</i> Who is the translation coordinator? Select the answer option that is most appropriate.	<p>1○ Our organization is the translation coordinator</p> <p>2☉ The government or another organization is the translation coordinator</p> <p>3○ Our organization and the government or another organization are the translation coordinators</p>	
7.10.5.	<i>Key Terms SMO 7</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Does the translation process include a list of key terms?	1 <input type="radio"/> Yes 2 <input type="radio"/> No	
7.11.	<i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.	AARL undertakes to provide information to their members on the activities of IFAC in the field of IFRS, IPSAS, ISA, ethics and education standards adoption, if necessary, to provide translation of this information, to organize training on IRFS, IPSAS, professional ethics issues, as well as to provide proposals in the relative fields to the Ministry of Finance. Similarly, the association plans to continue its cooperation with other institutions and related organizations in matters relating to the scope.	
8.	Certification of Chief Executive		
8.1.	<i>Complete Certification</i> Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click here to download a copy of the Certification form.	1 <input checked="" type="checkbox"/> Yes, the Certification of Chief Executive has been submitted	

Number	Question Title/Text/Help text	Answer	Comments
		2□	