

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php.

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member:	Croatian Association of Accountants and Financial Experts (CAAFE)
Approved by Governing Body:	Board of Croatian Association of Accountants and Financial Experts
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Last Update:	November 2011
Next Update:	November 2012

GLOSSARY

CAAFE	Croatian Association of Accountants and Financial Experts
CoE	Code of Ethics
CPD	Continuing Professional Development
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
QA	Quality Assurance
SME	Small and Medium Enterprises
SMO	Statement of Membership Obligations

Action Plan Subject: Statement of Membership Obligation (SMO) 1 - Quality Assurance (QA)
Action Plan Objective: Work with the Chamber of Auditors to Examine the Current System of Quality Assurance and Compare to the International Federation of Accountants (IFAC) SMO 1 to Identify Areas of Weakness, Gap in Compliance and Potential for Improvement.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
The Croatian Association of Accountants and Financial Experts (CAAFE) operates as a voluntary body for those interested in accountancy (both private and public sector). Currently, the Croatian system of Quality Assurance (QA) is in-progress as the Croatian Public Oversight Board is in the process of developing and establishing its remit and as the Chamber of Auditors and the CAAFE work together to determine their roles and responsibilities in regards to QA.					
<i>Examine the current system of QA, compare to SMO1, identify compliance gaps, and undertake improvement activities</i>					
1.	June 2010	Contact Croatian Chamber of Audit to set up a meeting for discussing the development of a system of quality assurance for the Croatian Profession.	Completed	Vice President covers audit profession	Vice President covers audit profession
2.	August 2010	Work with the Croatian Chamber of Auditors to understand the status of the current system of quality assurance which exists in Croatia and the role of the Croatian Chamber of Auditors and how CAAFE can support the Chamber of Auditors in the development of a system of quality assurance.	Completed	Vice President covers audit profession	Vice President covers audit profession with assistance from the Croatian Chamber of Auditors and the Croatian Public Oversight Board
3.	November 2011	Continue communication and working relationship with Chamber of Auditors to identify, on an ongoing basis, where CAAFE efforts may continue to support the implementation of the system of QA in Croatia.	Ongoing	Vice President covers audit profession	Vice President covers audit profession with assistance from the Croatian Chamber of Auditors

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of CAAFE's Compliance Information</i>					
4.	May 2010	Perform periodic review of CAAFE response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish.	Completed	Vice President covers audit profession	Vice President covers audit profession, Standards Committee, Deputy President and CAAFE Office staff

Action Plan Subject: SMO 2 - International Education Standards (IESs)
Action Plan Objective: Continue to Support Adoption and Implementations of IESs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>Presently the CAAFE does not maintain a system for professional accounting education and certification. In Croatia, university graduates are able to practice as accountants without professional education or certification. In order to correct this situation, CAAFE has been working with the Chamber of Auditors to develop a system of professional education and certification in-line with IFAC SMO 2 and IESs. This review has included the utilization of a ‘walkthrough’ of the system of professional accountancy education in Croatia starting at the point of ‘university graduation’ and following the process of professional education and certification of an accountant in Croatia until the point of ‘Continuous Professional Development.’ The next step for this joint effort will be to compare the current system in-place in Croatia to the IESs benchmark to identify gaps in compliance and potential solutions for closing this gap.</p>					
<i>Further Adoption and Implementations of IESs</i>					
4.	May 2010	Translation of IESs 1-8 into Croatian with approval of IFAC.	Completed	Education Committee, Membership Committee, Deputy President	Education Committee, Membership Committee, Deputy President, Technical Assistant
5.	September 2010	Conduct a ‘walkthrough’ of the system of professional accountancy education in Croatia starting at the point of ‘university graduation’ and following the process of professional education and certification of an accountant in Croatia until the point of ‘Continuous Professional Development.’	Completed	Membership Committee, Education Committee	Membership Committee, Education Committee, Deputy President, Technical Assistant, CAAFE Office staff and assistance from the Croatian Chamber of Auditors

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	January 2011	Conduct an analysis which compares the 'walkthrough' of professional accountancy education in Croatia with the IFAC IESs to identify areas of weakness, gaps in compliance and areas for improvement.	June 2012	Membership Committee, Education Committee	Membership Committee, Education Committee, Deputy President, Technical Assistant, CAAFE Office staff, and assistance from the Croatian Chamber of Auditors.
7.	June 2012	As a joint working group (CAAFE and Chamber of Auditors), consider possible solutions for eliminating the compliance gap between the current system of accountancy education, certification and CPD and the IESs.	September 2012	Membership Committee, Education Committee	Membership Committee, Education Committee, Deputy President, Technical Assistant, CAAFE Office staff, and assistance from the Croatian Chamber of Auditors.
8.	September 2012	Develop a strategic plan which outlines how CAAFE and the Chamber of Auditors may work together to minimize compliance gaps in the Croatian accountancy education, certification and CPD system with IESs.	November 2012	Membership Committee, Education Committee	Membership Committee, Education Committee, Deputy President, Technical Assistant, CAAFE Office staff, and assistance from the Croatian Chamber of Auditors.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Introducing Practical Experience Requirement</i>					
9.	January 2011	Review and incorporation of IES 5 and guideline "Practical Experience Requirements - Initial Professional Development" into the analysis which compares the 'walkthrough' of professional accountancy education in Croatia with the IFAC IESs to identify areas of weakness, gaps in compliance and areas for improvement.	June 2012	Education Committee	Education Committee, Deputy President, Technical Assistant
<i>Implementation of Continuing Professional Development (CPD) Requirements</i>					
10.	January 2011	Review and incorporation of IES 7 and International Education Paper 2, "Towards Competent Professional Accountants" into the analysis which compares the 'walkthrough' of professional accountancy education in Croatia with the IFAC IESs to identify areas of weakness, gaps in compliance and areas for improvement.	June 2012	Education Committee	Education Committee, Deputy President, Technical Assistant
11.	2010	Implement recently developed CPD Program which includes 120 hours of education (60 hours on up to date International Standards on Auditing (ISA) implementation and 60 hours of up to date International Financial Reporting Standards (IFRS) implementation).	Completed	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of CAAFE's Compliance Information</i>					
12.	Ongoing	Perform periodic review of CAAFE response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Completed	Education Committee, Membership Committee, Deputy President, Technical Assistant	Education Committee, Membership Committee, Deputy President, Technical Assistant

Action Plan Subject: SMO 3 - International Auditing and Assurance Standards Board (IAASB) Pronouncements
Action Plan Objective: Promoting Ongoing Convergence and Assisting with Implementation

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
ISAs are officially adopted into law in Croatia and are published publicly via the government gazette. This requirement for ISA adoption began in 1992 and is embodied in the country's Audit Act. In April 2010, the Croatian Standards Setting Board (the body responsible for the adoption of ISA in Croatia) adopted and released via website the most recent version of ISA translated into the Croatian language (clarified ISAs).					
<i>Promoting Ongoing Convergence and Assisting with Implementation</i>					
13.	May 2010	Develop a training seminar specifically for university professors to assist them in teaching the theory and practical application of the new updates to ISA in the classroom.	Ongoing, May 2012	Standards Committee	Standards Committee, Deputy President
14.	May 2010	Review audit legislation framework regarding adoption, implementation of ISA auditing standards.	Ongoing	Standards Committee	Standards Committee, Deputy President
15.	January 2010	Develop a formal 'Task Force' with the Chamber of Auditors to review recently released 'Exposure Drafts' of the International Auditing and Assurance Standards Board (IAASB) standards and pronouncements and to provide feedback and input into the standard setting process.	September 2012	Standards Committee, Chamber of Auditors	Standards Committee, Deputy President, Chamber of Auditors

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
16.	Ongoing	Continue to promote IAASB pronouncements through various CAAFE sponsored workshops, seminars, conferences which focus on ISA implementation	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
17.	Ongoing	Implement recently developed plan for CPD which includes 120 hours of education (60 hours on up to date ISA implementation).	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
18.	Ongoing	Continue to promote IAASB pronouncements and their implementation through the CAAFE hotline which provides information and guidance on a variety of topics including implementation of ISAs.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
19.	Ongoing	Publication of the magazine "Računovodstvo i financije" which is targeted to members of CAAFE as well as to other accountancy and finance professionals.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
20.	Ongoing	Publications of the textbook "Revizija" (Audit) published in 2007 2nd edition which is used in the 6 main universities in Croatia.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
<i>Review of CAAFE's Compliance Information</i>					
21.	Ongoing	Perform periodic review of CAAFE response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Standards Committee, Deputy President, Technical Assistant	Standards Committee, Deputy President, Technical Assistant

Action Plan Subject: SMO 4 - the International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Promoting the IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
CAAFE has adopted and implemented the most recent version of the IESBA Code of Ethics for Professional Accountants without modification. The Chamber of Auditors has translated this CoE into Croatian and it is publicly available on their website. To ensure proper implementation of the Code of Ethics, CAAFE updated their awareness building and education programs to incorporate modifications and additions to the Code of Ethics.					
<i>Promoting the IESBA Code of Ethics</i>					
22.	Ongoing	Annual review of CoE by the Professional Ethics and Disciplinary Procedure Committee to identify any new changes and to make sure Croatian CoE is up to date.	Ongoing	Professional Ethics and Disciplinary Procedure Committee, Education Committee	Professional Ethics and Disciplinary Procedure Committee, Education Committee, Deputy President
23.	Ongoing	Raise awareness of any changes to the Code of Ethics to Chamber of Auditors.	Ongoing	Professional Ethics and Disciplinary Procedure Committee, Education Committee	Professional Ethics and Disciplinary Procedure Committee, Education Committee, Deputy President

#	Start Date	Actions	Completion Date	Responsibility	Resource
24.	Ongoing	Modify CAAFE awareness building and education programs to ensure their incorporation of new updates to the Code of Ethics.	Ongoing	Professional Ethics and Disciplinary Procedure Committee, Education Committee	Professional Ethics and Disciplinary Procedure Committee, Education Committee, Deputy President
<i>Review of CAAFE's Compliance Information</i>					
25.	Ongoing	Perform periodic review of CAAFE response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance staff about the updates in updated information.	Ongoing	Professional Ethics and Disciplinary Procedure Committee	Professional Ethics and Disciplinary Procedure Committee, Deputy President and Technical Assistant

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSAS)

Action Plan Objective: Continue to Promote IPSASs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Croatia does not currently require the use of IPSAS; however, CAAFE has been promoting the use of IPSAS and public financial management through its educational programs, conferences and seminars. In support of IPSAS, CAAFE has worked for the past few years to create awareness and understanding among key stakeholders in the Ministry of Finance. CAAFE plans to continue these efforts as well as to work with the IFAC Translation Department to produce a high quality translation of IPSAS which is developed in-line with IFAC translation policies. Translation of the most recent version of IPSAS will be very useful to CAAFE as it works to enhance awareness, educate and promote IPSAS adoption and implementation in Croatia.					
<i>Continue to Promote IPSASs</i>					
26.	Ongoing	Continue to raise awareness of new and proposed IPSASs among CAAFE members and Croatian accountancy and finance professionals.	Ongoing	Standard Committee, Education Committee	Standard Committee, Education Committee
27.	January 2010	Arrange a meeting/presentation with the Ministry of Finance about the work of the IPSASB and the importance of IPSAS adoption.	June 2012	Standard Committee	Standard Committee, Education Committee, Deputy President
28.	April 2010	Continue discussions with the Ministry of Finance about the work of the IPSASB and the possible positive impacts of adopting and implementing IPSASs.	June 2012	Standard Committee	Standard Committee, Education Committee, Deputy President
29.	September 2011	Undertake translation of IPSASs. Contact IFAC Translations Department prior to commencement of translation activities. Work with IFAC Translation Department to produce high quality translations which are developed in-line with IFAC translation policies.	December 2012	Standard Committee	Standard Committee, Deputy President

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
30.	Ongoing	Continue to promote and support implementation of IPSASs in Croatia through annual conferences, workshops, and symposium on the subject of public finance and IPSASs.	Ongoing	Standard Committee, Deputy President	Standards Committee, Education Committee, Deputy President and Technical Assistant
31.	Ongoing	Continue to promote IPSASB pronouncements and their implementation through the CAAFE hotline which provides information and guidance on a variety of topics including implementation of IPSASs.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
32.	Ongoing	Publication of the regular magazine addition Riznica which provides articles and commentary on key IPSAS and other public financial management issues.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
<i>Review of CAAFE's Compliance Information</i>					
33.	Ongoing	Perform periodic review of CAAFE response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Standards Committee	Standards Committee, Deputy President and Technical Assistant

Action Plan Subject: SMO 6 - Investigation & Discipline (I&D)
Action Plan Objective: Need for an Investigation and Discipline Mechanism

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Presently CAAFE does not maintain a system of Investigation and Discipline (I&D), however, the CAAFE has preliminarily established a committee for Professional Ethics and Discipline Procedure Committee to undertake in preparation for its new roles and responsibilities in this area.</p>					
34.	May 2011	Review SMO6 and gain familiarity with its requirements for a system of I&.	January 2012	Professional Ethics and Discipline Procedure Committee, President and Deputy President	Professional Ethics and Discipline Procedure Committee, President and Deputy President
35.	January 2012	<p>Identify key components necessary for the successful development of a system of I&D in-line with IFAC SMO 6. In identifying these key components, be sure to review:</p> <ul style="list-style-type: none"> • ‘Establishing and Developing a Professional Accountancy Body’ Toolkit • Tools and Resources to Support the Development of the Accounting Profession <p>Both of these documents can be found on the IFAC website: www.ifac.org</p>	March 2012	Professional Ethics and Discipline Procedure Committee, President and Deputy President	Professional Ethics and Discipline Procedure Committee, President and Deputy President

#	Start Date	Actions	Completion Date	Responsibility	Resource
36.	March 2012	Reach out to regional peer PAOs which maintain established systems of I&D to investigate lessons learned, key success factors, and best practices in the area of I&D.	May 2012	Professional Ethics and Discipline Procedure Committee, President and Deputy President	Professional Ethics and Discipline Procedure Committee, President and Deputy President
37.	May 2012	Begin working to design a program of I&D for CAAFE. Work to ensure that the design of this program draws upon IFAC SMO 6, IFAC tools and guidance, and the experience of regional peer PAOs.	September 2012	Professional Ethics and Discipline Procedure Committee, President and Deputy President	Professional Ethics and Discipline Procedure Committee, President and Deputy President
38.	January 2011	Raise awareness with the Chamber of Auditors regarding IFAC SMO 6 and the possibility for communication and cooperation in the area of investigation and discipline.	Ongoing	Professional Ethics and Discipline Procedure Committee, President and Deputy President	Professional Ethics and Discipline Procedure Committee, President and Deputy President
<i>Review of CAAFE's Compliance Information</i>					
39.	Ongoing	Perform periodic review of CAAFE response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to	Ongoing	Professional Ethics and Discipline Procedure Committee,	Professional Ethics and Discipline Procedure Committee, Deputy President and Technical Assistant

#	Start Date	Actions	Completion Date	Responsibility	Resource
		republish updated information.		President and Deputy President	

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRSs)
Action Plan Objective: Continue to Use Best Endeavors to Maintain and Continuously Improve Ongoing Program for Adoption and Implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background :</i>					
Croatia currently requires the adoption of IFRS for large companies and financial institutions. The National Financial Reporting Standards Committee (comprised of 9 persons) reviews translations of IFRS for approval and adoption in Croatia. The most up to date version of IFRS has recently been translated into Croatian and is now available publicly in the National Gazette. For Small and Medium Enterprises (SMEs), Croatia requires the application of national financial reporting standards. CAAFE will continue to assist the National Financial Reporting Standards Committee in maintaining and improving a program for ongoing adoption and implementation of IFRSs					
<i>Maintaining Ongoing Processes</i>					
40.	May 2010	Develop a training seminar specifically for university professors to assist them in teaching the theory and practical application of the new updates to IFRS in the classroom.	Ongoing	Standards Committee	Standards Committee, Deputy President
41.	May 2010	Review audit legislation framework regarding adoption, implementation of IFRS Financial reporting standards.	Ongoing	Standards Committee	Standards Committee, Deputy President
42.	January 2010	Develop a formal 'Task Force' with the Chamber of Auditors to review recently released 'Exposure Drafts' of IASB standards and pronouncements and to provide feedback and input into the standard setting process.	Ongoing	Standards Committee, Chamber of Auditors	Standards Committee, Deputy President, Chamber of Auditors

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
43.	Ongoing	Continue to actively participate in the meetings of National Financial Reporting Standards Committee and provide input and feedback on standards setting.	Ongoing	Chairman of the Standards Committee, Deputy President	Chairman of the Standards Committee, Deputy President with the support of Technical Assistant
44.	Ongoing	Continue co-operation with the Ministry of Finance in translation and implementation of IFRS and interpretations for use in Croatia	Ongoing	Standards Committee	Chairman of the Standards Committee, Chairman of the Education Committee, Deputy President with the support of Technical Assistant
45.	Ongoing	Continue in discussion on problematic aspects of the IFRS implementation in Croatia with the Ministry of Finance and support endorsement of voluntary implementation of IFRS in the Croatian accounting legislation	Ongoing	Standards Committee	Chairman of the Standards Committee, Chairman of the Education Committee, Deputy President with the support of Technical Assistant
46.	Ongoing	Continue providing information on the latest developments in IFRS through magazine <i>Računovodstvo i financije</i> and other publications which are targeted to the CAAFE membership and other accountancy and finance professionals.	Ongoing	Standards Committee	Chairman of the Standards Committee, Chairman of the Education Committee, Deputy President with the support of Technical Assistant
47.	Ongoing	Continue to promote IASB pronouncements through various CAAFE sponsored workshops, seminars, conferences which focus on IFRS implementation	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President

#	Start Date	Actions	Completion Date	Responsibility	Resource
48.	Ongoing	Implement recently developed plan for CPD which includes 120 hours of education (60 hours on up to date IFRS implementation)	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
49.	Ongoing	Continue to promote IASB pronouncements and their implementation through the CAAFE hotline which provides information and guidance on a variety of topics including implementation of IFRSs.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
50.	Ongoing	Publications of the textbook "Accounting Principles" which includes teachings on the most recent updates to IFRS and is used in the 6 main universities in Croatia.	Ongoing	Standards Committee, Education Committee	Standards Committee, Education Committee, Deputy President
<i>Review of CAAFE's Compliance Information</i>					
51.	Ongoing	Perform periodic review of CAAFE's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated Information.	Ongoing	Standards Committee	Standards Committee, Deputy President, Technical Assistant
52.	September 2011	Update released IFRSs in accordance with regulations of European Commission	September 2012	Standards Committee	Standards Committee, Deputy President
53.	September 2011	Change National Financial Reporting Standards in accordance with requirements of European Commission and adjustment to changes in IFRSs	September 2012	Standards Committee	Standards Committee, Deputy President