

GOVERNMENT NOTICE NO. 1

PUBLIC ACCOUNTANTS AND AUDITORS ACT
(CAP 53:06)

ACCOUNTANCY TRAINING REGULATIONS, 2017
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13th January, 2017

IN EXERCISE of the powers conferred by Section 57 of the Public Accountants and Auditors Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, on recommendation of the Malawi Accountants Board, make the following Regulations—

PART I—PRELIMINARY

- Citation 1. These Regulations may be cited as the Accountancy Training Regulations, 2017.
- Interpretation 2. In these Regulations unless the context otherwise requires—
 “examining body” means an institution which has been accredited by the Board to set, administer and provide assessment for accountancy courses or syllabus for post-secondary school education in Malawi;
 “IFAC” means International Federation of Accountants;
 “institution” means any training institution offering training for personnel desirous to become registered accountants in Malawi; and
 “Users” means any person who has been recognised as the user of services rendered by an accountancy or advisory service provider.
- Application 3. These regulations apply to the following situations—
 (a) accreditation for all institutions intending to offer any accountancy training in Malawi;
 (b) development and approval process of accountancy training syllabuses; and
 (c) maintenance of security and integrity of accountancy examinations in Malawi.
- Objectives of the regulations 4. These regulations have been developed to ensure that—
 (a) accountants trained in Malawi meet the requirements and standards of IFAC and are well knowledgeable in accounting skills;
 (b) only institutions which have requisite resources as contained in regulation 5 and capacity are allowed to offer accountancy training;
 (c) accountancy training offered in Malawi complies with the IFAC requirements and that the training is relevant to Malawi’s business environment;
 (d) accountancy examinations administered in Malawi are credible and meet the minimum requirements and standards of the Board; and
 (e) students are protected from unfair business practices and inappropriate assessments during their accountancy training.

PART II—ACCREDITATION OF ACCOUNTANCY INSTITUTIONS IN MALAWI

5.—(1) An institution offering or intending to offer accountancy training or accountancy examinations shall make an application for accreditation to the Board in Form 1 set out in the Schedule hereto and shall submit the application accompanied with the relevant application fee prescribed in Form 4 in the Schedule hereto.

Accreditation
of institutions
offering or
intending to
offer
accountancy
training

(2) An institution offering or intending to offer accountancy training as a short course or a secondary school offering or intending to offer accountancy courses shall not be required to be accredited by the Board.

(3) An institution which offers accountancy as a minor component of its program shall not be required to be accredited by the Board, but the accountancy syllabus designed shall have to be cleared with the Board as provided in Part III of these regulations.

6.—(1) An institution, in order to be accredited by the Board, shall satisfy the following—

Requirements
for
accreditation

(a) availability of a conducive learning environment which includes location, adequate class rooms, library, computer laboratory and other amenities;

(b) availability of qualified trainers with minimum qualifications as prescribed in Form 2 set out in Schedule hereto; and

(c) compliance with requirements of the National Council for Higher Education under the National Council for Higher Education Act. Cap.30:12

(2) The Board shall, upon receipt of the application for accreditation containing all necessary required documents and the prescribed fees, complete the assessment exercise within 90 days and shall, thereafter, within 21 days communicate its decision, on whether the institution has been accredited or not in writing.

(3) Where an application for accreditation has been approved, the Board shall issue a certificate of accreditation, in Form 3 set out in the Schedule hereto, to the institution which made the application.

(4) The Board's decision on the application for accreditation of an Institution shall be final and any aggrieved party shall be allowed to seek redress at the National Council for Higher Education.

(5) A Party who is not satisfied by the decision of the National Council for Higher Education may appeal to the High Court against the decision of the National Council for Higher Education.

(6) An institution which has been accredited by the Board shall pay an annual retainership fee prescribed in Form 4 in the Schedule hereto.

7.—(1) An accredited institution shall submit to the Board, where the Board finds it appropriate, its annual financial statements.

Submission
of financial
statements

(2) Where the institution offers other courses and generates revenue from non-accountancy courses, the submission shall, where practicable, indicate income and expenses associated with the provision of accountancy training.

(3) Without prejudice to the proceeding provisions, the Board may require the accredited institution to submit other accounting information the Board may require in order to effectively supervise and enforce the terms and conditions of the accreditation, and the accredited institution shall provide such information within 90 days.

Requirement
to provide
information

8.—(1) The Board shall, where necessary, request an accredited institution to provide information to the Board and in such manner and at such times as the Board may require which will enable the Board to carry out its functions under the Act.

(2) The Board shall, where necessary, request the accredited institution to submit periodic reports, statistics and other data and additional information in order to supervise and enforce effectively the terms of the accreditation.

(3) An accredited institution shall submit annual returns containing minimum information such as—

- (a) courses run during the year;
- (b) registered number of students for the year with gender analysis of the students for each course;
- (c) the pass rates for examinations;
- (d) major development projects undertaken during the year;
- (e) changes in key training personnel;
- (f) challenges encountered during the year;
- (g) plans for the forth coming academic year; and
- (h) any other information the Board may consider necessary from time to time.

(4) An accredited institution which does not comply with the provisions of this regulation shall be liable to an administrative penalty which may be prescribed by the Board from time to time.

Quality in
accountancy
training

9.—(1) As part of ensuring quality in accountancy training, the Board shall require all accredited training institutions to submit annual returns for their institution as specified in regulation 8 (3) above.

(2) The Board in ensuring that quality is maintained in all accredited training institutions shall—

(a) conduct annual inspections of all accredited institutions to verify if all accreditation conditions are being complied with;

(b) work with National Council for Higher Education to ensure that monitoring programs are integrated and avoid exerting unnecessary duplication of efforts; and

(c) arrange for training whenever there are new developments in the accountancy training curriculum.

Revocation of
an accreditation
certificate

10.—(1) The Board shall continue to monitor all accredited training institutions to ensure compliance with the terms of accreditation, and where an institution does not comply with the terms of accreditation, the Board may revoke the certificate of accreditation.

(2) The Board shall revoke the certificate of accreditation of an institution where the accredited institution —

- (a) fails to comply with the terms and conditions of its accreditation;
- (b) is declared bankrupt by a competent court of law;
- (c) has been deregistered by National Council for Higher Education;
- (d) no longer has trainers with requisite minimum qualifications;
- (e) has moved to a new premise where in the opinion of the Board, the place is not conducive for accountancy training;
- (f) has modified its syllabus or course without notifying the Board;
- (f) is involved in financial mismanagement which has negatively affected the students and the institution has not mitigated the loss to the students;
- (g) has failed to comply with requirements of any other written law in Malawi and is facing sanctions or penalties under that written law;
- (h) has made a decision to discontinue accountancy training; or
- (i) fails to remit retainership fees.

11.—(1) The Board shall maintain a working relationship with relevant institutions involved in accountancy training. Working relations

(2) The relationship shall include memorandum of understandings, joint inspection exercise, examination assessments, and trainer of trainer courses.

PART III—ACCOUNTANCY SYLLABUS IN MALAWI

12.—(1) An accredited institution, offering a course which will enable a student to become a diplomate accountant or a chartered accountant, shall submit its proposed syllabus to the Board for purposes of accreditation. Submission of syllabus for accreditation

(2) The Board shall not register an accountant who graduates from a course whose syllabus is not accredited by the Board.

(3) The Board shall annually publish a list of accountancy courses in Malawi which are accredited, in order to protect the interests of the students.

(4) An accredited institution setting accountancy examinations in Malawi shall submit the syllabus to the Board for its accreditation.

(5) The Board shall enter into working relationship with various international accreditation institutions to ensure that there is a reciprocal accreditation process for accountancy courses.

13.—(1) An accredited institution applying for accreditation of its syllabus, shall submit the following information to the Board -- Submission of information required for accreditation of a syllabus

(a) a brief summary of the course, the level it is covering and the relevance of the syllabus;

(b) a copy of the proposed syllabus detailing—

- (i) the broad accounting issues covered in the syllabus;
- (ii) details of emphasis of coverage for various topics such as broad coverage, knowledge or partial coverage;
- (iii) the specification grid such as weighing the relevance of various sections within the syllabus;
- (iv) the students study scheme;
- (v) the relevant resource materials for the students; and
- (vi) the proposed format for the examinations; and

(e) a copy of a pilot examination paper with suggested solutions.

(2) The Board shall, in assessing the application, consider—

(a) the compliance of the syllabus contents with the relevant international accounting standards and other relevant Generally Accepted Accounting Practices;

(b) the adequacy of the syllabus coverage in relation to the level of training being tested;

(c) the relationship of the syllabus with other accountancy courses offered by the institution;

(d) whether the syllabus has been copied from another course without the authorisation of the original holders of the qualification; and

(e) the examination structure proposed in the syllabus and the adequacy of knowledge.

(3) Where the Board rejects the accreditation of a syllabus, the Board shall notify the institution of its decision, in writing, specifying reasons for its rejection, and advising the institution on areas for improvement in order for the syllabus to be accepted.

(4) The Board's decision on the application for accreditation of a syllabus shall be final and any aggrieved party shall be allowed to seek redress at the National Council for Higher Education.

(5) A party who is not satisfied by the decision of the National Council for Higher Education may appeal to the High Court against the decision of the National Council for Higher Education.

Application for approval to changes of modification to a syllabus

14.—(1) An accredited institution that makes or intends to make changes or modifications to its syllabus shall apply to the Board for approval of such changes and modifications to the syllabus and such changes shall include—

- (a) change in topics covered;
- (b) the level of the program;
- (c) the format of the examinations; and
- (d) the mode of offering the course.

(2) The accredited institution shall apply to the Board for approval three months before effecting any changes to the syllabus.

(3) The Board may request an accredited institution to make modifications or amendments, as the Board considers appropriate, to the

proposed changes or modifications as submitted by the accredited institution and where the institution does not comply with the advice of the Board, the Board shall not register as a diplomate or a chartered accountant a student graduating from such an institution.

(4) Where the Board rejects the changes or modifications in the syllabus, the Board shall notify the accredited institution of its decision, in writing, specifying reasons for its rejection, and advising the accredited institution on areas for improvement in order for the changes or modifications in syllabus to be accepted.

(5) The Board's decision on the changes or modifications in the syllabus shall be final and an aggrieved party shall be allowed to seek redress at the National Council for Higher Education.

(6) A party who is not satisfied by the decision of the National Council for Higher Education may appeal to the High Court against the decision of the National Council for Higher Education.

15. An accredited institution which offers a course whose syllabus has not been accredited by the Board commits an offence and shall be liable upon conviction to a fine of K200, 000.

Offences
relating to
accreditation

PART IV — SECURITY OF ACCOUNTANCY EXAMINATIONS IN MALAWI

16.—(1) The Board shall ensure that accountancy examinations in Malawi are stored in a safe place and that the examinations provide adequate assessment in accordance with the level being examined.

Preparation
process for
accountancy
examinations

(2) An accredited training institution shall ensure that accountancy examinations set in Malawi undergo internal or external processes of assessment independent of the institution administering the examinations, before the examinations are administered.

(3) An accredited training institution shall ensure that there are no cases of examination malpractice and the institution shall ensure that there are reserve examination papers where there is examination malpractice with regards to the main examination papers.

(4) An accredited training institution shall punish a member of staff whether on full time or part time employment, found guilty of leaking examinations.

(5) The Board shall, where there are cases of examination malpractice, review the leakage cases and where there is evidence that the accredited training institution is involved in the examination malpractice, the Board shall undertake disciplinary proceedings against the accredited training institution.

(6) Where the Board, after due inquiry finds that a member of the accredited training Institution has committed a professional misconduct, it shall—

(a) issue a letter of warning to the accredited training institution;

(b) advise the accredited training institution to take disciplinary action against its members of staff guilty of the examination malpractice;

(c) suspend the accredited training institution's certificate of accreditation; or

(d) revoke the accredited training institution's certificate of accreditation;

Provided that, during the review of the leakage cases, the accredited training institution is given an opportunity to be heard in accordance with the principles of natural justice.

Administration
for accountancy
examinations in
Malawi

17.—(1) An accredited institution, shall before administering examination, ensure that—

(a) the examining hall has—

(i) enough ventilation;

(ii) well spaced desks;

(iii) availability of rooms of convenience;

(iv) disability friendly facilities; and

(v) availability of safety tools such as fire extinguishers and horse reels.

(b) there is availability of adequate invigilators to supervise the examinations;

(c) candidates are properly inspected to ensure that they do not bring unauthorised materials into the examination hall; and

(d) there is availability of adequate examination papers and where applicable, adequate answer sheets.

(2) The accredited training institution shall ensure that where the examination is administered at different locations, the examination should commence at the same time to avoid cheating.

(3) The accredited training institution shall ensure that candidates are given enough notice of the examination, detailing the date, place and duration of the examination.

(4) The accredited training institution shall ensure that examination instructions shall be made available to the candidates before the examination is administered and the instructions shall include the following among others—

(a) what candidates are allowed to bring and not allowed to bring to an examination hall;

(b) when the candidates can be allowed to enter or leave the examination hall during the time the examinations are in progress;

(c) how candidates can behave in case of an emergency such as candidates falling sick or candidates receiving news of a bereavement during the time the examinations are in progress;

(d) penalties for candidates caught cheating; and

(e) instructions on how questions are to be answered on the answer sheet.

18. An accredited training institution that does not comply with any of the provisions of regulation 16, shall be liable to an administrative penalty as prescribed by the Board from time to time. Penalty

19.—(1) The Board shall ensure that quality of accountancy examination in Malawi is enhanced by— Quality control and Inspections

(a) conducting regular training of trainers for personnel involved in administering accountancy examinations;

(b) making sure that regular assessment of examination papers is conducted by the institution before the examination is administered;

(c) making sure that reviewing of marked scripts and analysing examination reports is conducted by the institution;

(d) conducting surprise visits to examination halls;

(e) setting a committee to deal with complaints from the students on issues dealing with accountancy training;

(f) benchmarking regularly with similar international organisation on accountancy training and this may include membership into international organisations.

(2) An accredited training institution shall ensure that quality is maintained for all accountancy training and examination by—

(a) regularly reviewing the syllabus to ensure that the syllabus reflects on developments within the profession;

(b) ensuring that technology is deployed in the delivery of services to its students;

(c) maintaining a team of well trained and qualified trainers and examiners;

(d) instituting internal means of obtaining feedback from key stakeholders;

(e) availing resource materials to students such as library and computer laboratory facilities;

(f) continuous professional development programs for trainers and examiners; and

(g) benchmarking with other training and examining institutions within and outside Malawi.

20.—(1) The Board shall expect an accredited training institution to ensure that tight security is maintained during the development and administration of examinations. Cheating cases

(2) An accredited training institution shall suspend a candidate caught cheating during an examination for a maximum period of two years.

(3) An accredited training institution shall not be allowed to administer examinations to a candidate who has been suspended by another accredited training institution before expiry of the candidate's period of suspension as specified in sub-regulation (2) above.

(4) The following shall be considered as forms of cheating during an examination—

(a) bringing unauthorised materials during an examination including cases where the candidate has been caught using the material;

(b) a candidate caught canvassing, discussing or peeping on another candidate's paper; or

(c) using or bringing unauthorised electronic devices into the examination room during the time the examination is in progress including phones, tablets or portable hand computers.

(5) The accredited training institution shall have a fair process of dealing with cheating cases including requesting a written explanation from a candidate who has been caught cheating and allowing for appeal procedures.

Circumstances
considered as
hardship cases

21.—(1) The following circumstances may be considered as hardship cases that may put the candidate not in the right state of mind—

(a) sickness of a candidate before or during an examination;

(b) receipt of news of the death of an immediate close family member before or during an examination;

(c) accident to a candidate before or during examination; and

(d) civil strike causing disruption of transport system to examination hall.

(2) For the avoidance of doubt, the following circumstances may not be considered as hardship cases that may put the candidate not in the right state of mind—

(a) where the candidate fails to reach exam hall due to rain, wind or too much sun;

(b) where the candidate claims to be sick but there is no medical report to substantiate the candidate's claim;

(c) receipt of news of the death of a person who is not an immediate close family member;

(d) transport problems to the examination hall;

(e) lack of preparedness to take the examination;

(f) pregnancy;

(g) sickness related to alcohol or drug abuse; or

(h) hunger, tiredness or body pains due to other factors other than sickness or accident.

(4) The accredited training institution shall set remedial procedures for a candidate who has proven to have a genuine hardship case and such remedies shall include—

(a) allowing the candidate to write supplementary examinations;

(b) allowing the candidate to carry forward any examination fees paid to be used for future examinations;

(c) refund of the examination fees to the candidate;

- (d) allowing the candidate to write the examination in a special room;
 - (e) allowing special equipment to the examination hall such as a wheel chair or walking sticks; or
 - (f) allowing a candidate to finish the examination later than the rest of the candidates where the hardship circumstance caused the candidate to start writing the examinations later than the rest of the candidates.
- (5) The accredited training institution shall not be allowed to take the following remedial measures —
- (a) allowing the candidate to sit for the same paper after the rest of the candidates have completed and have been released from the examination hall, unless where the candidate was kept in isolation when the examination was being administered;
 - (b) lowering the examination mark for the candidate;
 - (c) using previous assessments results to grade the candidate for the examination;
 - (e) allowing the candidate to sit for another examination which is for a higher or lower level; or
 - (f) allowing another person to write the examination on behalf of the candidate.

PART V—GENERAL PROVISIONS

22. Notwithstanding anything contained in these Regulations, where a time period is specified under the Regulations or where the Board makes a request for an act to be done or a condition to be fulfilled within a specified time period, the person affected may request the Board, in writing, for an extension of such time and the Board may grant such extension of time as it considers appropriate.

23. Where these regulations become unenforceable due to changes in accounting standards or any pronouncements from IFAC, the part of the regulations affected shall be suspended and the new accounting standards or pronouncement shall apply.

FIRST SCHEDULE

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM I

r. 5(1)

APPLICATION FOR ACCREDITATION TO OFFER ACCOUNTANCY TRAINING

Please fill all items on this form, append attachments and submit to: The Chief Executive Officer, Malawi Accountants Board, P. O Box 2271, BLANTYRE.

1. Proposed Institution
 - (a) Name:.....
 - (b) Incorporation (Attach a copy of the Constitution or Articles of Association plus a copy of registration with the registrar of companies).....
 - (c) Date of Incorporation/Registration.....
 - (d) Owners/shareholders of the Institution (Attach copy of identity document for each person).....
 - (e) Members of Council/Board and their designations (Attach copy of identity document for each person).....
 - (f) Membership with National Council for Higher Education (Attach copy of certificate).....
 - (g) Affiliation (specify whether religious, not-for-profit or profit)
2. Contact Information
 - (a) Postal address.....
 - (b) Physical address.....
 - (c) Email Address.....
 - (d) Website.....
 - (e) Telephone lines.....
3. Proposed course programme.....
4. Briefly describe the generic criteria for student admission into each programme.....
5. Infrastructure to support the delivery of the course
 - (a) Facilities available
 - Classroom/Lecture theatres.....
 - Library.....

Sanitation facilities by gender

Other (Specify).....

(b) Facilities in support of people with disabilities.....

6. Human resources for the delivery of the course programme

(a) Full time academic staff members (for each programme, attach list of names with details of gender, qualifications and where obtained and year)

(b) Part-time academic staff members (for each programme, attach list of names with details of gender, qualification and the place where the qualifications were obtained and year).....

(c) Technical and support staff (for each programme, attach list of names with details of gender, qualification and where obtained and year).....

(e) Administrative staff (for each department/section, attach list of names with details of gender, qualification and the place where the qualifications were obtained and year).....

7. Compliance

13th January, 2017

Please indicate that you comply with the requirements of the National Council for Higher education (Attach copy of certificate if already accredited).....

8. Finance structure

Please describe briefly how the institution shall be financed, including fee structure (Attach a business plan that indicates that the institution shall remain a going concern).....

9. Provision of information

The institution shall provide the Board with information which will enable it carry out its functions under the Act such as annual returns which shall contain the following:

- (a) Courses run during the year.....
- (b) Number of registered students for the year with gender analysis for each course.....
- (c) The pass rates for examinations.....
- (d) Major development projects undertaken during the year.....
- (e) Changes in key training personnel.....
- (f) Challenges encountered during the year.....
- (g) Plans for the forth coming academic year.....
- (h) Statement of compliance with other relevant Government institutions like NCHE, City licence and business licence.....
- (i) Annual financial reports.....

DECLARATIONS AND SIGNATURE

1. We confirm that the information in this form is complete and true.
2. We will provide Malawi Accountants Board with a copy of registration or certificate of incorporation.
3. We acknowledge the role, duties and powers of the Malawi Accountants Board and agree to co-operate fully during its reviews.

4. We understand that an annual registration fee will be due upon lodging an application and thereafter at the commencement of MAB's financial year end and upon receiving an invoice/reminder from MAB.

Name..... Designation
 Signature..... Date:.....

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM 2

r. 6 (1) (b)

QUALIFICATIONS OF TRAINERS

| <i>Course</i> | <i>Minimum Lecturer's qualification</i> |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Certificate in Financial Accounting | Bachelor's degree in Accountancy |
| Accounting Technician Diploma & foundation | Bachelor's degree in Accountancy; and Professional stage of CCA/CIMA/ICAM |
| Bachelor of Accountancy Degree | ACCA/CIMA/ICAM Affiliate; or Masters degree in a relevant field |
| Professional Level of ACCA/CIMA/ICAM | Member or Fellow of ACCA/CIMA / ICAM; or Masters degree in relevant field with a minimum of three years post qualifications experience. |

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM 3

r. 6 (3)

CERTIFICATE OF ACCREDITATION

This is to certify that

.....

has this day been accredited by the Board as an
 ACCOUNTANCY TRAINING INSTITUTION

Given under the common seal of the
 MALAWI ACCOUNTANTS BOARD

.....
 Chairman Secretary

Dated this Day of 20.....

Certificate Number:.....

This Certificate is the Property of the Malawi Accountants Board

PUBLIC ACCOUNTANTS AND AUDITORS ACT
(CAP. 53:06)

FORM 4

r. 5(1), 6 (1) (6)

FEES

| Matter | | | | | | K | t |
|-------------------------|----|----|----|----|----|------------|---|
| Accreditation Fee | .. | .. | .. | .. | .. | 200,000.00 | |
| Annual Retainership Fee | .. | .. | .. | .. | .. | 100,000.00 | |

Made this 18th day of November, 2016.

GOODALL E. GONDWE
*Minister of Finance, Economic
Planning and Development*

(FILE NO: D53:06)

GOVERNMENT NOTICE NO. 2

PUBLIC ACCOUNTANTS AND AUDITORS ACT
(CAP.53:06)

PRACTISING ACCOUNTANT AND AUDIT FIRMS REGULATIONS, 2017
ARRANGEMENT OF REGULATIONS

REGULATION

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PART IV—GENERAL PROVISIONS

26. Extension of time
27. Invalidity affecting enforceability

IN EXERCISE of the powers conferred by Section 57 of the Public Accountants and Auditors Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, on recommendation of the Malawi Accountants Board, make the following Regulations---

PART I—PRELIMINARY

1. These Regulations may be cited as the Public Auditors and Audit Firms Regulations, 2017. Citation
2. In these Regulations unless the context otherwise requires--- Interpretation

“Audit firm” means a firm that reviews activities to identify inefficiencies, reduce costs and otherwise achieve organisational objectives;

“practising accountant” means a person who is a member of the Board and is holding a certificate of practice granted under the provision of the Act;

“review cycle” means a period of three to six years; and

“Users” means any person who has been recognised as the user of services, products and reports rendered by an accountancy or advisory service provider.
3. These Regulations apply to the following situations--- Application of Regulations
 - (a) issuance for a Practising certificate;
 - (b) provision for the performance of audit quality, monitoring reviews or practice reviews, or inspections; or
 - (c) firms providing audit services.

Objectives of Regulations

4.— The objectives of these Regulations are to—

(a) ensure that a proper register is maintained by the Board for all practicing accountants and audit firms;

(b) ensure that financial statements prepared in Malawi are of high quality and in compliance with International Financial Reporting Standards, International Public Sector Accounting Standards (IPSAS) and any other regulatory frameworks;

(c) promote the highest professional standards and ethics among auditors and accountants;

(d) improve the quality of accounting and audit services;

(e) improve the integrity and competence of the auditor;

(f) protect the interests of the general public and investors; and

(g) address International Standard on Quality Control 1 (ISQC 1).

PART II—REGISTRATION OF PRACTISING ACCOUNTANTS AND AUDIT FIRMS

Application for Registration

5.—(1) A chartered accountant wanting to practice in Malawi as a practicing accountant shall apply for registration to the Board through the Institute in order to be issued with a practicing certificate.

(2) All practising accountants shall register through the Institute, the continuity arrangements they have entered into with another practising accountant.

(3) The Board shall maintain a register of all practising accountants authorized to practice in Malawi.

Requirements for registration as a practicing accountant

6.—(1) A person may apply for a registration as a Practising accountant provided that the person meets the set requirements to be registered as a Practising Accountant.

(2) The Board shall require an applicant to have acquired 3 years of post-qualification experience in the office of a practising accountant, in an audit firm in auditing services for the applicant to be qualified for registration.

(3) A person who has made an application for a registration as a Practising accountant shall submit the application with a recommendation from a supervisor or mentor on the person's competency in auditing services.

Examination requirements for registration as a practicing accountant

7.—(1) A person who has made an application for registration as a practising accountant shall submit the application to the Board with proof that he has passed the Malawi Taxation, Malawi Company Law and Audit Assurance examinations at a higher level, unless the person is exempted from writing such examinations.

(2) The Board shall be responsible for setting up the Malawi Taxation, Malawi Company Law and Audit Assurance examinations and shall further set the venue and dates of where the examinations shall be written.

(3) A person shall make an application to the Board through the Institute to sit for the examinations.

(4) Upon registration, only the person who has paid the approved examination fee in full shall be eligible to sit for the examinations.

(5) The Board shall communicate the results of the examinations to the person through the Institute.

8.—(1) The application for registration as a practising accountant shall be considered by the Membership and Education Committee of the Board.

Consideration
of an
application
for
registration as
a practising
accountant

(2) Where the Board approves the application for registration, the Board shall issue to the applicant, a practising certificate.

(3) Where the Board rejects an application for registration, the Board shall communicate, to the applicant, through the Institute, in writing, of its decision specifying the reasons for having made such a decision:

Provided that the Board shall give the applicant an opportunity to defend his application where the applicant wishes to do so.

(4) The practising certificate shall be valid until it is revoked either by non-payment of fees or cancellation by the Board.

(5) The Board shall maintain a register of practising accountants, which shall be updated regularly.

(6) A practising accountant shall display the Practising Certificate in a conspicuous place on the premises from which the practising accountant practices.

9.—(1) A person shall make an application to the Board to register an audit firm providing audit services in Form 1 in the schedule hereto.

Registration
of firms
providing
audit services

(2) The Board shall register all audit firms operating in Malawi at a fee prescribed in Form 2 in the schedule hereto.

(3) The Board shall register an audit firm only if the managing partner is a registered member under the practising membership category.

(4) At least one practising accountant in the partnership shall be resident in Malawi in order for the Board to register the audit firm.

(5) Only a chartered accountant or firm registered under this category shall be allowed to issue an opinion on the truth and fairness of financial statements for a client.

(6) Where the Board approves the application for registration, the Board shall issue to the audit firm, a practising certificate in Form 3 in the schedule hereto.

(7) The Board shall maintain a register of all registered firms or partnerships allowed to provide auditing services in Malawi.

(8) Non-resident firms with a one off assignment for audit services in Malawi shall obtain a special clearance at a prescribed fee for every assignment.

(9) The Board shall require a non-resident firm intending to practice in Malawi to partner with a local registered firm, before the Non-resident firm is registered in Malawi.

PART III—AUDIT ASSURANCE QUALITY REVIEWS—MANDATE AND PROCESS

Audit Assurance quality reviews mandate and process

10.—(1) The Board shall perform Quality Assurance reviews or Practice Reviews in accordance with Section 16 (1) (ii) of the Act.

(2) The Board shall—

(a) define and enforce ethical practice and discipline among registered accountants; and

(b) take such steps as appear to the Board to be necessary or desirable to advance the standing and effectiveness of the accountancy profession in Malawi.

No civil or criminal liability for the production of information in good faith

11. A practising accountant who acts in good faith during a review of a firm or a practising accountant, and produces information as requested by a reviewer shall not be held liable under criminal or civil law for the production of information.

Exemptions of withholding information obtained from the performance review

12.—(1) A person who is or was concerned with the performance of the practice review shall not disclose any information obtained in the performance of the practice review except—

(a) for the purpose of any investigation or a hearing as a result of the review;

(b) where the person supplies the information in the performance of the review;

(c) where the person is required to do so by order of a Court of Law;

(d) where the Institute requires such information for purposes of conducting an investigation which may lead to disciplinary action or criminal prosecution;

(e) where the Institute requires such information for purposes of IFAC's Statement of Members' Obligations; or

(f) at the written request of, and to, any appropriate international regulator of audits and auditors, that requires the information for the purpose of inspection with the consent of the practising accountant.

(2) The Board shall ensure that a person who is or was concerned with the performance of the practice review holds the practice review information in strict confidentiality and any documentation pertaining to the completed cycle of a practising accountant or Firm shall not to be retained by other users apart from the Board.

Quality Assurance Reviews

13. The Board or any person authorized by the Board, may at any time review the practice of a registered practising accountant and may for these purposes inspect and make copies of any information, including but not limited to any working papers, correspondence, books or documentation in the possession or under the control of a registered public auditor.

Objective of the reviews

14.—(1) The Board shall, through engagement reviews, monitor compliance with relevant professional standards in the performance of the attest function.

(2) The Board shall, through firms' reviews, inspect the design and implementation of the systems of quality control employed by audit firms.

(3) The Board through the reviews shall ensure that there is improved standards and the quality of work provided by practising accountants and audit firms.

15. The Board shall ensure compliance by firms and practising accountants with relevant professional standards in a manner which is most cost effective without compromising in thoroughness of the quality assurance process.

Compliance
by firms and
practising
accountants

16. The outcome of the quality assurance process shall be an ongoing pursuit of quality improvement by the firms and practising accountants who offer attest services to the public.

Outcome of
the Quality
Assurance
process

17. (1) Engagements subject to review are audits of financial statements and audits conducted on behalf of the Auditor General.

Engagement
subject to
reviews

(2) The Board shall require a copy of the audit report from reviewers of the Auditor General.

(3) For firm reviews, the control system elements shall be leadership responsibilities, ethical requirements, client acceptance and continuance human resources, engagement performance and monitoring.

18.—(1) The Board shall carry out engagement reviews, where a sample of engagement files are reviewed at least once in a review cycle.

Engagement
reviews

(2) Audit firms shall be subject to review, by the Board, at least once in a review cycle.

(3) The Board shall first find reviews satisfactory in a review cycle before proceeding to the next cycle. Engagement reviews shall be on a three to six years cycle.

(4) The reviews shall be performed by qualified professionals employed on full time or part time basis by the Board.

(5) The Board shall ensure that the reviewers meet the qualification guidelines from IFAC Statement of Membership Obligation1 (SMO1)

19.—(1) The Board, in order to undertake quality assurance practice reviews, shall, in the following order—

Steps to be
followed for
quality
assurance
review

(a) give eight weeks' notice for carrying out the review to the practising accountant;

(b) request pre-review information from the practising accountant or firm and the information to be submitted shall include name of clients, year end, turnover, audit fee, status of audits and nature of business;

(c) perform the quality assurance review;

(d) discuss review findings by the reviewer with the practising accountant or firm;

(e) draft and submit a report to the practising accountant or firm within 21 days of the review;

(f) obtain comments in writing from practising accountant or firm within 14 days after the report was submitted;

(g) draft a final report with recommendations of the review results;

(h) submit the final report, on an anonymous basis to the Practice Review Committee for a decision on the findings of the review;

(i) submit the recommendations of the Practice Review Committee to the Board for the Board's decision;

(j) advise the Board Secretary to relay the Board's decision to the practising accountant or firm; and

(k) receive communication from practising accountant or firm on the practising accountant or firm's implementation recommendations.

(2) The Practice Review Committee may use the option of using the internal review report to review the firms with established independent review process.

The Practice
Review
Committee

20.—(1) There shall be a Practice Review committee which shall be a sub-committee of the Board and shall be made up of 3 to 5 members, appointed by the Board, who shall serve on a voluntary basis.

(2) The committee shall be made up of, among others, retired public auditors, registered Chartered accountants and sector regulators and the committee's responsibilities shall be to—

(a) assess the appropriateness of the standard documentation used in the review process;

(b) determine the nature of attest engagements subject to practice review;

(c) determine the outcome of reviews on an anonymous basis; and

(d) assess the quality and consistency of review reports.

(3) The Practice Review Committee shall receive and review the reports from the Quality Assurance Reviewers and shall make recommendations to the Board.

Reporting and
evaluation

21.—(1) The Quality Assurance reviewer shall summarize the results of the Quality Assurance review in a format prescribed by the Board and shall submit the summary to the Practice Review Committee for evaluation.

(2) The Practice Review Committee shall evaluate the summary of the results and, where necessary, consult with the Quality Assurance reviewer, in order to make necessary recommendations to the Board.

Review
decisions

22.—(1) The Practice Review Committee shall recommend the following review decisions to the Board—

(a) the performance is satisfactory and shall be subject to review in the next cycle;

(b) the performance is not satisfactory and that the committee shall

conduct follow up reviews until the performance is satisfactory; or

(c) the performance is subject to an investigation referral and disciplinary action by the Institute.

(2) A performance shall be subject to an investigation referral, where--

(a) the Quality assurance reviewer's report did not meet the required standards and the users are at risk;

(b) the re-review indicates failure to implement corrective action by the practising accountant or firm;

(c) there is flagrant disregard of professional standards by the practising accountant or firm; and

(d) there is refusal to cooperate in the review process by the reviewee.

(3) Where a practising accountant or firm is aggrieved by a review decision of the Board and is of the view that the decision should be re-considered, the practising accountant or firm may, within forty-five days, after the review decision was communicated to them, submit a detailed written request for consideration to the Secretary of the Board.

(4) The Secretary to the Board shall then submit the request to the Board for consideration at its next meeting.

(5) The Secretary to the Board shall communicate the final decision of the Board to the practising accountant or firm.

23.—(1) The Quality Practice Review Committee shall, annually, determine the review criteria subject to approval by the Board.

Review and re-review criteria

(2) The Practice Review Committee shall revise and adjust the review criteria, where necessary, after each year ends based on the results of reviews performed within a specific year with due consideration given to specific requirements of the relevant auditing standards.

24. The Board shall, in conducting re-reviews, focus on assessing how identified deficiencies have been addressed by a practising accountant or firm, in the interim, since the initial review was conducted.

Procedure in conducting review and re-review criteria

(2) A re-review shall entail a reviewer reviewing the same files for a new financial year and selecting an additional number of files as may be determined by the Reviewer.

(3) A re-review of Independent Internal Review processes and firm reviews shall only focus on the addressing of identified deficiencies.

(4) Based on the results of the re-review, the Quality Assurance Committee or the Practice Review Committee shall make new recommendations to the Board.

(5) Each review cycle shall have a maximum of two reviews and if after a maximum of two re-reviews the practising accountant or firm has not yet addressed all the identified deficiencies, the Board shall take disciplinary action (refer to attached sanctions).

Cost of quality assurance review

25. A registered practising accountant or firm shall pay quality assurance reviews fees as may be determined by the Board from time to time.

PART IV—GENERAL PROVISIONS

Extension of time

26. Notwithstanding anything contained in these Regulations, where a time period is specified under the Regulations or in any request by the Board for an act to be done or a condition to be fulfilled, the person affected may request for an extension of such time in writing to the Board and the Board may grant such extension of time as it considers appropriate.

Invalidity affecting enforceability

27. Where the regulations are unenforceable due to changes in professional standards or any pronouncements from International Federation of Accountants, the section affected shall be suspended and the new standard or pronouncement shall prevail.

SCHEDULE

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM 1

r. 9(1)

APPLICATION TO REGISTER AN AUDIT FIRM

(Membership must be renewed annually)

- A. Full Name of Entity:.....
- Physical Address:.....
- Postal Address:.....
- Email Address:.....
- Contact Phone Numbers:.....
- B. Operating Revenue per annum
- C. Number of audit partners

| No. | Name | MAB Membership No. | Signature |
|-----|------|--------------------|-----------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

- D. Number of staff:.....

- E. Presence: (Please tick) Local International
- F. Number of clients audited (Customer Base): Attach list
- G. Details of the professional auditing services that the entity provides or intends to provide:

DECLARATIONS AND SIGNATURE

1. We confirm that the information in this form is complete and true.
2. We will provide Malawi Accountants Board with a copy of registration or certificate of incorporation.
3. We acknowledge the role, duties and powers of the Malawi Accountants Board and agree to co-operate fully during its reviews.
4. We understand that an annual registration fee will be due upon lodging an application and thereafter at the commencement of MAB's financial year end and upon receiving an invoice/reminder from MAB.

Name..... Designation

Signature..... Date:.....

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM 2

r. 9 (2)

| Matter | FEES | |
|-----------------------------------------------|----------|----|
| | k | t |
| Audit firm registration | 750,000. | 00 |
| Audit firm retainership | 250,000. | 00 |
| Foreign audit firm one-off assignment | 300,000. | 00 |

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM 3

r. 9 (6)

THE MALAWI ACCOUNTANTS BOARD CERTIFICATE OF REGISTRATION

This is to certify that

.....
has this day been registered by the Board as an

AUDIT FIRM

Given under the common seal of the

MALAWI ACCOUNTANTS BOARD

.....
*Chairman**Secretary*

Dated this Day of 20.....

Certificate Number:.....

This Certificate is the Property of the Malawi Accountants Board

Made this 18th day of November, 2016

GOODALL E. GONDWE

*Minister of Finance, Economic
Planning and Development*

(FILE NO: D53:06)

GOVERNMENT NOTICE NO. 3

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

PROFESSIONAL ACCOUNTANCY BODIES REGULATIONS, 2017

ARRANGEMENT OF REGULATIONS

REGULATION

PART I—PRELIMINARY

1. Citation
2. Interpretation
3. Application
4. Objectives of Regulations

PART II—ACCREDITED PROFESSIONAL ACCOUNTANCY BODIES IN MALAWI

5. Application for accreditation
6. Requirements for accreditation
7. Submission of financial statements
8. Requirement to provide information
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REGULATION

10. Revocation of an accreditation certificate

PART III—ACCOUNTANCY SYLLABUS IN MALAWI

11. Submission of syllabus for accreditation
12. Applications for approval to changes or modification to a syllabus
13. Offences relating to accreditation

PART IV—SECURITY OF ACCOUNTANCY EXAMINATIONS IN MALAWI

14. Preparation process for accountancy examinations
15. Administration of accountancy examinations in Malawi
16. Quality control and Inspections
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PART V—ACCOUNTANCY TRAINING CONTRACT

19. Accountancy training contract
20. Qualification for a training contract
21. Qualifications for mentors
22. Duties and responsibilities of mentors
23. Documentations and submissions
24. Registration to full accountancy membership
25. Termination of a training contract

PART VI—GENERAL PROVISIONS

26. Extension of time
27. Invalidity affecting enforceability

IN EXERCISE of the powers conferred by Section 57 of the Public Accountants and Auditors Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, on recommendation of the Malawi Accountants Board, make the following Regulations—

PART I—PRELIMINARY

1. These Regulations may be cited as the Professional Accountancy Bodies Regulations, 2017. Citation

2. In these Regulations unless the context otherwise requires— Interpretation

“accredited professional accountancy body” means an accredited professional accountancy body accredited under these regulations;

“examining body” means an institution which has been accredited by the Board to set, administer and provide assessment for accountancy courses or syllabus for post- secondary school education in Malawi;

“IFAC” means International Federation of Accountants; and

"Users" means any person who has been recognised as the user of services rendered by an accountancy or advisory service provider.

Application

3. These regulations apply to the following situations—

(a) accreditation of all professional accountancy bodies intending to develop and administer accountancy examinations in Malawi;

(b) development and approval process of accountancy training syllabuses;

(c) maintain security and integrity of accountancy examinations in Malawi; and

(d) provision of accountancy training contracts.

Objectives of the regulations

4. These regulations have been developed to ensure that—

(a) accountants trained in Malawi meet the requirements and standards by IFAC and are well knowledgeable in accounting skills;

(b) only professional accountancy bodies which have requisite resources as contained in regulation 5 and capacity are allowed to offer accountancy training;

(c) accountancy examinations administered in Malawi comply with the IFAC requirements and that the examinations is relevant to Malawi's business environment; and

(d) accountancy examinations administered in Malawi are credible and meet the minimum requirements and standards of the Board.

PART II—ACCREDITATION OF PROFESSIONAL ACCOUNTACY BODIES IN MALAWI

Application for accreditation

5. A professional accountancy body in Malawi administering or intending to administer accountancy examinations shall make an application to the Board for accreditation.

Requirements for accreditation

6.—(1) A professional accountancy body shall make an application for accreditation to the Board in Form 1 set out in the schedule hereto and shall submit the application form with the required fees as prescribed in Form 2 in the schedule hereto.

(2) A professional accountancy body in order to be accredited by the Board, shall satisfy the following—

(a) that it is a member of IFAC and is in compliance with its membership obligations;

(b) that it has appropriate mechanisms for ensuring that its members participate in continuing professional development in line with international best practice;

(c) that it has mechanisms to ensure that its members are disciplined where appropriate; and

(d) that it keeps a register of its members which can easily be accessed by the Board;

(3) The Board, upon receipt of the application for accreditation, containing all necessary required documents and the prescribed fees, shall complete the assessment exercise within 90 days and shall within 21 days communicate its decision, in writing, to the professional body.

(4) Where an application for accreditation has been approved, the Board shall issue a certificate of accreditation, to the professional accountancy body in Form 3 set out in the schedule hereto.

(5) The Board's decision on the application for accreditation of a professional accountancy body shall be final and any aggrieved party may appeal to the High Court against the decision of the Board.

(6) A professional accountancy body which has been accredited by the Board shall pay an annual retainership fee prescribed in the First Schedule hereto.

7.—(1) An accredited professional accountancy body shall submit to the Board, where the Board finds it appropriate, its annual financial statements.

Submission
of financial
statements.

(2) Without prejudice to the proceeding provisions, the Board may require the accredited professional accountancy body to submit other accounting information the Board may require in order to effectively supervise and enforce the terms and conditions of the accreditation, and the accredited institution shall provide such information within 90 days.

8.—(1) The Board shall, where necessary, request an accredited professional accountancy body to provide information to the Board, which will enable the Board to carry out its functions under the Act, in such manner and at such times as the Board may require.

Requirement
to provide
information

(2) The Board may request the accredited professional accountancy body to submit periodic reports, statistics and other data and additional information in order to supervise and enforce effectively the terms of the accreditation.

(3) An accredited professional accountancy body which does not comply with the provisions of this regulation shall be liable to an administrative penalty which may be prescribed by the Board from time to time.

9. As part of ensuring quality in the administration of accountancy examinations, the Board shall conduct annual inspections of all accredited bodies to verify that the requirements as set out under these regulations are being met.

Quality in the
administra-
tion of
accountancy
examinations

10.—(1) The Board shall continue to monitor all accredited professional accountancy bodies to ensure compliance with the terms of accreditation, and where an accredited professional accountancy body does not comply with the terms of accreditation, the Board may revoke the certificate of accreditation.

Revocation
of an
accreditation
certificate

(2) The Board shall revoke the certificate of accreditation of an accredited professional accountancy body where—

(a) the accredited professional accountancy body is declared bankrupt by a competent Court of Law;

(b) the accredited professional accountancy body has been deregistered by IFAC;

(c) there is evidence of financial mismanagement of the accredited body which has negatively affected the students and the body has not mitigated the loss to the students;

(d) the accredited professional accountancy body has failed to comply with requirements of any other written law in Malawi and is facing sanctions or penalties under that written law; or

(e) the professional accountancy body fails to remit retainership fees.

PART III—ACCOUNTANCY SYLLABUS IN MALAWI

Submission of
syllabus for
accreditation

11.—(1) An accredited professional accountancy body setting accountancy examinations in Malawi shall submit the syllabus to the Board for its accreditation.

(2) An accredited professional accountancy body that offers international courses, whose syllabus has been accredited by the IFAC or other similar international bodies, shall submit proof of accreditation to the Board for its approval in order for such courses to be recognised as accredited in Malawi.

(3) Where an accredited professional accountancy body that offers international courses does not have physical offices in Malawi, the body shall take all necessary steps to submit proof of accreditation of its syllabus by IFAC or other similar international bodies to the Board for its approval in order for such courses to be recognised as accredited by the Board in Malawi.

(4) The Board shall enter into working relationship with various international examination bodies to ensure that there is a reciprocal accreditation process for accountancy syllabi.

Application
for approval
to changes or
modification
to a syllabus

12.—(1) An accredited professional accountancy body registered in Malawi that makes or intends to make changes or modifications to its syllabus shall apply to the Board for approval of such changes and modifications to the syllabus, and such changes shall include—

- (a) change in topics covered;
- (b) the level of program;
- (c) the format of the examinations; and
- (d) the mode of offering the course.

(2) The accredited professional accountancy body shall apply to the Board for approval three months before effecting any changes to the syllabus.

(3) The Board may request an accredited professional accountancy body to make modifications or amendments to its syllabus as submitted to the board and where the accredited professional accountancy body does not comply with the advice of the Board, the Board shall not register as a diplomate or a chartered accountant a student graduating from such courses.

(4) Where the Board rejects the changes or modifications in the syllabus, the Board shall notify the accredited professional accountancy body of its decision, in writing, specifying reasons for its rejection, and advising the accredited professional accountancy body on areas for improvement in order for the changes or modifications in syllabus to be accepted.

(5) An aggrieved party may appeal to the High Court against the decision of the Board.

13. An accredited professional accountancy body which offers a course whose syllabus has not been accredited by the Board commits an offence and shall be liable upon conviction to a fine of K200,000.

Offences relating to accreditation

PART IV—SECURITY OF ACCOUNTANCY EXAMINATIONS IN MALAWI

14.—(1) The Board shall ensure that accountancy examinations in Malawi are stored in a safe place by an accredited professional accountancy body and that the examinations provide adequate assessment in accordance with the level being examined.

Preparation process for accountancy examinations

(2) An accredited professional accountancy body shall ensure that accountancy examinations administered in Malawi undergo internal or external process of assessment, independent of the body administering the examinations, before the examinations are administered.

(3) An accredited professional accountancy body shall ensure regular review of contracts for examiners and where possible offer fixed term contracts to ensure that there is a review of performance for all examiners.

(5) An accredited professional accountancy body shall ensure that there are no cases of examination malpractice and the accredited professional accountancy body shall ensure that there are reserve papers where there is examination malpractice with regards to the main examination papers.

(6) The Board shall, where there are cases of examination malpractice, review the leakage cases and where there is evidence that the accredited professional accountancy body is involved in the examination malpractice—

(a) issue a letter of warning to the accredited professional accountancy body;

(b) advise the accredited professional accountancy body to take disciplinary action against its members of staff involved in the examination malpractice;

(c) suspend the accredited professional accountancy body's certificate of accreditation; or

(d) revoke the accredited professional accountancy body's certificate of accreditation;

Provided that during the review of the leakage cases, the accredited professional accountancy body shall be given an opportunity to be heard in accordance with the principles of natural justice.

Administration
of accountancy
examinations in
Malawi

15.—(1) An accredited professional accountancy body shall, before administering examination, ensure that—

(a) the examining hall has—

(i) enough ventilation;

(ii) well spaced desks;

(iii) availability of rooms of convenience;

(iv) disability friendly facilities; and

(v) availability of safety tools such as fire extinguishers and horse reels;

(b) there is availability of adequate invigilators to supervise the examinations;

(c) candidates are properly inspected to ensure that they do not bring unauthorised materials into the examination hall; and

(d) there is availability of adequate examination papers and where applicable, adequate answer sheets.

(2) The accredited professional accountancy body shall ensure that where the examination is administered at different locations, the examination should commence at the same time to avoid cheating.

(3) The accredited professional accountancy body shall ensure that candidates are given enough notice of the examination, detailing the date, place and duration of the examination.

(4) The accredited professional accountancy body shall ensure that examination instructions shall be made available to the candidates before the examination is administered and the instructions shall include the following—

(a) what candidates are allowed to bring and not allowed to bring to an examination hall;

(b) when the candidates can be allowed to enter or leave the examination hall during the time the examinations are in progress;

(c) how candidates can behave in case of an emergency such as candidates falling sick or candidates receiving news of bereavement during the time the examinations are in progress;

(d) penalties for candidates caught cheating;

(e) instructions on how questions are to be answered on the answer sheet; and

(f) conducting surprise visits to examination halls.

Quality control
and Inspections
in Malawi

16.—(1) The Board shall ensure that quality of accountancy examination in Malawi is enhanced by—

(a) conducting regular trainer of trainers for personnel involved in administering accountancy examinations;

(b) making sure that regular assessment of examination papers is conducted by an accredited professional accountancy body before the examination is administered;

(c) making sure that reviewing of marked scripts and analysing examination reports is conducted by an accredited professional accountancy body;

(d) setting a committee to deal with complaints from the students on issues dealing with accountancy training; and

(e) benchmarking regularly with similar international organisations on accountancy training and this may include membership into international organisations.

(2) An accredited professional accountancy body shall ensure that quality is maintained for administration of accountancy examination by—

(a) regularly reviewing the syllabus to ensure that it reflects on developments within the profession;

(b) ensuring that technology is deployed in the delivery of services to its students;

(c) maintaining a team of well trained and qualified trainers and examiners;

(d) instituting internal means of obtaining feedback from key stakeholders;

(e) availing resource materials to students such as library and computer laboratory facilities;

(f) continuous professional development programs for trainers and examiners; and

(g) benchmarking with other training and examining institutions within and outside Malawi.

17.—(1) The Board shall expect an accredited professional accountancy body to ensure that tight security is maintained during the development and administration of examinations.

Cheating
during
examination

(2) An accredited professional accountancy body shall suspend a candidate caught cheating during an examination for a maximum period of two years.

(3) An accredited professional accountancy body shall not be allowed to administer examinations to a candidate who has been suspended by another accredited professional accountancy body before expiry of the candidate's period of suspension as specified in sub-regulation (2) above.

(4) The following shall be considered as forms of cheating during an examination—

(a) bringing unauthorised materials during an examination including cases where the candidate has been caught using the material;

(b) a candidate caught canvassing, discussing or peeping on other candidate's paper; or

(c) using or bringing unauthorised electronic devices into the examination room during the time the examination is in progress such as phones, tablets or computers.

(5) An accredited professional accountancy body shall have a fair process of dealing with cheating cases including requesting a written explanation from a candidate who has been caught cheating and allowing for appeal procedures.

Circumstances considered as hardship cases

18.—(1) The Board may consider the following circumstances as hardship cases that may put the candidate not in the right state of mind—

- (a) sickness of a candidate before or during an examination;
- (b) receipt of news of the death of a close member of family such as father, mother, son or daughter, brother or sister, before or during an examination;
- (c) accident to a candidate before or during examination;
- (d) civil strike causing disruption of transport system to examination hall.

(2) For the avoidance of doubt, the Board may consider the following circumstances as hardship cases that may put the candidate not in the right state of mind—

- (a) where the candidate fails to reach exam hall due to rain, wind or too much sun;
- (b) where the candidate claims to be sick but there is no medical report to substantiate the candidate's claim;
- (c) receipt of news of the death of other members of the family such as an uncle, auntie or cousin;
- (d) transport problems to the examination hall;
- (e) lack of preparedness to take the examination;
- (f) pregnancy;
- (g) sickness related to alcohol or drug abuse; or
- (h) hunger, tiredness or body pains due to other factors other than sickness or accident.

(4) An accredited professional accountancy body shall set remedial procedures for a candidate who has proven to have a genuine hardship case and such remedies shall include allowing—

- (a) the candidate to write supplementary examinations;
- (b) the candidate to carry forward any examination fees paid to be used for future examination;
- (c) refund of the examination fees to the candidate;
- (d) the candidate to write the examination in a special room;
- (e) special equipment to the examination hall such as a wheel chair or walking sticks; or
- (f) a candidate to finish the examination later than the rest of candidates where the hardship circumstance caused the candidate to start writing the examinations later than the rest of the candidates.

(5) The accredited professional accountancy body shall not be allowed to take the following remedial measures—

(a) allowing the candidate to sit for the same paper after the rest of the candidates have completed and have been released from the examination hall, unless where the candidate was kept in isolation when the examination was being administered;

(b) lowering the examination mark for the candidate;

(c) using previous assessments results to grade the candidate for the examination;

(d) allowing the candidate to sit for another examination which is for a higher or lower level; or

(e) allowing another person to write the examination on behalf of the candidate.

PART V—ACCOUNTANCY TRAINING CONTRACT

19.—(1) The Board shall ensure that diplomate and chartered accountants undergo on job training to enable them take up challenging positions in the profession.

Accountancy
training
contract

(2) The Board shall assign the Institute to administer the students training contract.

(3) The Institute shall model its training contract based on IFAC and other cooperating partners such as Institute of Chartered Accountants in England and Wales, Association of Chartered Certified Accountants and Chartered Institute of Management Accountant.

(4) The Institute shall design the training contract in order to —

(a) provide the trainee accountants necessary work skills to supplement theoretical knowledge obtained during the courses;

(b) allow for skills transfer from experienced qualified chartered accountants to upcoming accountants;

(c) preserve the integrity of the profession by ensuring that those registered as diplomate accountants and chartered accountants have been subjected to rigorous training;

(d) protect the interest of the users by ensuring that quality of the profession is maintained as new accountants are being registered; and

(e) align the accountancy profession in Malawi to international best practices.

(5) The student training contract shall specify the field of competences which the student has to acquire knowledge and such areas shall include but not limited to—

(a) strategic planning and leadership;

(b) investment and financial management;

(c) organizational effectiveness;

(d) individual and team leadership development;

- (e) ethics and trust;
- (f) stakeholder focus;
- (g) communication;
- (h) integrative approach;
- (i) problem solving;
- (j) professional development;
- (k) professional self-examination;
- (l) financial accounting and reporting;
- (m) management accounting;
- (n) taxation;
- (o) assurance and other related services;
- (p) finance and financial planning;
- (q) information technology;
- (r) company and business law; and
- (s) corporate governance.

(6) The Institute shall administer evaluations or examinations of a candidate's technical competency, high-order cognitive skills, and pervasive qualities required to practice as a diplomate or chartered accountant in a rigorous, competency-based manner which—

(a) substantially integrates and assesses knowledge across multiple subjects and the competencies, skills and qualities set out in sub-regulation (5) above;

(b) emphasizes the ability to use and to apply knowledge and to exercise professional judgement; and

(c) is founded on a process that is objective, valid, fair, and reliable.

(7) The Institute shall ensure that the evolution of competency is integrated with professional skills and personal attributes akin to the responsibility of trainee accountants including—

(a) professional skills that facilitate the conception, synthesis, analysis and evaluation of information, the rendering of professional judgement, the making of decisions, and the resolution of challenges;

(b) personal attributes that promote and demonstrate competence, initiative, innovation, comprehensiveness, and strategic acumen;

(c) ethical and professional behaviour as specified from time to time by the Institute's professional and ethical committee; and

(d) disciplinary conduct and personal behaviour which will enhance the reputation of the profession as a whole.

Qualification
for a training
contract

20.—(1) A person studying for a diploma or degree in Accounting which has been accredited by the board shall qualify to be registered for a diplomate training contract:

(2) A person holding a diploma or degree or pursuing a professional

accountancy course accredited by the Board shall apply for professional training scheme.

(3) The Institute shall scrutinise all applications for training contract by providing special forms which shall be filled by the student as well as the mentor.

(4) The student shall obtain an approval from the Institute before embarking on any training contract.

(5) The student who shall not undergo training contract arrangement shall not be registered as either a diplomate or chartered accountant in Malawi and in such cases, the student shall not be allowed to work in accountancy or any related field in Malawi.

21.—(1) The Institute shall allow a designated firm or company to offer opportunities as a training ground for accountants under the students training contract. Qualifications for mentors

(2) The designated firm or company shall ensure that—

(a) its officer is capable of offering, to each candidate seeking to be registered, experience and mentorship in one or more of the requirements prescribed by these Regulations;

(b) it adheres to, and promote, the rules and standards set out in regulation 19 (5);

(c) it provides a diverse mix of assignments to ensure well-rounded training and mentorship for candidates;

(d) it has experienced personnel to act as mentors for the students; and

(e) it is willing to satisfy the requirements of the Institute from time to time.

(3) Qualified accountants registered by the Institute shall act as mentors for trainee accountants under the scheme.

(4) The mentor shall be expected to have the following qualities—

(a) to be able to impart knowledge to other individuals;

(b) should be an accountant who is not serving a disciplinary sanction by the Institute;

(c) should be a registered chartered accountant by the Board for a period of not less than three (3) years; and

(d) should have paid the annual subscription fee to the Institute.

22.—(1) The mentor shall ensure that the trainee accountant is properly equipped with the technical knowledge, work experience and professional and ethical skills required for membership depending with the relevant category. Duties and responsibilities of mentors

(2) The mentor shall be responsible for ensuring that—

(a) there is a set time table detailing how the training is going to be covered;

- (iii) the trainee accountant has obtained endorsement from at least two chartered accountants registered with the Institute; and
- (iv) the trainee accountant has completed the professional accountancy course.

25.—(1) A mentor or a trainee accountant may terminate a training contract and the person terminating shall notify the Institute of his decision to terminate.

Termination
of a training
contract

(2) The trainee accountant may terminate the training contract where the trainee accountant is subjected to sexual harassment or discrimination and shall notify the Institute of his decision to terminate.

(3) The mentor shall not terminate the training contract where the student has already covered 50% of the assessment period.

(4) The mentor shall terminate the contract where—

(a) it is no longer possible to supervise and assess the work of the trainee accountant due to changes in location of either party;

(b) continuation to offer the service has been compromised by other professional limitations such as where the mentor or the trainee accountant is under disciplinary action by the Institute;

(c) the trainee accountant or the mentor is incapacitated due to health reasons;

(d) the trainee accountant has terminated the contract;

(e) the trainee accountant is no longer employed and it is difficult for the trainee accountant to accumulate any work experience; or

(f) where there are issues of sexual harassment.

(5) The trainee accountant may change a mentor during the training contract.

(6) Where the trainee accountant wishes to change a mentor, he shall submit to the Institute, in writing, the reasons for his decisions, and the Institute shall in turn verify such reasons with the mentor to ensure that the trainee accountant does not change a mentor in order to simply obtain recommendation from the mentor even though the trainee accountant has not gained enough experience.

(7) The Institute may either approve or reject the request for change of the mentor made under sub-regulation (6).

(8) Where the Institute rejects, or feels the reasons advanced by the trainee accountant are inadequate, the Institute shall increase the remaining number of days of the assessment period as it considers necessary.

(9) A dispute between the mentor and the trainee accountant during the assessment period, shall be dealt with by the Membership committee of the Institute and where either party is not satisfied with the decision of the Membership Committee, such aggrieved party may appeal to the Council of the Institute.

(b) the trainee accountant is drilled and assisted to gain knowledge and skills on areas raised in section 19 (5) of these regulations;

(c) there is proper documentation for areas which have been covered with the trainee accountant;

(d) there is sincerity in the recordings by trainee accountant on the area covered; and

(e) work submitted by the student is of high quality and meet the specifications from the Institute.

(3) The Institute shall consider hours spent on mentoring as contribution towards the annual Continuous Professional Development hours for any member acting as a mentor, and the Continuous Professional Development committee of the Institute shall have the mandate to decide on how to compute such hours.

Documentation
and
submissions

23.—(1) The trainee accountant shall be responsible for the submission of assessment results to the Institute.

(2) The Institute shall work towards providing a better and conducive platform for the trainee accountant to submit his work in a timely and effortless manner.

(3) The Institute may demand additional information from a trainee accountant or even a mentor where the Council of the Institute would like to verify the submissions.

(4) The Institute shall acknowledge receipt, and keep in a safe custody, information submitted by the trainee accountant to avoid or minimise the risk of losing such information.

(5) The Board may obtain documentations relating to students training scheme as part of ensuring quality of the profession.

(6) The Institute shall provide a booklet in which work done or completed shall be recorded and signed by the mentor or trainee.

Registration
to full
accountancy
membership

24.—(1) Registration of trainee accountants shall be made where —

(a) for a diplomate accountant—

(i) there is evidence that the trainee accountant has been subjected to at least 250 days of training;

(ii) the trainee accountant has satisfied the minimum topical area coverage as may be specified by the Institute from time to time; and

(iii) the trainee accountant has obtained endorsement from at least two chartered accountants registered with the Institute;

(b) for chartered accountants—

(i) there is evidence that the trainee accountant has been subjected to at least 500 days of training or 250 days of training after obtaining diplomate status;

(ii) the Trainee accountant has satisfied the minimum topical area coverage as may be specified by the Institute from time to time;

(10) Where a party is aggrieved with the decision of the Council of the Institute the aggrieved party may appeal to the Board against the decision.

(11) An aggrieved party may appeal to the High Court, only after exhausting all appeal procedures under these Regulations.

PART V—GENERAL PROVISIONS

Extension of time

26. Notwithstanding anything contained in these Regulations, where a time period is specified under the Regulations or where the Board makes a request for an act to be done or a condition to be fulfilled within a specified time period, the person affected may request the Board, in writing, for an extension of such time and the Board may grant such extension of time as it considers appropriate.

Invalidity affecting enforceability

27. Where these regulations become unenforceable due to changes in accounting standards or any pronouncements from International Federation of Accountants, the part of the regulations affected shall be suspended and the new accounting standards or pronouncement shall apply.

SCHEDULE

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

FORM I

r. 6 (1)

APPLICATION FOR ACCREDITATION OF AN ACCOUNTANCY PROFESSIONAL BODY

- A. Full Name of Professional Body:.....
- Physical Address:.....
- Postal Address:.....
- Email Address:.....
- Contact Phone Number(s):.....

- B. MAB shall accredit the institution upon it fulfilling the following requirements.—
 - (i) that it is a member of the International Federation of Accountants and is in compliance with its membership obligations;
 - (ii) that it has appropriate mechanisms for ensuring that its members participate in continuing professional development in line with international best practice
 - (iii) that it has mechanisms to ensure that its members are disciplined where appropriate;

- (iv) that it keeps a register of its members in the form prescribed by the organization;
 - (v) that it is in good standing with MAB (By complying with fee/levy payments) (delegated activities for ICAM only);
 - (vi) Abide by the laws of Malawi.
- C. To retain its accreditation, the professional body shall pay the retainership fees annually and continues to comply with the requirements for accreditation as provided in subsection (B) above.

DECLARATIONS AND SIGNATURE

1. We confirm that the information in this form is complete and true.
2. We acknowledge the role, duties and powers of the Malawi Accountants Board and agree to co-operate full.

Name..... Designation

Signature..... Date:.....

PUBLIC ACCOUNTANTS AND AUDITORS ACT
(CAP 53:06)

FORM 2 r. 6 (1)
FEES

| | |
|-----------------------|-----------------------------------------------------------------------------------|
| Accreditation | D10% of a professional body's total membership fee but not less than K1, 000, 000 |
| Annual Retainer | 10% of a professional body's total membership fee but not less than K1, 000, 000 |

PUBLIC ACCOUNTANTS AND AUDITORS ACT
(CAP. 53:06)

FORM 3 r. 6 (4)

THE MALAWI ACCOUNTANTS BOARD

Certificate of Accreditation

This is to certify that

.....

has this day been registered by the Board as an

ACCOUNTANCY PROFESSIONAL BODY OPERATING IN MALAWI
THE MALAWI ACCOUNTANTS BOARD

Given under the common seal of the
MALAWI ACCOUNTANTS BOARD

13th January, 2017

.....
Chairman.....
Secretary

Dated this Day of 20.....

Certificate Number:.....

This Certificate is the Property of the Malawi Accountants Board
Made this 18th day of November, 2016

(FILE NO. D53:06)

GOODALL E. GONDWE
*Minister of Finance, Economic
Planning and Development*

GOVERNMENT NOTICE No. 4

PUBLIC ACCOUNTANTS AND AUDITORS ACT
(CAP 53:06)REGISTRATION OF ACCOUNTANTS REGULATIONS, 2017
ARRANGEMENT OF REGULATIONS

REGULATION

PART I—PRELIMINARY

1. Citation
2. Interpretation
3. Application
4. Objectives of Regulations

PART II—CLASSIFICATION, ELIGIBILITY, REQUIREMENTS AND REGISTRATION
OF ACCOUNTANTS

5. Registration Classification
6. Eligibility
7. Registration requirements
8. Registration of an accountant
9. Terms and Conditions of registered members
10. Disciplinary proceedings

PART III—GENERAL PROVISIONS

11. Extension of time
12. Invalidity affecting enforceability

IN EXERCISE of the powers conferred by Section 57 of the Public Accountants and Auditors Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, on recommendation of the Malawi Accountants Board, make the following Regulations—

PART I—PRELIMINARY

Citation

1. These Regulations may be cited as the Registration of Accountants Regulations, 2017.

2. In these Regulations unless the context otherwise requires—

Interpretation

“Institute” means Institute of Chartered Accountants in Malawi; and

“Users” means any person who has been recognised as the user of services rendered by an accountancy or advisory service provider.

3.—(1) These regulations apply to the following situations—

Application

(a) registration of Diplomate Accountant; and

(b) registration of Chartered Accountant.

(2) The Board, in applying and implementing these Regulations, shall—

(a) have exclusive control over the registration of all Accountants in Malawi;

(b) suspend or remove from the register any accountant upon proof, sufficient to satisfy the Board that the registered accountant has—

(i) violated or caused, aided or abetted, the violation of the Act, or any regulations made under the Act;

(ii) failed to carry out a lawful order of the Board;

(iii) obtained or attempted to obtain, or assisted another person to obtain, or attempted to obtain a registration by fraudulent means; and

(c) review all operations of public practicing accountants to ascertain whether their operations conform to the requirements of these Regulations or the Act.

4. Objectives of these Regulations are —

Objectives of regulations

(a) to promote accountancy profession in Malawi and ensure that the provision of accountancy services meet the required professional standards;

(b) to ensure fair and transparency in registration of Diplomate Accountants and Chartered Accountants;

(c) to set out procedures, standards and compliance requirements for all registered members by setting out rights and obligations, to ensure that the professional quality of accountancy services is maintained;

(d) to promote and enhance the responsibilities of the Board as a regulator of accountancy profession in Malawi;

(e) to implement policy and establish a regulatory framework for the transformation and operation of accountancy profession;

(g) to develop and transform accountancy profession to meet consumer demands and correspond to the changing economic environment and technology;

(h) to adopt a user-oriented approach that focuses on ensuring that there is quality of accountancy and auditing services;

(i) to safeguard the interests of users of accountancy and auditing services;

(j) to provide a platform for translating international accounting standards into local reporting with the aim of ensuring that the Malawi accountancy profession is abreast with current developments; and

(k) to define procedures and rules of registration of accounting professionals that establish a level playing field for all accounting professionals, based on open, objective, non-discriminatory and transparent ground that support development of the accountancy profession.

PART II—CLASSIFICATION, ELIGIBILITY, REQUIREMENTS AND
REGISTRATION OF ACCOUNTANTS

Registration
Classification

5.—(1) The Board shall maintain a register of accountants that shall be categorized as follows—

- (a) Diplomate Accountants' register;
- (b) Chartered Accountants' register; or
- (c) Chartered Accountants' in Public practice register.

(2) The Board shall register each accountant in Malawi as an individual regardless of whether the person is working in a partnership, a company or is unemployed.

(3) A person shall apply for registration as a Diplomate Accountant or Chartered Accountant through the Institute and not directly to the Board.

(4) A person registered as a Diplomate Accountant or Chartered Accountant may apply for a transfer of a certificate from one category to another in accordance with procedures prescribed under these regulations.

(5) A person registering as a Diplomate Accountant or Chartered Accountant may seek clarification from the Institute where the person is in doubt of which category to register under before undertaking any accountancy services.

(6) The Board shall ensure that all registered accountants within the same certificate category are subjected to similar rules of operation.

(7) The Board shall ensure that there is clear specification of the scope of service to be provided under each of the registration categories and the appropriate set of basic rules in accordance with that category.

Eligibility

6.—(1) A person may apply for registration to the Board through the Institute, under any of the categories, provided that the person meets the registration requirements, as may be specified by the Board from time to time.

(2) The Board shall be entitled to set requirements for eligibility for each category of the register.

(3) A person shall not be qualified for registration as Diplomate Accountant or Chartered Accountant where

(a) the person has been adjudged or otherwise declared bankrupt under a law in force in any country and has not been rehabilitated or discharged, regardless of—

(i) amount of debt involved and the duration for which the debt has been outstanding;

- (ii) whether there are differences in legislation between the country where the declaration is made and Malawi;
 - (iii) the applicant has or is in the process of appealing against the declaration; and
 - (iv) the past record of the applicant as a law abiding citizen;
- (b) the person has made an assignment to, or arrangement, or composition with his creditors under a law in force in any country and the assignment, arrangement or composition has not been rescinded or set aside; or
- (c) within the period of five years immediately preceding the person's application for registration—
- (i) the person has been convicted of a criminal offense within or outside the jurisdiction of Malawi punishable by a minimum term of six months' imprisonment without the option of a fine, which, in the opinion of the Board, is of a disgraceful or dishonorable nature to the accounting profession;
 - (ii) the person behaved in a manner which, in the opinion of the Board after consultation with the Institute, contravenes the code of ethics of the accounting profession; or
 - (iii) the person has been medically certified, within or outside the jurisdiction of Malawi, as mentally disordered or of unsound mind and the certification remains in force.

7.—(1) All applications for registration shall be made through the Institute, and the Institute, upon being satisfied that the applicant has met the necessary requirements, shall forward the application to the Board, with its recommendations.

Registration requirements

(2) A person shall submit the following information required for registration—

(a) for Diplomate Accountants—

- (i) a filled out application form as shall be designed by the Institute from time to time;
- (ii) evidence of completion of training, of at least 250 days, through a registered training contract;
- (iii) recommendation from two referees who shall be accountants registered by the Board;
- (iv) a letter of recommendation from the employer;
- (v) a copy of a certificate, diploma or degree, certified by a commissioner of oaths or a member of the Institute issued by an Institution accredited by the Board;
- (vi) a recommendation from the Institute that the applicant has met registration requirements.

(b) For a Chartered Accountant—

- (i) a filled out application form as shall be designed by the Institute from time to time;

(ii) evidence of completion of training through a registered training contract of at least over 500 days of training or 250 days of training after obtaining diplomate status;

(iii) recommendation from two referees who shall be accountants registered by the Board;

(iv) a letter of recommendation from the employer;

(v) a certificate, diploma or degree issued by an Institution accredited by the Board, certified by a commissioner of oaths or a member of the Institute;

(vi) recommendation from the Institute that the applicant has met registration requirements.

(c) for a Chartered Accountant in Public Practice --

(i) a filled out application form as shall be designed by the Institute from time to time;

(ii) evidence that the applicant has acquired 3 years post qualification experience in the office of a practicing accountant in an audit firm in auditing services;

(iii) submit the application with a recommendation from a supervisor or mentor on the person's competency in auditing services; and

(iv) the applicant has passed Malawi Tax, Malawi Law and Audit Assurance paper set by the Board unless exempted from such.

Registration of
an accountant

8. - (1) Where the Board is satisfied that the Applicant is qualified for registration, the Board shall direct the secretary of the Board to register the applicant in the appropriate part of the register and notify the applicant in writing through the Institute and the Board shall --

(a) in the case of a Diplomate Accountant or Chartered Accountant issue a registration certificate; and

(b) in the case of a Chartered Accountant in public practice, issue practicing certificate.

(2) Where the Board rejects the application for registration the Board shall notify the person, in writing through the Institute, of its decision, specifying reasons for its rejection:

Provided that the Board shall give the applicant an opportunity to defend his application where the applicant wishes to do so.

(3) Where applicable, the Board shall advise the person on areas for improvement in order for the application to be re-considered and the person may re-apply for registration having incorporated the recommendations of the Board.

Terms and
conditions of
registered
members

9.-(1) The Board shall issue terms and conditions applicable to a registered member and shall notify the member upon issuance of a registration or practicing certificate.

(2) Where a registered member contravenes any of the Board's terms and conditions issued under sub regulation 1, the registered member shall face disciplinary action.

10.—(1) The institute shall ensure maintenance of the professional conduct of its members and shall have powers to undertake disciplinary proceedings against its members. Disciplinary proceedings

(2) A member who is not satisfied by the decision of the Institute on the disciplinary hearing may appeal to the Board against such a decision.

(3) The Board, however, may request the Institute to conduct a disciplinary hearing where a complaint was made directly to the Board.

(4) The Institute shall submit to the Board, a written report of the disciplinary hearing proceedings and its decision, within 14 days, after the Institute concludes the disciplinary hearing

(5) The member may, within 30 days, appeal to the Board against any disciplinary sanction which has been imposed by the Institute and the period shall run from the date when he has been informed of the decision and not necessarily from the date when the hearing was made.

(6) A member may request the Board for an extension of the period in which he may lodge his appeal and the Board may grant the request where, in the opinion of the board—

(a) there is evidence that communication of the decision of the Institute did not reach the member in time;

(b) there were technical difficulties for the member to lodge an appeal to the Board as the Board was closed during the stated period;

(c) the member had problems arising from sickness, bereavement or incarceration that it was not possible to lodge the appeal in time to the Board; or

(d) there is no reason which the Board may consider reasonable not to allow the extension of the appeal period.

(7) Where the member has not appealed within the specified 30 days period, the Board may go ahead and review the decision of the Institute and in reviewing the decision of the Institute, the Board may—

(a) uphold the decision of the Institute;

(b) request the Institute to lessen the sanction imposed;

(c) request the Institute to increase the sanction imposed; or

(d) request the Institute to reconsider re-hearing the case.

(8) The Board may set aside the decision of the Institute where—

(a) the Institute failed to follow any procedure which is required to follow in a disciplinary hearing;

(b) the member was not accorded enough notice for the meeting;

(c) the Institute did not provide member with a charge sheet detailing the provisions which have been breached; or

(d) the disciplinary Committee was not properly instituted;

(e) the Institute failed to observe the rules of natural justice;

(f) the decision of the Institute was unreasonable in all circumstances of the case and in such case, the Board shall consider the penalty imposed on the member against whether—

- (i) the contravention is minor;
- (ii) the consequence from the violation is minor;
- (iii) the member took prompt action to correct the contravention;
- (iv) the contravention was accidental; or
- (v) the member voluntarily disclosed the contravention to the Institute.

PART III—GENERAL PROVISIONS

Extension of
time

11. Notwithstanding anything contained in these Regulations, where a time period is specified under the Regulations or in any request by the Board for an act to be done or a condition to be fulfilled, the person affected may request for an extension of such time in writing to the Board and the Board may grant such extension of time as it considers appropriate.

Invalidity
affecting
enforceability

12. Where the regulations are unenforceable due to changes in professional standards or any pronouncements from International Federation of Accountants, the section affected shall be suspended and the new standard or pronouncement shall prevail.

Made this 18th day of November, 2016.

GOODALL E. GONDWE
*Minister of Finance, Economic
Planning and Development*

(FILE NO: D53:06)

GOVERNMENT NOTICE NO. 5

PUBLIC ACCOUNTANTS AND AUDITORS ACT

(CAP. 53:06)

REVIEW OF STATUTORY FINANCIAL STATEMENTS AND FINANCIAL REPORTS OF PUBLIC INTEREST ENTITIES REGULATIONS, 2017

ARRANGEMENT OF REGULATIONS

REGULATION

PART I—PRELIMINARY

1. Citation
2. Interpretation

PART II—REVIEW FUNCTIONS AND PROCESSES

3. Objectives of the Regulations
4. Mandate of the Board
5. Functions of the Committee
6. Objectives and scope of reviews

REGULATION

7. Reviewers
8. The review process
9. Reporting and evaluation
10. Re-review
11. Compliance
12. Fees
13. Confidentiality
14. Conflict of interest
15. Limitation of liability
16. Indemnity

PART I.—GENERAL PROVISIONS

17. Extension of time
18. Invalidity affecting enforceability

IN EXERCISE of the powers conferred by Section 57 of the Public Accountants and Auditors Act, I. GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, on recommendation of the Malawi Accountants Board, make the following Regulations—

PART I.—PRELIMINARY

1. These Regulations may be cited as the, Review of Statutory Financial Statements and Financial Reports of Public Interest Entities Regulations, 2017. Citation
2. In these Regulations unless the context otherwise requires— Interpretation

“Committee” means the Compliance, Regulation, Legal and Advisory Committee of the Board;

“public interest entity” means—

 - (a) an entity which is of significant public interest because its business, its size, its number of employees or its corporate status is such that it has a wide range of stakeholders; and
 - (b) includes but is not limited to the following credit institutions, insurance companies, banks, investment firms, pension firms, parastatals and listed companies;

“Public” means a person who uses available services for purposes which are outside the person’s trade, business or profession; and

“Review” means a service under which an accountant obtains limited assurance that there are no material modifications that need to be made to an entity’s financial statements for them to be in conformity with the applicable financial reporting framework such as International Financial Reporting Standards or Generally Accepted Accounting Practices and also in conformity with the Acts under which they are established.

PART II—REVIEW FUNCTIONS AND PROCESSES

| | |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objectives of the Regulations | 3. The objectives of these Regulations are to monitor compliance of public interest entities with International Financial Reporting Standards and listing requirements. |
| Mandate of the Board | 4.—(1) The Board shall review statutory financial statements and financial reports of public interest entities. (2) The Board shall authorise the Committee to carry out the reviews. (3) The Board may sign a Memorandum of Understanding with other regulators to provide the Board with evidence of public interest entities compliance with listing requirements. |
| Functions of the Committee | 5. The Committee or any person authorised by it shall— (a) monitor the compliance of public interest entities with listing rules and requirements of other regulators; (b) review the statutory financial statements and financial reports of a public interest entity and the effective implementation of any International Financial Reporting Standards and make recommendations to the Board; and (c) advise the Board in relation to a public interest entity's compliance with International Financial Reporting Standards, the Companies Act and standards enforced by different regulators. |
| Cap 46:03 | |
| Objectives and scope of reviews | 6.—(1) The objectives of reviews are to— (a) improve standards of statutory financial statement and financial reporting by public interest entities; and (b) monitor compliance of public interest entities with the relevant professional standards and listing requirements in compiling statutory financial statements and financial reports. (2) The Board shall ensure that— (a) public interest entities comply with relevant professional standards in a manner which is most cost effective without compromising on thoroughness of the financial reporting processes; (b) reviews meet the requirements of the regulatory control aspects under the Act, the Malawi Stock Exchange and the requirements of other regulators; and (c) the outcome of the reviews is an on-going pursuit of quality improvement by the public interest entities to protect the interests of the public. |
| Reviewers | 7. The Board shall employ qualified professional accountants, on a full time or part time basis, who shall conduct reviews. |
| The review process | 8. The review of statutory financial statements and financial reports shall be conducted as follows (a) the Board shall conduct reviews at least once in every three to |

five years, however, the Board may conduct reviews whenever it considers necessary;

(b) the Board shall sample the public interest entities and schedule review date eight weeks in advance;

(c) the reviewer shall request pre-review information from public interest entities;

(d) the reviewer shall carry out the review;

(e) the reviewer shall present a formal review report to the Committee on an anonymous basis at quarterly meetings of the Committee in order for the Committee to make a recommendation to the Board on findings of the review;

(f) where the Committee agrees that additional information is required, the Committee may request the information from the Malawi Stock Exchange and any regulating body of the relevant entity being reviewed;

(g) the Committee shall submit its written report to the Board;

(h) the report shall include an explanation of the information considered, the basis for conclusion and recommendations regarding any remedial action;

(i) the Board shall advise the Committee what action, if any, has been taken after considering the report of the Committee; and

(j) the Board shall communicate its final decision to the public interest entity and its auditor through the Malawi Stock Exchange and the regulator regulating that public interest entity.

9.—(1) The reviewer shall summarise, document and submit the results of the statutory financial statements and financial reports reviews to the Committee for evaluation. Reporting and evaluation

(2) The Committee shall evaluate the results and consult the reviewer, where necessary, in order to make necessary recommendations to the Board.

(3) The Committee shall reach one of the following conclusions and make the following recommendations to the Board—

(a) satisfactory which means that the public interest entity can be reviewed in the next cycle;

(b) not satisfactory leading to the conduct of follow up reviews until a satisfactory decision is reached; or

(c) investigation referral leading to a disciplinary action by the Board or Malawi Stock Exchange or the regulator regulating that public interest entity.

(4) The Committee shall make a recommendation for referral to investigation where —

(a) the public is at risk;

(b) a re-review indicates failure to implement corrective action;

(c) there is a flagrant disregard of professional standards; or

(d) the public interest entity refuses to cooperate in the review process.

Re-review

10.—(1) A re-review shall focus on assessing how the identified deficiencies have been addressed by a public interest entity in the interim since the initial review.

(2) A re-review of statutory financial statements and financial reports of a public interest entity shall be done within six months of the first review.

(3) The Committee shall make a new recommendation to the Board on the basis of the results of the re-review;

(4) If after the re-review the public interest entity does not address all identified deficiencies, the Board shall take disciplinary action against the public interest entity in consultation with the regulator regulating that public interest entity.

Compliance

11.—(1) The Board shall continue to monitor compliance of the public interest entity with listing requirements, other regulatory requirements, International Financial Reporting standards reporting requirements and the Laws of Malawi.

(2) Where a public interest entity does not comply with the listing requirements, other regulatory requirements, International Financial Reporting Standards reporting requirements and the Laws of Malawi, the Board shall make recommendations to the public interest entity's regulator to undertake disciplinary proceedings against the entity and impose sanctions or penalties as may be necessary.

Fees

12.—(1) The Board shall determine fees for the conduct of reviews on an annual basis.

(2) The fees shall be based on a percentage of audit fees as determined by the Board from time to time.

(3) The Board shall work with other regulators to impose the consequences of non-payment of fees by a public interest entity.

Confidentiality

13.—(1) The Committee shall keep confidential all matters that are referred to it.

(2) Any information that comes to the attention of the Committee as a result of the activities of the Committee shall not be used for any other purpose other than that required under a written law.

(3) The Board shall keep all matters referred to it confidential unless and until there is a requirement to disclose the information by law.

(4) The Board may refer a matter to another regulator where there is *prima facie* evidence of something relevant to the purview of that regulator.

(5) The Board shall inform the relevant public interest entity of its intention to refer a matter to that entity's regulator.

(6) The Committee may share such information with the Practice Review Committee responsible for Practice Reviews which is responsible for monitoring of compliance with audit standards.

14. Where there is a conflict of interest, individuals who are invited to join the Committee shall recuse themselves from serving in the Committee. Conflict of Interest

15. The Committee, any committee member, any officer, employee of the Board or Malawi Stock Exchange shall not be liable to anyone in respect of anything done in good faith in exercise or performance of a power or duty conferred or imposed by, or under these regulations or the listings requirements. Limitation of liability

16. The Board shall indemnify the Committee, any committee member, and any officer or employee of the Board against any claim of any nature which may be made against them, any costs on an attorney and client scale which may be incurred by any of them in defending any claim which may be brought against them, arising out of the exercise or performance, in good faith, of power or duty conferred or imposed on them by, or under these Regulations or the listing requirements. Indemnity

PART III—GENERAL PROVISIONS

17. Notwithstanding anything contained in these regulations, where a time period is specified under the Regulations or in any request by the Board for an act to be done or a condition to be fulfilled, the person affected may request for an extension of such time in writing and the Board may grant such extension of time as it deems fit. Extension of time

18. Where the regulations are unenforceable due to changes in professional standards or any pronouncements from International Federation of Accountants, the section affected shall be suspended and the new standard or pronouncement shall prevail. Invalidity affecting enforceability

Made this 18th day of November, 2016.

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GOODALL E. GONDWE
*Minister of Finance, Economic
Planning and Development*

