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ACTION PLANS

Accounting Standards Issue	Current status	Action to be taken to move towards international standards
1. Has the Public Sector Accounting Law adopted IPSAS?	No	The Auditor General (AG) would prescribe the adoption of IPSAS for Maldives (to be confirmed and communicated by GoM by March, 2007).
2. Does the education and training of accountants' accord with IES?	No	A proposal is required to be drafted jointly by Ministry of Higher Education, Public Service Training Institute (PSTI), Public Service Commission (PSC), Ministry of Finance and Treasury (MoFT) and the AG by June, 2007 (led by MoFT)
3. Does the ICAB Code of Ethics match international standards?	No	The MoFT is to develop a Code of Ethics for public sector accountants – by December, 2007.
4. Is there a body to prescribe public sector accounting standards?	The Auditor General has this responsibility under the Constitution	MoFT will be issuing implementation guidelines as per the principles and standards prescribed by the AG.
5. Are the financial statements in accord with the IPSAS standard?	No	By June, 2007, MoFT would form a Committee to define the reporting entity. IPSAS format will be used as part of the roll out of the accounting system project – by January, 2009.
6. Is the statement of cash receipts and payments in IPSAS format?	No	The IPSAS formats for statements, explanatory notes and disclosures will be used as part of the roll out of the PAS project – by January, 2009.
7. Are accounting policies and explanatory notes required?	No	
8. Are other disclosures in accord with IPSAS?	No	
9. Does the government issue a consolidated financial statement which consolidates all controlled entities?	No	



Auditing Standards Issue	Current status	Action to be taken to move towards international standards
1. Is the SAI statutory framework in accord with the needs of the INTOSAI Auditing Standards?	Yes ¹⁰	The Republic of Maldives has recently enacted the Audit Act (included in Annex D) following the workshop in January 2007 and provides an adequate statutory framework. The effectiveness of the implementation of the new Audit Act is yet to be seen
2. Is there a body to prescribe public sector auditing standards?	Yes ¹¹	The Audit Act needs to prescribe the AG as the responsible body and S. 5 of the recently enacted Audit Act (included in Annex D) does this. The AG could work jointly with the proposed professional body to develop implementation guidelines.
3. Have INTOSAI and IFAC audit standards been adopted?	Yes. The Audit Manual is based on them.	
4. Has a code of ethics equivalent to the INTOSAI Auditing Standards been adopted?	Not for the core public sector. Most SOEs are audited by the private sector auditors.	A code will be developed as part of the IDF grant and it needs to be adopted by the AG. (by Jan.2008)
5. Is the accountability process in the SAI in accord with INTOSAI Auditing Standards?	No	An annual report is required by 2007.
6. Does the SAI legal framework meet the INTOSAI Auditing Standards for independence and powers?	No	The new Audit Act at Annex D provides for these and satisfactorily adopts the recommendations made by the UK National Audit Office (NAO) team and the Task Team (World Bank)) on the draft Audit Bill examined during this study .
7. Does the education and training of auditors accord with INTOSAI and IES?	No	A needs analysis is being carried out by the NAO team. Formation of the proposed professional body and opportunities like overseas practical experience or secondment and joint audits with other SAIs and/or professional firms could help. A proposal to be drafted jointly by Ministry of Higher Education, PSTI, PSC, MoFT and the AG by June, 2007 (led by MoFT) for institutional education and training facilities in Maldives supported as necessary by distance learning syllabi from academic and professional bodies overseas.
8. Is the SAI equipped with the audit methods and technologies to meet the INTOSAI Auditing Standards?	No	The ongoing IDF grant will give assistance for developing this, but additional computer software and hardware are needed by 2008 for certification auditing.

¹⁰ Current status has recently changed due to enactment of the Audit Act on March 13, 2007

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9. Does the SAI have the quality assurance programs to meet the international standards?	No	The ongoing technical assistance through IDF will introduce this program by Sep.2008.
10. Does the process to plan the audits meet international standards?	Yes	The development plan will address variations in planning requirements caused by the Public Finance Act.
11. Does the process to supervise the audits meet international standards?	Yes	
12. Does the process to evaluate the reliability of internal control meet international standards?	Yes	
13. Does the process used in audits to assess compliance with laws meet international standards?	Yes	
14. Does the audit process used to obtain evidence to support conclusions meet international standards?	Yes	
15. Does the audit analyze the financial statements to establish whether acceptable accounting standards for financial reporting and disclosure are complied with?	No	Certification audits from 2009 will need this capacity and the technical assistance will provide it.
16. Does the auditor prepare an audit opinion on the financial statements in a form that accords with international standards?	For SOEs commercial sector auditors use international standards. For the government no certified accounts are produced at present.	Certification audits from 2009 will need this capacity and the technical assistance will provide it.
17. Does the consideration of fraud and error in an audit of financial statements accord with international standard?	Yes	
18. Are the Auditor General's reports made public?	No	The new Audit Act includes public reporting of the audit report on the annual financial statements of the Government. It will be important for reports on all audits done to be made public as well as be included in the quarterly reports to the Parliamentary Committee.
19. Is the process for taking action on audit recommendations sufficiently effective to meet international standards?	No	The IDF grant will cover the preparation of recommendations for this. The Audit Act specifies that the Auditor General will submit quarterly reports on work undertaken by his Office to a Parliamentary Committee acting in the capacity of a Public Accounts Committee.