

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

Member Name: Latvian Association of Certified Auditors

Country: Latvia

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

Number	Question Title/Text/Help text	Answer	Comments
IFAC Part 2 SMO Self-Assessment			
1.	SMO 1		
1.1.	Quality Assurance Program		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.2.	Responsibility for Quality Assurance - Overview		
1.2.1.	<i>Responsibility for Quality Assurance</i> Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes - for all audits of financial statements	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="radio"/> 2 Yes - for all audits except those of listed entities <input type="radio"/> 3 Our organization shares responsibility for the quality assurance program with another body <input type="radio"/> 4 No, responsibility for quality assurance for all audits rests with another body <input type="radio"/> 5 Other (please describe) <input type="radio"/> 6 Not applicable - no members of our organization perform audits of listed entities	
1.2.6.	<i>Quality Assurance (Member Body) All Audits - Scope</i> What types of engagements are included in the scope of the quality assurance review program? Select all the answer options that are appropriate.	<input checked="" type="checkbox"/> 1 Financial statement audit - listed entities (minimum requirement) <input checked="" type="checkbox"/> 2 Financial statement audit - audit of other than listed entities <input type="checkbox"/> 3 Other services (e.g., review, compilation) <input type="checkbox"/> 4 Insolvency <input type="checkbox"/> 5 Other (please specify)	
1.4.	Member - Benchmarking		
1.4.1.	Quality Control Standards and Guidance		
1.4.1.1.	<i>Quality Control Standards</i> Has your organization established and	<input type="radio"/> 1 Yes	ISQC 1 is translated into

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	published quality control standards requiring firms to implement a system of quality control in accordance with International Standard on Quality Control 1?	2 <input checked="" type="radio"/> No	Latvian, and is expected to be published officially and come into force by the end of 2006.
1.4.1.2.	<i>Quality Control Standards Follow Up</i> What plans does your organization have for developing and issuing quality control standards for your members? If you do not have such plans, what special reasons or conditions for that fact exist?	See comment to previous question	
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 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	Currently the quality control procedures in audit firms are governed by the previous version of ISA 220 which is binding to all statutory auditors in Latvia.
1.4.1.5.	<i>Other Quality Control Guidance - Name</i> State the name of the other quality control guidance.	See comment to	
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 type="checkbox"/> Audit firm 2 <input checked="" type="checkbox"/> Partner	

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	describe the scope and design of the quality assurance review program.	of audit services issued by the Board of Latvian Association of Certified Auditors and accepted by the Ministry of Finance	
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).	The regulation is available from Latvian Association of Certified Auditors (lzra@lzra.lv)	
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	Generally cycle approach with certain elements of randomness is followed, however special visits may be paid based on facts obtained in disciplinary process.
1.4.3.3.	<i>Cycle Approach - Partner</i> As the partner is the subject of the review, please indicate the maximum number of years in the review cycle:	1 <input type="radio"/> 1 year	

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		<input type="radio"/> 2 years <input type="radio"/> 3 years <input type="radio"/> 4 years <input checked="" type="radio"/> 5 years <input type="radio"/> 6 years <input type="radio"/> 7 years <input type="radio"/> 8 years <input type="radio"/> 9 or more years	
1.4.3.4.	<p><i>Cycle Greater Than Three Years</i> As the review cycle is more than the three year cycle recommended by SMO1, please provide an explanation for adopting a longer cycle.</p>	<p>Five year period is determined based on the new EU directives. Three year period could be applied to offices auditing quoted companies, but the number of Latvian based quoted companies is very small, so no special rules are established. The quality control system is new in Latvia and the available, competent human resources are limited. When the routines are well established and the number of quality controllers grows, the period of control visits may be shortened.</p>	
1.4.3.5.	<p><i>Cycle - Partner</i> Please describe how your organization evaluates the quality and effectiveness of the</p>	<p>Special quality control checklists are designed and used in all visits.</p>	

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	internal inspection program of a partner's firm when determining the cycle for review.		
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)	9/1/2004	
1.4.4.2.	<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)?	29	29 visits mean that 20% of all members of LACA have been visited in 2005
1.4.4.3.	<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)?	0	The quality control system commenced operation in late 2004, no reviews were completed in 2004.
1.4.4.4.	<i>Number of Reviews - 2003</i> How many quality assurance reviews were completed during the year ended December 31, 2003 (or other 12 month period ending in 2003)?	0	
1.4.5.	Quality Assurance Review Team		

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Procedures			
1.4.5.1.	<p><i>Publication of Review Guidelines</i> Does your organization publish guidelines for procedures to be followed by quality assurance review teams?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
1.4.5.2.	<p><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.</p>	<p>INSPECTION OF WORK QUALITY OF A PRACTICE OF CERTIFIED AUDITORS, rules approved by the Board of LACA</p>	
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>	<p>Rules can be obtained form LACA - lzra@lzra.lv</p>	
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</p>	<p>1 <input checked="" type="radio"/> Yes</p>	

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	<p>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 statements <p>c. Review of engagement working papers</p> <p>d. Specific requirements regarding documentation of the review</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p>	2 <input type="radio"/> No	
1.4.5.7.	<p><i>Review of Engagement Working Papers</i></p> <p>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 	1 <input checked="" type="radio"/> Yes	

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	<p>evidence documented in the working papers; and - Whether the auditor's reports are appropriate in the circumstances.</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p>	2 <input type="radio"/> No	
1.4.5.9.	<p><i>Documentation</i> Do the procedures to be performed by the quality assurance review team require documentation:</p> <p>- 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> <p>Are both of these requirements included in the quality assurance review program?</p>	1 <input checked="" type="radio"/> Yes	
1.4.6.	<p>The Quality Assurance Review Team</p>	2 <input type="radio"/> No	
1.4.6.1.	<p><i>Skills and Competence</i> 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>	1 <input checked="" type="radio"/> Yes	

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	<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 require members of the quality assurance review team to have all three of these competencies?</p>	2 <input type="radio"/> No	
1.4.6.3.	<p><i>Certification/Credentials</i></p> <p>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?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.6.5.	<p><i>Quality Assurance Review Team Leader</i></p> <p>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?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.6.7.	<p><i>QA Review Team Leader - Responsibilities</i></p> <p>As required by SMO 1, the responsibilities of the quality assurance review team leader should include:</p>	1 <input checked="" type="radio"/> Yes	
	<ul style="list-style-type: none"> - Supervision of the quality assurance 		

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	<p>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>	20 No	
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>	2	
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>	10 Yes	<p>The law “On Certified Auditors” provides special exemption from confidentiality rules to facilitate the quality control. This means that the audit office under review can provide all the client information to reviewers without breaching the confidentiality rules. At the</p>

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		2○ No	same time, reviewers are subject to the same confidentiality rules as the auditor under review.
1.4.7.3.	<i>Confidentiality Requirements</i> 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⊙ Yes	
		2○ 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⊙ Yes	
		2○ 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	1⊙ Yes	

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	each member of the quality assurance review team has been reasonably assured?	2○ No	
1.4.8.5.	<i>Reciprocal Reviews</i> 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.	1○ Yes, reciprocal reviews are permitted 2⊙ No, reciprocal reviews are not permitted 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?	1⊙ Yes 2○ No	The partner is familiarised with a copy of the quality review report
1.4.9.3.	<i>Contents of Report</i> As required by SMO 1, the quality assurance review report should include the following elements: - The review guidelines (referred to in Question 1.4.5.1) utilized by the quality assurance review team. - Recommendations for areas of	1⊙ Yes	

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	<p>improvement at both firm wide and engagement level.</p> <p>Does the quality assurance program require both of these elements to be included in the report?</p>	2 <input type="radio"/> No	
1.4.9.6.	<p><i>Contents of Report - Partner</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 partner has been subject to a system of quality control designed to meet the requirements of the quality control standards; - Whether the partner has complied with the firm's system of quality control during the period under review; and - Reasons for 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 checked="" type="radio"/> Yes	
1.4.9.8.	<p><i>Response to Reporting</i></p> <p>Is the subject of the review required to provide a timely written response to the</p>	1 <input checked="" type="radio"/> Yes	The audit offices can be rated A, B and C. A- without

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	recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation?	2○ No	substantial deficiencies, B – no more than one substantial deficiency and C – more than one substantial deficiency. Audit offices rated B have to report on corrective actions, but audit offices rated C – have to report on corrective actions, they are also subject to repeated review in one year's time and to disciplinary process.
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☉ Yes 2○ No	LACA prepares annual report including general results, statistics and overview of findings, and publishes it in the LACA web page.
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☉ Yes 2○ No	
1.4.10.3.	<i>Disciplinary Actions</i> If one of your members subsequently fails to demonstrate compliance with professional	1☉ Yes	

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	standards and regulatory and legal requirements, do you take appropriate disciplinary action?	2○ 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⊙ Yes	
		2○ 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□ Complete a program of professional accountancy education 2☑ Complete a practical experience requirement 3☑ Complete a final assessment of the individual's professional capabilities and competencies 4□ 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	1⊙ Yes	

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	(CPD)?	2○ No	
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?	LACA as a minimum requires a bachelor's degree in economics, finance or business and 3 year practical experience (720 hours a year), obtained prior to qualification exams.	
2.11.	IES 5 Practical Experience Requirement		
2.11.1.	<i>Approved Provider</i> Section 2.11 deals with the practical experience requirement established by your organization. Does the practical experience requirement have to be obtained with approved providers or employers?	1⊙ Yes 2○ No	
2.11.2.	<i>Provider Characteristics</i> Please describe the characteristics set by your organization for recognizing approved providers.	Practical experience can be obtained only under supervision of Latvian Certified Auditor or a person with similar foreign qualification, employed in a Latvian licensed audit firm. 2/3 of the qualifying time should be spent in statutory audits in	

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		accordance with Latvian legislation	
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	At least 720 hours a year for 3 year should qualify as audit experience.
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	
2.11.7.	Timing of Experience		
2.11.7.1.	<i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate):	1 <input checked="" type="checkbox"/> Before the professional accountancy education program of study 2 <input type="checkbox"/> At the same time as the professional accountancy education program of study 3 <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	All 3 years experience have to be	

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	that may be obtained pre-qualification and / or post-qualification.	obtained before qualification	
2.12.	IES 5 Monitoring of Practical Experience Requirement		
2.12.1.	<i>Monitoring of Practical Experience</i> Is the period of practical experience monitored?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
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.	1 <input type="checkbox"/> Mentoring system 2 <input checked="" type="checkbox"/> Approved training employers and organizations 3 <input type="checkbox"/> Self-declaration required from the candidate 4 <input checked="" type="checkbox"/> Record of the practical experience is kept and submitted to the member body when applying for membership 5 <input checked="" type="checkbox"/> An assessment is made by the mentor or employer 6 <input type="checkbox"/> Other (please describe)	
2.13.	IES 6 Assessment of Prof Capabilities and Competence		
2.13.1.	<i>Assessment by IFAC Body or Other</i> Section 2.13 deals with the final assessment	1 <input checked="" type="checkbox"/> Our organization (including	

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	<p>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>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 body</p> <p>4 <input type="checkbox"/> Other</p>	
2.13.4.	<p><i>Characteristics of Assessment</i></p> <p>Which of the following characteristics are applicable to the final assessment process? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Uniform for all students</p> <p>2 <input checked="" type="checkbox"/> Given simultaneously where it is being held in more than once location in the country</p> <p>3 <input checked="" type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals</p> <p>4 <input type="checkbox"/> None of the above</p>	<p>The 5 exams are held in one location once a year (it is fully sufficient, given the number of students and the profession as such).</p>
2.13.5.	<p><i>Qualifying for Final Assessment</i></p>		

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	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 candidate to take the final examination within a specified number of years of meeting the pre-assessment requirements.	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.13.7.	<i>Requirement or Restrictions</i> Describe the requirements or restrictions relating to when the final assessment must be undertaken.	A successfully passed exam is valid for 5 years only.	
2.13.8.	<i>Assess Professional Knowledge</i> Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc) is assessed during the final assessment.	5 separate written exams are held in the following subjects: - financial accounting - audit - taxes - company law	

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		<p>- business management</p> <p>Exams contain mostly practical questions which require to comprehend and analyse information and arrive to independent conclusions.</p>	
2.13.9.	<p><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.</p>	<p>Separate written exams are held in the following subjects:</p> <ul style="list-style-type: none"> - financial accounting - audit - taxes - company law - business management <p>Exams contain mostly practical questions which require to comprehend and analyse information and arrive to independent conclusions</p>	
2.13.10.	<p><i>Assess Professional Values, Ethics, Attitudes</i> Describe in general terms how required professional values, ethics, and attitudes are assessed during the final assessment.</p>	<p>Exam in Audit includes questions, examining ability to understand and apply the requirements of</p>	

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		professional ethics, apart from this - characteristics from the person approving practical training are obtained prior to exams.	
2.13.11.	<i>Recorded or Oral Format</i> Is the final assessment conducted through:	1 <input checked="" type="radio"/> Recorded format with recorded (e.g. written) response required 2 <input type="radio"/> Oral format with oral responses 3 <input type="radio"/> Both recorded and oral response formats	
2.13.13.	<i>Assessment Formats</i> 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.	For each exam a commission is approved by the Board of LACA and accepted by the Ministry of Finance, which have to include members of profession and university professors, but may include also recognised authorities	

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		<p>in the subject under examination. The commission prepares questions, answers and marking plan, they are reviewed by the Examination Committee of LACA.</p> <p>The candidates' papers are marked with nicknames which are stored in closed envelopes which are opened only when the protocol of marking results (with nicknames) is prepared and signed.</p>	
2.13.15.	<p><i>Frequency of Final Assessments</i> How many times in a year is the final assessment offered? Select the answer option that is the most appropriate.</p>	<p>1 <input checked="" type="radio"/> Yearly (or once a year)</p> <p>2 <input 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.	<p>IES 7 Continuing Professional Development - CPD</p>		
2.14.1.	<p><i>Responsibility for CPD Requirements</i> Section 2.14 deals with the continuous professional development requirements</p>	<p>1 <input checked="" type="checkbox"/> Our organization</p>	

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	<p>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><input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body)</p> <p><input type="checkbox"/> Law and / or regulation (state the name of the law / regulation)</p> <p><input type="checkbox"/> Other (please describe)</p>	
2.14.2.	<p><i>CPD and Professional Accountants</i></p> <p>Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.</p>	<p><input checked="" type="checkbox"/> All our qualified members</p> <p><input type="checkbox"/> Qualified members who perform audits of listed entities</p> <p><input type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p><input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p><input type="checkbox"/> Qualified members who are</p>	<p>One exception - members who are not working in profession and have suspended certificates</p>

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		<input type="checkbox"/> employed in business <input type="checkbox"/> 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"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years <input type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content) <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) <input type="checkbox"/> Other	
2.14.3.3.	<i>Hours of Continuous Professional Development</i> Which one of the following answer options best describes the continuous professional development hours required?	<input checked="" type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a	

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		<p>2 <input type="radio"/> three-year rolling period.</p> <p>3 <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 process for CPD requirements</p>	
2.14.4.	Monitoring of CPD Requirement		
2.14.4.1.	<p><i>Monitoring Process SMO 2</i></p> <p>Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" 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 type="checkbox"/> Compliance is monitored through a quality assurance review program</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> Other (please describe) <input type="checkbox"/> None of the above	
2.14.4.2.	<p><i>Declaration and CPD SMO 2</i></p> <p>Describe the matters addressed in the declaration (select all that apply):</p>	<input type="checkbox"/> Professional accountant's obligation to meet ethical obligations <input type="checkbox"/> Professional accountant's obligation to maintain knowledge <input type="checkbox"/> Professional accountant's obligation to maintain skills to perform competently <input checked="" type="checkbox"/> Compliance with CPD requirement <input type="checkbox"/> Other (please describe)	Detailed description of training received is required with dates, names of providers, topics and numbers of hours.
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>	<input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed <input type="radio"/> No, sanctions or other non-compliance actions are not imposed	
2.14.4.4.	<p><i>Sanction Types and CPD</i></p> <p>Describe the nature and extent of the</p>	Non-complying members are	

Number	Question Title/Text/Help text	Answer	Comments
	sanction, expulsions or denial of the right to practice.	subject to disciplinary action (warning, reprimand, suspension up to 1 year and cancellation of certificate)	
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.	LACA has translated the IES's to Latvian and published them in the members' intranet of the LACA's website. Currently LACA is in process of adjusting it's internal regulations to eliminate the existing discrepancies with the requirements of IAES. It is anticipated that this work will be completed in 2007.	
3.	SMO 3		
3.1.	<i>Auditing Standards in Law/Regulation</i> Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate. Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module	1 <input checked="" type="checkbox"/> Yes for audits of listed entities	

Number	Question Title/Text/Help text	Answer	Comments
	<p>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>2 <input checked="" type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input type="checkbox"/> No for audits of listed entities</p> <p>4 <input type="checkbox"/> No for audits of non-listed entities</p>	
3.8.	Law/Reg and Auditing Standards		
3.8.1.	<p><i>Law/Reg Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The auditing standards for listed entities and non-listed entities are not the same set of standards</p>	<p>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>
3.8.2.	<i>Auditing Standards for Private Sector</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Does the law/regulation require the use of IAASB pronouncements? Select the answer option that is most appropriate.	<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> <p>5 <input type="radio"/> The law / regulation requires the use of national standards with no reference to IAASB pronouncements</p>	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.
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.	<p>1 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input checked="" type="checkbox"/> Promulgate the IAASB pronouncements established</p>	

Number	Question Title/Text/Help text	Answer	Comments
		by law / regulation (e.g. by publishing or communicating the standards to the public) 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
3.8.11.	<i>Describe Activities and Law/Reg SMO 3</i> Describe your organization's activities for promulgating and / or implementing the standards.	LACA translates and publishes standards issued by IFAC and ensures its members receive relevant training.	
3.9.	Law / Reg and MB Responsibilities SMO 3		
3.9.1.	<i>Incorporation into Law/Reg SMO 3</i> Is information publicly available about the IAASB pronouncements that have been established into law/regulation, including: The IAASB pronouncements that have been established into law / regulation; Whether the IAASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IAASB pronouncement; The differences between the IAASB pronouncement and what was established into law / regulation; and The reasons for the differences?	1 <input checked="" type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
3.9.2.	<p data-bbox="398 312 981 376"><i>Incorporation Description - Law/Reg SMO 3</i></p> <p data-bbox="398 392 981 600">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="398 647 981 935">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="398 983 981 1126">Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p>	<p data-bbox="1003 272 1451 304">2○ No</p> <p data-bbox="1003 384 1451 528">1○ Yes, information is available and in English and will be submitted to Compliance Staff</p> <p data-bbox="1003 1126 1451 1380">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"</p>	<p data-bbox="1496 384 1879 528">Currently standards issued in the Handbook of Technical Pronouncements 2004 are translated and implemented.</p> <p data-bbox="1496 568 1879 679">Translation of Handbook for 2005 is in the process of review.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>report and submit it to Compliance Staff</p> <p>3○ No, information is not available</p>	
3.10.	Translation SMO 3		
3.10.1.	<i>Translation of IAASB Pronouncements</i> Are the IAASB pronouncements translated into a national language?	<p>1○ No as English is the national language or a widely spoken language</p> <p>2⊙ Yes, the IAASB pronouncements are translated</p> <p>3○ No and English is not an official language or is not widely spoken</p>	
3.10.2.	<i>IFAC Translation Policy SMO 3</i> Is the IFAC Translation Policy followed?	<p>1⊙ Yes</p> <p>2○ No</p>	
3.10.3.	<i>Principal Translator SMO 3</i> Who is the principal translator? Select the answer option that is most appropriate.	<p>1⊙ Our organization is the principal translator</p> <p>2○ The government or another organization is the principal translator</p> <p>3○ Our organization and the government or another organization are the principal translators</p>	
3.10.4.	<i>Key Words SMO 3</i> Does the translation process include a list of	1⊙ Yes	

Number	Question Title/Text/Help text	Answer	Comments
	key words?	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?	Review of translation by members of profession.	
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.	LACA provides training in ISA's and related standards	
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Ⓞ Yes, our organization does establish ethical requirements 2○ No, our organization does not establish ethical requirements	

Number	Question Title/Text/Help text	Answer	Comments
4.1.2.	<p><i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>	<p>1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No</p>	
4.1.9.	<p><i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p> <p>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>1 <input checked="" type="radio"/> Our organization adopted the IFAC Code as issued without modifications</p> <p>2 <input 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</p>	

Number	Question Title/Text/Help text	Answer	Comments
		Code 4 <input type="radio"/> Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics	
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?	1 <input type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004 2 <input checked="" type="radio"/> A version issued prior to 2004 3 <input type="radio"/> The revised IFAC Code issued and in effect June 30, 2006	
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.	The Handbook 2005, including the updated Code, is translated and in the process of review, Handbook 2006 is being translated - it is expected that the Handbook 2006 is published and implemented by the end of 2006	
4.2.3.	<i>MB and Revised Code</i> Does your organization have plans to adopt the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to incorporate the revised IFAC Code? Select	1 <input type="radio"/> Our organization has already amended our ethical requirements for the revised IFAC Code (effective June	

Number	Question Title/Text/Help text	Answer	Comments
	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.	Translation and review of Handbook 2006, including the updated code, is due to be completed by September 2006, with following publication and implementation.	We plan to publish 2006 handbook in the beginning of year 2007. Training seminars on the latest changes in standards are scheduled in December 2006 and January 2007.
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 checked="" type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
2	○	No	
4.4.	Gov / Reg Bodies and Ethical Requirements		
4.4.1.	<p><i>Gov/Reg Bodies - Ethical Requirements</i> Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants</p> <p>2 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities</p> <p>3 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit entities other than listed entities</p> <p>4 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>other entities)</p> <p>5 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements for professional accountants employed in business</p> <p>6 <input type="checkbox"/> None of the above</p>	
4.4.4.	<p><i>Describe Law / Reg - Audit</i></p> <p>Regarding your response to question 4.4.1 and professional accountants who audit listed entities and / or other entities, please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>	<p>Law on sworn (certified) auditors It relates only to statutory auditors. No special laws for accountants other than such auditors have been issued.</p> <p>The current law is adopted on 22.05.2001. Since then it has been adjusted once – on 22.01.2004.</p>	<p>The law complies with the effective EU directive on statutory audits. Changes are being drafted to implement the requirements of the new EU directive “On Statutory Audits”- anticipated by the end of 2007. The current law includes the following special requirements for the auditors of listed entities and financial institutions:</p> <ul style="list-style-type: none"> - insurance cover at amount not less than 2% of total assets of the largest entity to be audited as at the end of the preceding year; - audit partner rotation every 5 years.
4.4.7.	<i>Gov/Reg and Convergence</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.	LACA's members are required to follow IFAC Code of Ethics as adopted by LACA. Special provisions of the law are described in the answer to the question above.	
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.	<p>1 <input type="checkbox"/> No, as English is an official language or widely spoken language</p> <p>2 <input checked="" type="checkbox"/> Yes, our organization has translated the IFAC Code</p> <p>3 <input type="checkbox"/> Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4 <input type="checkbox"/> No, the IFAC Code has not been translated and English is not an official language or widely spoken language</p>	
4.14.	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</p>	

Number	Question Title/Text/Help text	Answer	Comments
		government or regulatory body and the information is not available	
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	LACA has adapted IFAC Code of Ethics for mandatory use. LACA is organizing the process of	

Number	Question Title/Text/Help text	Answer	Comments
	regulatory body and the information is not available, please state this in the response.	translation and editing of the IFAC code by professionals with sufficient knowledge and experience.	
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>	LACA translates and publishes IFAC codes and promotes it through it's professional magazine and participation in professional events	
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>	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.	<p><i>Convergence Approach - IPSASs</i> Which of the following best describes government's convergence objective? Select the answer option that is the most appropriate.</p>	1 <input type="checkbox"/> IPSASs are adopted as drafted without amendments	
		2 <input type="checkbox"/> IPSASs are adopted with	

Number	Question Title/Text/Help text	Answer	Comments
		<p>amendments</p> <p>3 <input type="checkbox"/> National public sector accounting standards are developed with a process to eliminate differences between the national standards and IPSASs</p> <p>4 <input checked="" type="checkbox"/> IPSASs are incorporated using another approach</p>	
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 is 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</i></p>		

Number	Question Title/Text/Help text	Answer	Comments
	<p><i>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>LACA has translated IPSAS into Latvian and published them.</p> <p>LACA has also provided extensive training program to the public sector institution in Latvia and LACA's representatives take active part in development of relevant accounting legislation.</p>	
6.	SMO 6	1 <input checked="" type="radio"/> Yes	
6.1.	<p><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?</p>	2 <input type="radio"/> No	
6.3.	Responsibility for Investigation and Discipline	1 <input checked="" type="radio"/> Yes, our organization has this responsibility	
6.3.1.	<p><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</p>	1 <input checked="" type="radio"/> Yes, our organization has this responsibility	

Number	Question Title/Text/Help text	Answer	Comments
	appropriate.	<p>2○ No, responsibility for investigation and discipline rests solely with an external body</p> <p>3○ Our organization shares responsibility for investigation and discipline with an external body</p> <p>4○ Other</p>	
6.5.	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⊙ Yes</p> <p>2○ 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☑ Criminal activity</p> <p>2☑ Acts or omissions likely to bring the accountancy profession into disrepute</p> <p>3☑ Breaches of professional standards</p> <p>4☑ Breaches of ethical</p>	

Number	Question Title/Text/Help text	Answer	Comments
		requirements 5 <input checked="" type="checkbox"/> Gross professional negligence 6 <input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights 7 <input type="checkbox"/> Unsatisfactory work 8 <input type="checkbox"/> Other (please describe)	
6.5.2.	<i>Types of Sanctions</i> Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Reprimand 2 <input checked="" type="checkbox"/> Loss or restriction of practice rights 3 <input checked="" type="checkbox"/> Fine/payment of costs 4 <input checked="" type="checkbox"/> Loss of professional title (designation) 5 <input checked="" type="checkbox"/> Exclusion from membership 6 <input type="checkbox"/> Other (please describe)	
6.5.3.	Provision of Information and Guidance to Members		
6.5.3.1.	<i>Information and Guidance</i> Does your organization make each member fully aware of: - All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments),	1 <input checked="" type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	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.	LACA publishes all IFAC technical pronouncements in Latvian and makes regular topical training available to it's members prior to full implementation (normally - first technical update is delivered when standards are published in English, and a more extensive session is provided when translation is available, few months before implementation deadline).	
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	In the context of anti-money laundering rules only.
		2⊙ No	
6.5.5.	<i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and	1☑ Information-based	

Number	Question Title/Text/Help text	Answer	Comments
		2○ No	<p>Investigations and disciplinary actions are carried out by separate independent committees consisting of elected members.</p> <p>As the total number of active members of LACA is 145, the volume of work in this area is manageable.</p>
6.5.6.8.	<p><i>Independence and Subject of Investigation</i> Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p>Help text: If a conflict exists at the start of an investigation, or arises during the 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.	<i>Infrastructure</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.	<p>1 <input checked="" type="radio"/> One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2 <input type="radio"/> A single committee/panel to conduct the investigation and administer disciplinary action.</p> <p>3 <input type="radio"/> Other</p>	
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?	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>	
6.5.6.13.	<i>Independent Review Follow Up</i> Please explain why your organization has not established and maintained such a process.	This function will be considered within the process of establishment of public oversight system in Latvia (due to be started as soon as the new EU Statutory audit directive comes into force).	
6.5.7.	The Disciplinary Process		
6.5.7.1.	<i>Composition of Tribunal</i> Does the tribunal responsible for the	1 <input type="radio"/> Yes (please describe)	

Number	Question Title/Text/Help text	Answer	Comments
	disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	2 <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)?		This function will be considered within the process of establishment of public oversight system in Latvia (due to be started as soon as the new EU Statutory audit directive comes into force).
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 2 <input checked="" type="radio"/> No	
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.		Members of the committee declare independence.
6.5.7.6.	<i>Appeals Process</i> Does your organization's rules: Select all the answer options that are appropriate.	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

Number	Question Title/Text/Help text	Answer	Comments
		<p>advise him or her throughout the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that appeal</p> <p>4 <input type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input checked="" type="checkbox"/> Require that the same procedures apply to the appeal process as apply to 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> Please explain why your organization has not established the rules that were not selected.</p>	<p>The appeal can be filed with the Board of LACA and the chairman on the Ethics Committee (the body dealing with disciplinary</p>	<p>Changes to current scheme may be implemented with the new model of public oversight (implementation</p>

Number	Question Title/Text/Help text	Answer	Comments
		proceedings) is a member of the Board, thus 1 person (from 10 possible members of the Board) is represented on both levels.	due in the nearest 18 months)
6.5.8.	Administrative Processes		
6.5.8.1.	<p><i>Elements of Administrative Processes</i> 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 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</p>	

Number	Question Title/Text/Help text	Answer	Comments
		binding agreement to maintain that confidentiality 4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence 5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings 6 <input type="checkbox"/> None of the above	
6.5.8.3.	Case Numbers		
6.5.8.3.1.	<i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005.	1	
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.	9	
6.5.8.3.4.	<i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005.	1	
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	9	

Number	Question Title/Text/Help text	Answer	Comments
	2003.		
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>	6	
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</p>	1 <input checked="" type="checkbox"/>	Yes, for financial statements of listed entities

Number	Question Title/Text/Help text	Answer	Comments
	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>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 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>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 checked="" type="radio"/> For listed entities, the</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>law/regulation contains the full text of each IFRS</p> <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 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</p>	<p>Exception - use of IFRS is compulsory for financial institutions and insurance companies</p>

Number	Question Title/Text/Help text	Answer	Comments
		using another approach (please describe) 5⊙ For non-listed entities, the law / regulation requires the use of national standards with no reference to IFRSs	
7.8.7.	<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.	Latvian Accounting Standards	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.
7.8.8.	<i>MB Responsibilities National Standards SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Develop or assist in developing the proposed standards as law / regulation 2 <input type="checkbox"/> Develop other authoritative pronouncements	As determined by law LACA delegates 2 of 11 members of the Accounting Council (standard setting body).

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="checkbox"/> Promulgate the accounting standards (e.g. by publishing or communicating the standards to the public) 4 <input type="checkbox"/> Other (please describe) 5 <input type="checkbox"/> None of the above	
7.8.9.	<i>MB Responsibilities and IASB SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	1 <input type="checkbox"/> Develop other authoritative pronouncements 2 <input checked="" type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public) 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
7.8.11.	<i>Describe Activities and Law/Reg SMO 7</i> Describe your organization's activities for promulgating and / or implementing the standards.	LACA is the main thought leader and source of professional expertise in development of the accounting standards in Latvia	
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	LACA has translated and published IFRS in Latvian, LACA is also consulted by EU bodies to review the official translation of IFRSs enforced in EU, however as a rule,	

Number	Question Title/Text/Help text	Answer	Comments
	explanation descriptions of any specific activities and the outcome.	insufficient time is allocated fro LACA's input. LACA in cooperation with ACCA and a UK accountancy training company is developing extensive training un update program in IFRS in Latvian (due to be launched in 2007).	
7.9.	Law/Reg and IASB Pronouncements		
7.9.1.	<p data-bbox="400 691 864 718"><i>Incorporation into Law/Reg SMO 7</i></p> <p data-bbox="400 727 972 863">Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p data-bbox="400 911 972 1347">IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	

Number	Question Title/Text/Help text	Answer	Comments
7.9.2.	<p data-bbox="400 277 965 336"><i>Incorporation Description - Law/Reg SMO 7</i></p> <p data-bbox="400 352 965 568">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 data-bbox="400 608 965 823">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 data-bbox="400 863 965 1007">Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p>	<p data-bbox="1003 352 1458 488">1 <input checked="" type="radio"/> Yes, information is available and in English and will be submitted to Compliance Staff</p> <p data-bbox="1003 1015 1458 1302">2 <input type="radio"/> 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 data-bbox="1003 1310 1458 1377">3 <input type="radio"/> No, information is not available</p>	Latvia is member of EU and regulation 1606/2002 applies.

Number	Question Title/Text/Help text	Answer	Comments
7.10.	Translation SMO 7		
7.10.1.	<i>Translation of IFRSs</i> Are the IFRSs and other IASB pronouncements translated into national language?	<input type="radio"/> No, as English is an official language or widely spoken language <input checked="" type="radio"/> Yes, the IFRSs are translated <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.	<input type="radio"/> Our organization is the translation coordinator <input type="radio"/> The government or another organization is the translation coordinator <input checked="" 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?	<input checked="" type="radio"/> Yes <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?	Review of translation by members of profession.	
7.11.	<i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and	LACA provides training to its members and to general public.	

Number	Question Title/Text/Help text	Answer	Comments
	assist in the implementation of IFRSs and other IASB pronouncements and activities.		
8.	Certification of Chief Executive		
8.1.	<p><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.</p>	1 <input checked="" type="checkbox"/>	Yes, the Certification of Chief Executive has been submitted
		2 <input type="checkbox"/>	