



# TRANSPARENCY REPORT 2024



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## INTRODUCTION

The 2024 Transparency Report reflects VCA's ongoing commitment to audit quality, professional integrity, and public trust. While VCA offers a broad range of services, our core focus remains firmly on auditing and accounting—the foundation of our business.

This report outlines the policies, practices, and values that drive our work. Integrity, professionalism, and quality underpin all our services, and we recognize the importance of transparently demonstrating this to our stakeholders.

Audit quality continues to be our highest priority. Through independent risk assessment and a focus on ethical, high-quality execution, we aim to strengthen trust in financial reporting and contribute to sustainable, long-term value creation for businesses and society alike.

In line with regulatory requirements, this report covers the fiscal year ending 31 December 2024 and includes any relevant subsequent developments. It highlights our approach to Sustainable Audit Quality (SAQ), our internal quality controls, independence practices, and how we embed professional values throughout our operations.

VCA remains committed to continuous improvement. We rigorously evaluate both internal and external inspection findings and take action to enhance audit performance. As the need for transparency and confidence in capital markets grows, our role as auditors has never been more vital.

This report affirms our responsibility to uphold the highest standards of audit excellence and our dedication to creating long-term value for our clients, our people, and the public interest.



**Michael Curmi**  
Managing Partner

29 April 2025

## FOREWORD FROM THE MANAGING PARTNER

At VCA, we strive to do things a little differently—by combining strong technical expertise with a personalized, professional approach for each of our clients. Our unwavering commitment to delivering consistent, high-quality service has earned the trust and respect of our clients, their stakeholders, lending institutions, and the broader financial community.

A key priority for us is attracting and nurturing high-calibre, dedicated professionals. We believe in empowering our people by offering opportunities to grow alongside the firm. Continuous professional development is central to our culture; we actively support our team in advancing their education and deepening their specialization within our core service areas.

Quality lies at the heart of everything we do. It is the cornerstone of our reputation and essential to maintaining the trust of those we serve. Operating in an profession where quality, ethics, and independence are fundamental, we recognize that these values are more important than ever in today's evolving business landscape. With increasingly complex corporate structures, cross-border capital flows, and rising expectations for transparency, the demand for rigorous quality control has grown significantly.

In terms of financial performance, VCA's turnover for FY2024 increased by 13% when compared to FY2023.



**Michael Curmi**  
Managing Partner

29 April 2025

## LEGAL STRUCTURE AND OWNERSHIP

Established in 1969, VCA is one of Malta's leading independent accountancy practices, providing audit, accountancy, and tax compliance services to a diverse range of clients. Our client base spans from public-interest entities to privately held, family-run Maltese businesses—each benefiting from our tailored, high-quality professional services.

VCA, Certified Public Accountants, operates as a civil partnership registered with the Accountancy Board of Malta (Registration No. AB/26/84/46).

As of December 2024, the partners of the firm were:

**-Michael Curmi – Managing Partner and Money Laundering Reporting Officer (MLRO)**

**-Carol Cassar Torreggiani – Partner, Accounting and International Client Services**

**-Alice Losco – Audit Partner**

All partners are Certified Public Accountants and hold practicing certificates in auditing issued by the Accountancy Board.

In addition to VCA, the firm is affiliated with:

**-CAF Consultancy Limited**

CAF Consultancy Limited was granted a Class A Corporate Services Provider (CSP) license in October 2023. Its principal activity is to assist existing VCA clients in the incorporation of new companies, supporting business formation and regulatory compliance.

VCA operates from a single office located in Ta' Xbiex, Malta. For further information about our services, please visit our website at: [www.vca.com.mt](http://www.vca.com.mt)

## LEADERSHIP

At VCA, we firmly believe that the tone set at the top of an organization shapes its culture—and at the core of our culture is a strong and unwavering commitment to quality. We recognize that without delivering a consistently high-quality service, the success of all other strategic priorities would be at risk.

Over the past year, the Firm's partners have implemented several key initiatives to reinforce and promote our quality agenda across the practice. These include:

Regular partner meetings to align the strategic orientation of the firm with the present changes in the economic environment.

Operational responsibility for the system of quality control within VCA has been delegated to the Compliance Partner, Michael Curmi.

Appointment of external quality control reviewer, as recognized by the Malta Institute of Accountants to carry out reviews and provide technical advise as necessary.

These actions clearly demonstrate that risk management and quality control are central priorities at the engagement level and are deeply embedded in the mindset of all partners within our audit practice.

# INDEPENDENCE

To ensure the independence of our audits, it is critical that our partners and team members assigned to each engagement are free from any prohibited financial interests or relationships with our audit clients, their management, directors, and significant owners. Our firm's policies and procedures are specifically designed to uphold these independence requirements.

Key measures include:

## **1 Leadership Commitment to Quality**

At VCA, we recognize that a steadfast commitment to quality and ethical standards is fundamental to our work. The leadership team is fully dedicated to fostering a quality-oriented internal culture that ensures our work complies with professional standards, regulatory requirements, and legal obligations. We strive to issue reports that are appropriate to the circumstances of each engagement. Our policies and procedures support this commitment by helping leadership cultivate and sustain a culture of quality, ensuring that commercial pressures do not undermine our ethical responsibilities. Ultimately, the Managing Partner bears full responsibility for the firm's ethical standards and the overall quality control system.

## **2 Audit Partner and Senior Personnel Rotation**

To maintain independence, audit engagement partners must step down from their role after serving seven consecutive years on the statutory audit of a public-interest entity. Following this period, they cannot participate in the statutory audit of the same entity until the required cooling-off period has been fulfilled. For senior personnel, a gradual rotation mechanism is implemented based on individuals rather than the entire team, ensuring that fresh perspectives are regularly introduced in audits of public-interest entities.

## **3 Annual Confirmations**

Each year, VCA's members and staff are required to sign a written confirmation, declaring any potential threats to independence and affirming their adherence to the fundamental ethical principles set forth in the Accountancy Profession Act. All personnel must confirm that they do not hold any prohibited financial interests in the firm's audit clients and that they have no relationships or transactions with those clients that violate our ethical policies. These confirmations are required both upon joining the firm and annually thereafter.

## **4 Provision of Non-Audit Services**

We maintain strict policies to limit the non-audit services we provide to audit clients. The audit engagement partner is required to assess any potential threats arising from the provision of non-audit services and determine whether safeguards are in place to mitigate those risks, ensuring that only permitted services are provided.

## **5 Monitoring**

Our professionals are responsible for making necessary inquiries to ensure they do not hold any personal financial interests that are prohibited. As part of our annual internal quality control process, the firm reviews compliance with our independence policies, and all staff are required to sign independence confirmations annually.

## OUR PEOPLE

One of the key drivers of quality is ensuring that we have the right engagement leaders and staff members assigned to an engagement. Our people management system encompasses the following core areas:

- Recruitment
- Staff development and training
- Engagement assignment
- Performance evaluation and compensation

The Firm has a professional team that is made up of experienced staff as well as young bright, dynamic and motivated Certified Chartered Accountants and Bachelor of Arts (Hons) graduates. The Firm's policy is to attract and invest in high calibre and hard-working employees with the opportunity to share in the success of the set up.

### Recruitment

At VCA, we place a strong emphasis on continuous professional development to ensure our team maintains technical competence and stays current with regulatory requirements. Our professional development policies support both the mandatory regulatory training and the personal development goals of our staff. Staff development and training

Continuing education is the key to maintaining the highest of standards and this is done by:

Organising structured in house training courses which are mandatory and

Staff and partners are continually updating themselves by attending Malta institute of Accountants and other professional bodies structured CPE courses.

Also, all audit warrant holders are required by VCA to undertake training, in particular, according to Directive Number 1 issued in terms of the Accountancy Profession Act (Cap. 281) and of the Accountancy Profession Regulations 2009, whereby all warrant holders must spend at least twenty-five (25) hours per calendar year on structured CPE Activities.

## **Engagement assignment**

The firm's policy is to ensure an Engagement Partner is assigned to each job and their name and role is communicated to the client. The Engagement Partner must have the necessary skills and competence and time to undertake the role. The firm's policy is to ensure appropriately competent individuals are assigned to each job so that each job can be performed to the necessary standard. People are assigned to engagements based on several factors including their skill set, relevant professional and industry experience, and the nature of the assignment or engagement.

## **Performance Evaluation**

All qualified staff undergo annual goal setting and performance evaluations conducted by partners who are familiar with the individuals' performance. Everyone is evaluated on his or her attainment of agreed-upon goals, demonstration of skills/ behaviours, and adherence to our values.

## OUR CLIENTS

When a potential client approaches VCA, we prepare and issue a formal proposal following the initial meeting. This proposal outlines our understanding of the nature and scope of the requested services, clearly defines the responsibilities of both VCA and the client, describes the nature of the deliverables (such as reports), and provides a fee estimate.

Before accepting any new audit engagement, VCA undertakes a thorough evaluation to determine whether the engagement is appropriate and aligns with our firm's standards. Our client acceptance and continuance procedures are designed to ensure that we only enter into or maintain engagements when the following conditions are met:

- 1) We have assessed the integrity of the client and found no information that would cause us to question their ethical standing.
- 2) We are confident in our ability to perform the engagement competently and have the necessary skills, time, and resources available.
- 3) We can comply with all relevant ethical and professional requirements.

Based on the outcome of our overall risk assessment, additional safeguards may be introduced into our audit procedures to address any identified risks. These comprehensive acceptance and continuance protocols are critical to our ability to maintain audit quality and uphold our professional responsibilities.

## OUR QUALITY CONTROL PROCEDURES

The audit firm applies the internal quality control system established by VCA. The system includes policies and procedures addressing quality control systems within the audit firm, ethical requirements, client and engagement acceptance and continuance, human resources, engagement performance and monitoring. VCA's ISQC 1 Manual of Policies and Procedures Manual can be accessed online by each professional, on the Firm's internal network.

The firm is committed to following the requirements of ISQC 1 and of promoting a culture of quality throughout its organisation. We confirm our policy is:

- to ensure quality in all assignments that we perform;
- to ensure commercial considerations never override the quality of performance;
- to ensure sufficient resources are devoted to the development, documentation and support of the firm's quality control policies and procedures; and
- to ensure all audit work is controlled and signed off by the partners.

The firm's policy is that our system of quality control procedures will be subject to a robust review on an annual basis. This review will be conducted by the signing partners and will include a sample of file reviews. All deficiencies arising from this review and any associated file reviews will be acted upon and any corrective action to the system made.

## QUALITY CONTROL REVIEWS

Like most companies with quality review programmes, we identify areas for continuous improvement and disseminate our findings to our staff through written communications, internal training tools, and periodic partner, manager, and staff meetings. These areas are also emphasised in subsequent inspection programmes to gauge the extent of continuous improvement.

The firm is subject to reviews by the Quality Assurance Unit, set up within the Accountancy Board, which forms part of the Ministry of Finance, the Economy and Investment. The most recent review by the Quality Assurance Unit was carried out in 2023.

The firm also 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 and independence and ethical issues amongst others.

No issues have been raised through this continual quality control review programme that we believe have a material impact on the conduct of our statutory audit business.

We also have robust procedures in place for handling complaints received from clients relating to the quality of our work. The firm's policies and procedures are designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations that the work performed by the firm failed to comply with professional standards, and regulatory and legal requirements, and allegations of non-compliance with the firm's system of quality control. All formal complaints are investigated under the authority of a partner.

## AUDITS OF PUBLIC INTEREST ENTITIES

VCA issued statutory audit reports during the year ending 31 December 2024, for the following entities that fell within the definition of Public Interest Entities

**Eden Finance p.l.c (C-26843) – 31 December 2023, date of audit report 23 April 2024**

**SP Finance p.l.c (C-89462) – 31 December 2023, date of audit report 29 April 2024**

**The Ona p.l.c (C-101370)- 31 December 2023, date of audit report 29 April 2024**

The Accountancy Profession Act Cap 281 defines public interest entities as those:

- a) whose transferable securities are admitted to trading on a regulated market of any EU member state.
- b) credit institutions.
- c) insurance undertakings; and
- d) 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.

## FINANCIAL INFORMATION

VCA is committed to promoting a culture of quality throughout its organisation. Our goal has never been to become the largest accountancy practice but to be big where it matters – on giving a personalised professional service.

### Personnel

During the year ending 31 December 2024, the average number of personnel employed by VCA amounted to 12 (in full time equivalents).

### Revenue

The numbers below represent revenues for the year ended 31 December 2024 segmented by category as required by Article 18(k) of the Accountancy Profession Act (Cap. 281).

| Service  | Revenue (€)<br>2024 | Revenue (€)<br>2023 |
|--|---------------------|---------------------|
| Statutory audit (PIEs or PIE subsidiaries)         | 59,000              | 44,850              |
| Statutory audit (non-PIEs or non-PIE subsidiaries) | 644,587             | 530,398             |
| Non-audit services (audited clients)               | 177,253             | 199,595             |
| Non-audit services (other entities)                | 275,349             | 251,752             |
| <b>Total</b>                                       | <b>1,156,189</b>    | <b>1,026,595</b>    |

## PARTNER REMUNERATION

The partners do not have any predetermined level of remuneration. They are entitled to their share of the firm's total profits which are allocated according to the partners' respective equity interest.

None of the partners are remunerated based on fees generated by a particular service or group of services, or by a particular client or group of clients.