

# Transparency Report 2021





## Mission Statement

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*To be the leading provider of auditing, accounting, tax and consultancy services, whilst maintaining the utmost ethical standards and a commitment to offer innovative value added solutions to clients, enhancing employee skills and capabilities and to promote general community interests.*

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# Intro

KSi Malta is a corporate and private client advisory, accounting, audit and tax firm providing a full range of financial, legal, and business advisory services to a diversified client base. Since inception, KSi Malta has encouraged a participatory relationship among all team members as well as its clients.

This flexible approach enables all parties to be involved during all processes that directly lead to the advancement of every client's business objectives. KSi Malta draws on its ample experience in order to assist local businesses to grow, as well as supporting international companies interested in establishing themselves and operating in Malta. KSi Malta makes use of all the business contacts it has in order to support clients' business requirements. Furthermore, the firm guarantees the utmost commitment to all its clients, whilst offering an efficient and tailored service.

KSi Malta is a member of Morison Global, a global association of leading professional service firms, established to meet the cross-border accounting, auditing, tax and business consulting needs of clients.



**KSi Malta offers its clients the benefit of over 40 years of experience in auditing, accounting, taxation and advisory.**



## Managing Partner's Message

This transparency report for year ending 31 December 2021 has been prepared in accordance with the requirements of Article 18(1) of the Accountancy Profession Act.

This report provides an overview of our firm, our values and the policies and procedures we have in place, which ensures the maintenance of audit quality, including compliance with auditing and ethical standards. It also contains information regarding areas we believe are relevant to our clients or to potential clients alike.

KSi Malta services a number of clients in many industries and sectors, including real estate, professional services, retail, manufacturing, shipping, health and technology. Whatever the business sector, the focus remains on offering our clients the highest possible standard of service based on our knowledge of the business and the industry in which it operates.

As a firm, our objective for 2022 is to invest further in the professional development of our staff and in the infrastructure of our firm so as to succeed in our growth strategy.



**JOSEPH GAUCI**  
Managing Partner

# Morison Global

Morison Global's objective is to provide its members and their clients with comprehensive access to high-quality professional services in key markets around the world. Its global reputation brings trust and confidence to the markets in which it serves.

Members provide core services of accounting, audit and tax and have capabilities in complementary services such as corporate finance, advisory, consulting and law.

Morison Global's firms are leaders in their professional communities. They aim to constantly improve their firms and strengthen their clients' position. We are proud of our community's culture: supportive, inclusive, professional and always friendly.

With members in over 75 countries, Morison Global is truly international. From well-established market leaders in key economic centres to dynamic, young, forward-thinking firms in newly developed markets – Morison Global is a rich, diverse and dynamic community able to meet complex global client requirements.

Morison Global does not meet the definition of "network" as outlined in the Accountancy Profession Act as it is an association of independent firms where there is no profit or cost sharing, common control or management.

***\*Morison Global is an international association of independently owned and managed professional firms. Professional services are provided by individual member firms. Morison Global does not provide professional services in its own right. No member firm has liability for the acts or omissions of any other member firm arising from its membership of Morison Global.\****





## Values

Everything that is done is guided by the following values:

- Focus on members who are committed to service quality delivery
- Equality of member firms, based on participation
- Client focused
- Unite via teamwork and collaboration
- Ethical and transparent
- Ambitious, innovative and passionate
- A professional, but fun and “family” culture

## Purpose

The association provides its members and their clients with access to high-quality professional accountancy, auditing, tax and consulting in all major locations around the world.

The rigorous selection process is designed to recruit only outstanding independent member firms into the association.

The framework provided by the association enables member firms to share knowledge and network with like-minded professionals, benefit from quality training events, in addition to satisfying the international needs of its valued local clients.

## Culture

The key to the association’s success is its unique culture. Whilst having a professional outlook, it also has a personality – making the association and its members stand out from the crowd. In fact the association is fondly known as the “Morison Global family”.



## Legal Structure & Ownership

KSİ Malta is a civil partnership and is registered with the Accountancy Board under registration number AB/26/84/43 made up of three partners and two directors:

The equity of KSİ Malta is held by one partner while the voting rights are held by the Partners exercised during partners' meetings. During the year 2021, 6 partners' meetings were held.

The equity Partner does not receive a fixed salary but receives profit on an annual basis. All salaried partners and directors receive an agreed remuneration package that is commensurate to their position and responsibilities. None of the Partners or Directors are remunerated on the basis of fees generated by a particular client or group of clients, or by the provision of particular services.

The firm operates from its offices situated at 6, Villa Gauci, Mdina Road, Balzan BZN9031, Malta.

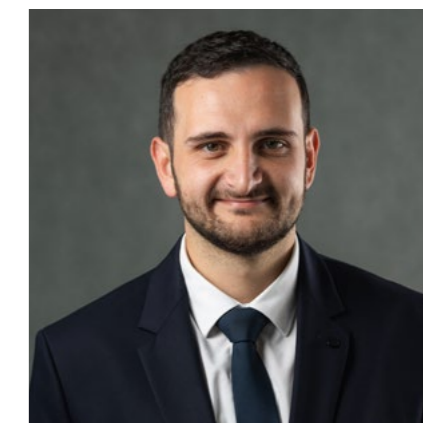
The firm's audit practice is regulated by the Accountancy Profession Act, and is subject to regular monitoring by the Quality Assurance Board.



**JOSEPH GAUCI**  
*Managing Partner and  
Compliance Principal*



**DENNIS MARK GAUCI**  
*Partner for international  
client services*



**BERNARD CHARLES GAUCI**  
*Audit and Advisory  
Partner*

# Developing Talent

KS Malta's family culture is reflected in the day to day running of our business through our team of professionals. We understand that a happy work place is of essence and productive in turn, and therefore flexibility plays an important part. Together with this, competitive compensation packages are very important when top talent is hired. Moreover we ensure that not only is training offered in line with individual career paths but we also instil a culture of togetherness through events organised on a monthly basis.



# Corporate Social Responsibility

We believe that every firm should give back to its society hence why at KSi Malta we support a number of charitable institutions on a yearly basis. From internal events to client events organised to raise awareness and support, some in conjunction with the Office of the President of Malta. Additionally, building relationships with non-profit organisations through unpaid services and advice are also important to us as we assist them in achieving their goals.





# Internal Quality Controls and Independence

## Quality assurance, ethics and risk management

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The firm believes that its internal quality control system functions at a suitable level of effectiveness for a firm of its size. It is also committed to constantly and steadily improve internal policies and procedures.

### 1. Responsibility for quality within the firm.

The firm's management team is responsible for maintaining the highest quality standards in every area serviced by the firm. This includes, but is not limited to, compliance with the requirements of International Standard on Quality Control 1.

### 2. Risk management.

Before accepting a new client, the prospective client is assessed to ensure that any risks of proceeding with the engagement are deemed acceptable according to our Client Acceptance and Compliance Policies. Should the prospective client be deemed unsuitable, the engagement is declined.

Thanks to the firm's commitment to offering the very best possible standards, before accepting a particular assignment, the relevant partners and staff are selected guaranteeing the appropriate specialist knowledge for understanding such engagements.

### 3. Ethical requirements.

Ethics training is provided to partners and staff on a regular basis supporting them in dealing with relevant situations. This includes training on the Ethical Standards for Auditors. The firm has in place policies and detailed internal guidance to ensure compliance with such Ethical Standards.



# Monitoring Audit Performance

## 1. Audit engagement performance.

The audit performance of the firm is principally monitored by the Audit Partners, who are also responsible for promulgating best practice, whether through training or other methods such as through the internal written documentation aforementioned.

The Audit Partners are also responsible for the firm’s audit methodology, which is based on internal methods and software, supplemented as necessary with additional material and guidance. The firm’s Audit Framework sets out the policies and procedures in place for performing audits, together with practical guidance during engagements.

## 2. Monitoring.

The firm is subject to reviews by the Quality Assurance Unit, set up within the Accountancy Board of the Ministry for Finance of Malta. The most recent review by the Quality Assurance Unit was carried out in April 2017.

Additionally, the firm has its own internal quality control monitoring programme whereby reviews of completed audit engagements are carried out to ensure compliance with professional standards, technical considerations as well as independence and ethical issues, amongst others. No issues have yet been raised which we believe have a material impact on the conduct of our statutory audit business through our review program and which is conducted on a regular basis.

# Independence Procedures

The firm maintains internal policies and procedures to ensure that it maintains independence from its clients and that conflicts of interest are dealt with appropriately and on a timely basis.

All partners and staff are required to complete annual declarations of independence. In the event of any circumstances affecting such independence, an appropriate action plan is formulated in consultation with the management, who also review all the annual declarations.

Audit partners are subject to rotation requirements limiting the number of years they may provide audit services to a listed company or public interest entity for. In addition, the firm’s audit methodology requires independence to be reassessed each year. This includes consideration of whether any non audit services provided by the firm to our audit clients may have an adverse impact on our actual or perceived independence. As per the requirements of the Directive 2 Code of Ethics for warrant holders and the Firm’s ISQC 1 Manual of Policies and Procedures, engagement partner participation in the statutory audit of a PIE engagement shall not be later than seven (7) years from the date of their appointment. The Firm’s auditors are also subject to the gradual rotation mechanism of the persons who are registered as statutory auditors on the engagement teams in accordance with Article 17(7) of the Audit Regulation (EU) No 537/2014.

The latest internal review of independence compliance has been conducted on 3 December 2021.



## Training and human resources

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The firm organises regular training sessions geared to meet the development needs of partners and staff. Such training is provided both by appropriate specialist staff within the firm, as well as by external training providers when necessary. The firm regularly monitors the compliance of personnel with minimum CPE requirements.

HR matters are the responsibility of the Head of HR and the firm's Human Resource team. Maintenance of good HR procedures is vital for ensuring the quality of the firm's personnel and to this end robust control procedures are in place. These cover the recruitment, appraisal and remuneration processes which ensure that the firm employs, retains and properly rewards individuals with the right skills and values.

The Firm's policy for annual minimum CPE requirements is in line with Directive 1 Accountancy Profession (Continued Professional Education), with warranted personnel regularly monitored to ensure they maintain the appropriate level of professional competence by engaging in continued professional education in accordance with the rules and spend the minimum required hours per calendar year in both structured and unstructured CPE activities.

***Maintenance of good HR procedures is vital for ensuring the quality of the firm's personnel and to this end robust control procedures are in place.***

# Financial Information

## Revenue

During the year ending 2021, KSi Malta's revenue totalled EUR 1,962,586.00 and is divided as follows:

Revenue	Euro (€)
Revenue from the statutory audits of PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE	91,431
Revenue from the statutory audits of other entities	539,139
Revenue from permitted non-audit services to audited entities	698,343
Revenue from other non-audit services to other entities	633,673

# Public Interest Entities

During 2021 KSi Malta issued reports for the year ended 31 December 2020 on behalf of the following entities falling within the definition of Public Interest Entity:

## **D FOODS FINANCE PLC - C 94912**

*Date of audit report – 27 April 2021*

*The Company is a holder of listed debt through a bond issue on the the Institutional Financial Securities Market of the Malta Stock Exchange.*

## **DIZZ FINANCE PLC - C 71189**

*Date of audit report – 27 April 2021*

*The Company is a holder of listed debt through a bond issue on the main market of the Malta Stock Exchange.*

The Accountancy Profession Act Cap 281 defines Public Interest Entities as:

- entities whose transferable securities are admitted to trading on a regulated market of any EU member state;
- credit institutions;
- insurance undertakings; and
- any other entities as may be prescribed by the Accountancy Board.

The Accountancy Board may from time to time designate other entities as Public Interest Entities.

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Independent member  
**Morison Global**