



Transparency Report 2024



Built Differently

To Make the Difference

With over half a century of dedicated experience, CLA Malta is committed to your financial success. Learn more about our services. We invest time in understanding your unique goals, ensuring personalised strategies to get you where you want to be.



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Mission Statement

At CLA Malta, we are committed to redefining excellence in auditing, accounting, tax, and consultancy services. Built Differently, we offer a personal touch, dedication to internationalisation, and a unique essence that allows us to serve our clients innovatively.

Our Built Differently approach fosters a collaborative and people-centric environment, empowering our team to develop their skills and capabilities. This philosophy strengthens our firm and contributes to building a stronger community. We aim to deliver seamless, integrated solutions that support professional and personal growth and set us apart in the industry.

From Our Partners

This transparency report has been prepared in accordance with the requirements of Article 18(1) of the Accountancy Profession Act.

It provides an overview of CLA Malta, our values, and the policies and procedures we have in place to uphold audit quality, ensuring compliance with auditing and ethical standards. The report also includes key insights relevant to our clients and prospective clients.

ISQM 1 has continued to drive change, prompting a comprehensive review of our audit practice and quality-related risks. This year, it has further shaped our strategic audit quality initiatives, reinforcing our commitment to maintaining the highest standards.

CLA Malta serves a diverse portfolio of clients across various industries, including real estate, professional services, retail, manufacturing, shipping, healthcare, and technology. Regardless of the sector, our focus remains on delivering exceptional service, leveraging our expertise and industry knowledge.

Looking ahead to 2025, we are committed to investing in the professional development of our team and enhancing our firm's infrastructure to support our long-term growth strategy.

Bernard Charles Gauci

Compliance Principal

Leadership



Joseph Gauci

Founding Partner



Charles Scerri

Founding Partner



Dr Dennis Mark Gauci

*Partner - Business
Development & Markets*



Bernard Charles Gauci

Partner

Legal Structure & Ownership

The equity of CLA Malta is ultimately held by two partners through two separately owned limited liability companies, BCG Investments Ltd and Arx Ltd, while the voting rights are held by the Partners as exercised during partners' meetings. During the year 2024, 4 partners' meetings were held.

The Partners receive an agreed remuneration package that is commensurate to their position and responsibilities. None of the Partners 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 The Core, CLA Malta, Valley Road, Msida.

The partnership is registered with the Accountancy Board, as an audit firm, in terms of the Accountancy Profession Act.

The Compliance Principal for the period was Mr Bernard Charles Gauci, who together with Mr Joseph Gauci, Mr Brian Farrugia, Mr Norbert Bugeja (as from 1 January 2025) and Mr Charles Scerri (as from 1 January 2025) is also allowed to sign audit reports on behalf of the Firm.

Services provided in-line with the Company Service Providers Act are undertaken by CLA Malta CSP Ltd, a separate legal entity fully owned by the partnership with a Class C CSP authorisation as issued by the Malta Financial Services Authority.

CLA Malta also fully owns Fintech Solutions Limited, a company with the aim to support the operations of the firm in relation to technology.

CLA Global

CLA Malta is a network member firm of CLA Global.

About the Network

CLA Global Limited ("CLA Global") is a leading international network and alliance of independent accounting and advisory firms ("member firms"). CLA Global was founded on July 1, 2022, by CLA (CliftonLarsonAllen LLP) and Evelyn Partners and our member firms help realise the ambitions of privately-owned, fast-growing, mid-market clients with cross-border needs. They are united by a shared spirit of collegiality and exchange, a desire to shape the future of our organisation, and a drive to accelerate the growth of their clients and people.

For more information about CLA Global's network and resources, visit www.claglobal.com

CLA Global

Legal and structural arrangements in CLA Global

CLA Global Limited ("CLA Global") is a company limited by guarantee incorporated in England and Wales (registered number 14032746), and its affiliates include CLA Global Brand Limited, a company limited by guarantee incorporated in England and Wales (registered number 14032779) and CLA Global Services Limited, a company limited by guarantee incorporated in England and Wales (registered number 14032629), all of whose registered offices are at 45 Gresham Street, London, EC2V 7BG.

CLA Global is not a professional services organization and does not provide any services to clients. Services are provided by the network and alliance members of CLA Global, each of which is a separate and independent legal entity.

CLA Global is governed by a Board of Directors ("the Board") elected from member firms with a Global Office based in London, UK, led by Paul English, Global CEO. The Board sets the strategy and priorities for the global network and the Global Office co-ordinates the activities of the organisation. The Global CEO is supported by a Director of Operations and Network Growth and a Director of Marketing. In 2025, a Director of Risk and Quality and a director of People and Culture will also join the team.

CLA Global member firms came together for the inaugural global conference in Berlin, Germany in October 2024 to celebrate the growth of the network and to agree a strategy for the next two years.

17,678 working
partners and staff



For CLA Global's year ended
30 June 2024, the global
aggregated turnover of member
firms was \$3.12bn



248
offices



For more information about CLA Global's network and resources,
visit www.claglobal.com

CLA Malta

CLA Malta stands out from the rest. We are built differently and structured to provide innovative and client-first services in taxation, legal advisory, and corporate support to various industries.

Our philosophy is rooted in creating a collaborative environment where our team and clients prosper, guided by our core values of flexibility, engagement, and dedication.

With half a century of expertise, CLA Malta is dedicated to providing top-tier service, ensuring efficiency, and driving businesses towards success.

We're passionate about staying adaptable and ensuring active participation from everyone to accomplish all goals.

Drawing from our extensive knowledge, we support local businesses' growth and assist international companies in establishing and succeeding in Malta.

At CLA Malta, building your
success is not just our priority.
It's our passion.



Our People

Our Culture

CLA Malta's collaborative culture is reflected in the day-to-day operations of our firm and our team of professionals. We believe a positive and flexible work environment is essential for productivity and employee well-being.

Competitive compensation packages remain a priority in attracting and retaining top talent. We also invest in continuous professional development, offering training aligned with individual career paths. Additionally, we foster a strong sense of community through regular team events, reinforcing our culture of togetherness.



Beyond Business

Corporate Social Responsibility

We believe that every firm is responsible for giving back to society. That's why we support various charitable organisations each year, from internal initiatives to client events aimed at raising awareness and support, some of which are organised in collaboration with the Office of the President of Malta. We also prioritise building relationships with non-profit organisations by offering pro bono services and advice, helping them achieve their objectives and make a positive impact.



Clean-up in Selmun



Charity in Ethiopia

Governance Structure

The management of CLA Malta is overseen by the firm's partners. Bernard Charles Gauci serves as the Compliance Principal and is tasked with overseeing the operations of the firm, while the partnership group also consists of Dennis Mark Gauci, Joseph Gauci and Charles Scerri. Dennis Mark Gauci serves as the International Liaison Partner. Partners receive a compensation package aligned with their role and responsibilities. Equity partners, on the other hand, also ultimately share the firm's profits annually based on their respective equity holdings.

Leadership Responsibilities for Quality Within the Firm

A robust organisational framework is essential for effective quality management, with clearly assigned managerial responsibilities at different levels. The leadership team at CLA Malta plays a key role in upholding quality standards by: developing assurance methodologies to ensure compliance with audit regulations; maintaining and updating the firm's technical manuals; keeping partners and staff informed of industry developments; ensuring audit engagements meet professional standards; offering technical consultation to professionals within the firm; and overseeing continuing professional education for employees.

The ultimate responsibility for CLA Malta's quality management system rests with the Partners. A strong commitment to ethical conduct and integrity is at the core of the firm's quality culture. Engagement leaders ensure compliance with ethical and independence requirements, while respective team leaders or heads are responsible for overseeing the firm's quality management system within their service lines, including its monitoring and remediation processes. CLA Malta remains committed to maintaining and enhancing quality standards across all service areas. This involves conducting periodic reviews of selected assurance engagements, along with other firm-wide monitoring measures designed to uphold compliance with both professional and firm-specific standards. The Audit Principals are directly accountable for maintaining audit quality within the firm, and any modifications to the firm's audit procedures require partner approval.

Internal Quality Management & Independence

Quality assurance, ethics & risk management

In response to evolving regulatory requirements, we have adopted the latest quality management standards through the International Standard on Quality Management (ISQM 1). These standards are designed to enhance the quality of our services and ensure we meet the expectations of our clients and stakeholders.

The Firm's Risk Assessment Process

We have implemented structured risk management procedures within our firm. Our quality objectives are aligned with the goals of our quality management system, and we have identified and assessed quality risks to guide the design and implementation of appropriate responses.

Our risk assessment process considers various factors that may impact achieving our quality objectives, such as the complexity of our operations, the types of services we offer, and the resources at our disposal. In response, we have designed and implemented strategies to address these quality risks, tailoring them to the identified causes behind the risks.

Moreover, we have established policies and procedures to identify when additional quality objectives are needed or when existing quality risks and responses should be adjusted due to changes in the firm or its engagements. We evaluate this information and take steps to modify quality risks, set new objectives, and implement the required adjustments.

Relevant Ethical Requirements

CLA Malta's quality objectives concerning relevant ethical requirements are centred around ensuring that the firm and its personnel comply with all relevant ethical guidelines, including those related to independence.

Our objective is clear: The firm and its personnel must understand the ethical requirements that apply to our operations and engagements and fulfil their responsibilities in accordance with these standards. This encompasses being knowledgeable about the ethical guidelines set by regulatory bodies and professional associations and any specific ethical criteria tied to individual engagements.

To achieve this, we have developed comprehensive policies and procedures that guide ethical conduct, including independence, confidentiality, conflicts of interest, and professional behaviour.

We provide continuous training to our team members to ensure they are aware of their ethical responsibilities and understand how to comply with these requirements. Additionally, we regularly review and update our policies to stay aligned with changes in the regulatory and professional landscape.

Acceptance and Continuance of Client Relationships and Specific Engagements

We have established procedures to ensure that decisions regarding accepting and continuing client relationships and specific engagements are thoroughly considered. These processes involve gathering sufficient information on the nature and circumstances of the engagement and assessing the integrity and ethical values of the client, including management and those charged with governance.

Furthermore, we evaluate our capacity to comply with professional standards and applicable legal and regulatory requirements. We are also committed to ensuring that financial or operational considerations do not lead to inappropriate decisions in accepting or continuing client relationships or engagements. Our quality objectives address the acceptance and continuity of client relationships and engagements, with regular reviews and updates to ensure compliance and maintain the highest service quality standards. Upholding ethical values and integrity is central to our approach, and we prioritise adherence to professional standards and regulatory guidelines, ensuring that the firm's financial and operational priorities never compromise the quality of our client services.

Engagement Performance

We have implemented procedures and quality objectives that ensure our engagement teams understand and fulfil their responsibilities, exercise professional judgment and scepticism, and document their engagements in a timely manner. Our teams are directed, supervised, and reviewed by experienced members, with any complex or contentious issues subject to consultation and resolution.

To comply with ISQM 1 and ensure consistent engagement performance, we prioritise the involvement of competent personnel and regularly assess the quality of our engagements. Our firm remains committed to maintaining these procedures to deliver high-quality services that meet client needs and comply with professional standards, ethical requirements, and regulatory guidelines.

Resources

CLA Malta's commitment to maintaining a high-quality management system is underpinned by the strategic allocation of resources. We have set clear quality objectives concerning the use of human, technological, intellectual, and service provider resources. Our team members are recruited, developed, and retained based on their ability to perform quality engagements and contribute to the operation of our quality management system.

We incentivise our personnel to maintain a commitment to quality through regular evaluations, appropriate compensation, and career advancement opportunities. Each engagement team is assigned based on competence and capability, with adequate time to ensure quality outcomes.

Additionally, we leverage technological and intellectual resources that align with professional standards and regulatory requirements to enhance our overall processes.

Information and Communication

At CLA Malta, we have established procedures to meet the requirements for effective information and communication within our quality management system. Our quality objectives ensure that our information system captures, processes, and maintains relevant, reliable information from both internal and external sources, supporting the system's effectiveness.

The firm fosters a culture that reinforces the responsibility of personnel to share information both within the organization and with one another. Relevant and reliable information is exchanged throughout the firm, enabling our teams to understand their responsibilities and perform activities related to the system of quality management and specific engagements. We also ensure that information is communicated to external parties as required by law, regulation, or professional standards, or to assist external parties' understanding of our system, if required.

Specified Responses

We have implemented strong procedures to ensure compliance with specified responses. These procedures include clear policies for identifying, evaluating, and addressing threats to ethical compliance, as well as for responding to any breaches promptly.

The firm obtains annual confirmation of compliance with independence requirements from all relevant personnel and has established mechanisms for receiving and resolving complaints and allegations. In addition, we have procedures in place to address situations where information is discovered that would have impacted client relationships or engagements, including requirements for communication with those in governance and conducting engagement quality reviews.

Monitoring and Remediation Process

As part of our ongoing commitment to quality management, we have developed procedures for monitoring and remediation. These procedures are designed to provide reliable and timely information about the design, implementation, and operation of our quality management system.

We design and perform monitoring activities to identify deficiencies, considering the reasons behind quality risk assessments, the design of responses, changes in our quality management system, and the outcomes of previous monitoring efforts. Our policies and procedures ensure that individuals responsible for monitoring activities have the necessary competence and time to perform these activities effectively.

Root-Cause Analysis is a fundamental component of our remediation process. When deficiencies are identified, we conduct thorough investigations to determine their root causes. We evaluate the impact of these deficiencies both individually and collectively and implement remedial actions tailored to the identified causes.

We promptly communicate the results of monitoring activities, deficiencies, and corrective measures to engagement teams and other personnel involved in the system.

We are proud to have successfully implemented these quality management measures within our firm. Our commitment to quality and continuous improvement drives us to uphold the highest standards of excellence in all that we do. We look forward to providing exceptional service to our clients for years to come.

Monitoring Audit Performance

1. Audit Engagement Performance

The performance of our audit engagements is primarily monitored by the Audit Principals, who play a key role in promoting best practices within the firm. This is achieved through various methods, including regular training sessions and internal written documentation.

The Audit Principals are also responsible for overseeing the firm's audit methodology, which is based on a combination of internal methods and software. Where necessary, additional materials and guidance are incorporated. Our Audit Framework outlines the policies and procedures for conducting audits, providing practical guidance to ensure the consistency and quality of our engagements.

2. Regulatory Monitoring

The firm undergoes reviews by the Quality Assurance Unit (QAU), which is part of the Accountancy Board within the Ministry for Finance of Malta. The Malta Accountancy Board conducts periodic External Quality Assurance reviews as part of its audit oversight responsibilities.

The most recent QAU monitoring visit occurred between June 2021 and January 2022, with the final report completed in January 2022. In addition to regulatory reviews, we conduct our own internal quality management monitoring, which includes reviewing completed audit engagements. This ensures compliance with professional standards, technical considerations, and ethical requirements, including independence.

To date, no issues have been raised through our review program that would materially affect the conduct of our statutory audit business. Our internal monitoring process is carried out regularly to maintain the highest standards.

Independence Procedures

The firm has established internal policies and procedures to ensure that it remains independent from its clients and effectively manages any conflicts of interest in a timely manner.

The firm's and network's policies emphasise compliance with international standards, covering financial, employment, and business relationships. Non-compliance can affect career progression and lead to disciplinary action. Global tools or procedures help identify independence restrictions and track proscribed securities, ensuring transparency and regulatory compliance across CLA Global firms.

Ethical Requirements

We adhere to the Code of Ethics issued by the Accountancy Board. In cases where our independence may be compromised (except in situations where we are specifically prohibited from acting), an independent review is conducted by a partner not involved in the engagement. If this is not feasible, additional safeguards are put in place, and if these are deemed insufficient, the firm will resign from its role as auditor. All safeguards are agreed upon with the Partner.

The firm will only provide non-audit services to an audit client if doing so does not breach the ethical principles outlined in the Code of Ethics. Additionally, any partner, other than the Engagement Partner, intending to perform non-audit work for an audit client must notify the Audit Engagement Partner before commencing the work to assess the impact of these ethical requirements on the audit engagement. To ensure ongoing compliance with ethical standards, all partners and staff are required to submit annual declarations of independence. If circumstances affect independence, an action plan is developed in consultation with management, who also reviews all annual declarations.

Firm's Rotation Policy

Audit Principals are subject to rotation requirements that limit the number of years they can provide audit services to a listed company or public interest entity (PIE). Furthermore, the firm's audit methodology mandates an annual reassessment of independence. This includes evaluating whether any non-audit services provided to audit clients could negatively impact our actual or perceived independence. In line with Directive 2 and the Code of Ethics for warrant holders, engagement partner participation in the statutory audit of a PIE must conclude no later than seven years from their appointment. The firm also adheres to the gradual rotation mechanism for individuals registered as statutory auditors on engagement teams, as outlined in Article 17(7) of the Audit Regulation (EU) No. 537/2014.

Training & Human Resources

The firm organises regular training sessions to meet the development needs of partners and staff. Training is provided both internally by specialists and externally when necessary. Compliance with minimum Continuing Professional Education (CPE) requirements is monitored regularly.

The People and Culture team is responsible for HR matters, including the recruitment, appraisal, and remuneration processes. These robust procedures ensure the firm hires, retains, and rewards individuals with the right skills and values.

The firm's CPE policy aligns with Directive 1 of the Accountancy Profession (Continued Professional Education). Personnel are regularly monitored to maintain professional competence by engaging in CPE activities and meeting the minimum required hours annually.

Our firm is committed to ensuring that all practicing warrant holders maintain their professional competence by engaging in CPEs. Our extensive training curriculum caters for a mix of CPE activities in line with legal requirements.

On an annual basis, the firm also monitors that this requirement is met by ensuring that Annual Returns are submitted by all practicing warrant holders.

Maintaining strong HR procedures is essential to ensuring the quality of the firm's personnel. The firm's system of quality management is designed to provide reasonable assurance that engagements are performed in accordance with professional standards.

Statement by the Partners on the effectiveness of the firm's internal quality management system, Continuing Professional Education (CPE), and ethical practices

At CLA Malta, we recognise that audit quality and professional integrity are the cornerstones of trust in financial reporting. Our commitment to upholding the highest standards of quality management, independence, and ethical conduct is reflected in the measures and procedures embedded within our System of Quality Management (SoQM).

This system is designed to provide reasonable assurance that our statutory audits comply with applicable laws, regulations, and professional standards, ensuring that we consistently deliver services that meet the expectations of our stakeholders.

However, we acknowledge that no quality management system—regardless of its robustness—can eliminate all risks of non-compliance or deficiencies. The inherent limitations of any such system mean that absolute assurance is unattainable.

Our firm is dedicated to the continuous evaluation, refinement, and enhancement of its system of quality management, in line with International Standard on Quality Management (ISQM) 1, to mitigate risks effectively.

As part of this ongoing commitment, the Partnership at CLA Malta has undertaken a comprehensive review and assessment of our quality management framework, taking into account:

- The design, implementation, and operational effectiveness of our quality management system, as documented in this report;
- The findings from our internal monitoring and compliance programs, including engagement reviews, risk assessments, and root cause analyses;
- Insights and recommendations arising from external regulatory inspections, together with the corrective actions and improvements implemented as a result.

This evaluation has led the Partnership to conclude, with a reasonable level of assurance, that our quality management system was effective and fit for purpose throughout the year ended 31 December 2024. Our firm remains steadfast in its proactive approach to audit quality, ensuring that we continuously enhance our policies, procedures, and professional development initiatives.

In addition, CLA Malta confirms that an internal review of independence compliance was conducted for the same period, reinforcing our unwavering commitment to professional excellence.

Looking ahead, we will continue to strengthen our culture of quality, embedding the principles of professional skepticism, accountability, and continuous improvement into every aspect of our work. By doing so, we reaffirm our responsibility to the public interest, our clients, and the profession at large.

Financial Information

Revenue

During the year ending 2024, CLA Malta’s revenue totalled EUR 4,635,123.00, 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	102,410.00
Revenue from the statutory audits of other entities	811,942
Revenue from permitted non-audit services to audited entities	854,778
Revenue from other non-audit services to other entities	2,865,993

Public Interest Entities

During 2024 CLA Malta issued reports for the year ended 31 December 2023 on behalf of the following entities falling under the definition of Public Interest Entity:

Revenue

D FOODS FINANCE PLC - C 94912

Date of audit report – 29 April 2024

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

DIZZ FINANCE PLC - C 71189

Date of audit report – 29 April 2024

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

ST. ANTHONY CO. P.L.C. – C 956618

Date of audit report – 24 April 2024

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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Malta

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. Please contact us if you need any specific advice.