

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 Questionnaires. 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 the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self- Assessment Questionnaire for 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

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| IFAC Member: | <i>CPA Australia Ltd</i> |
| Approved by: | <i>Chief Executive Officer, Alex Malley</i> |
| Original Publish Date: | <i>July 2009</i> |
| Last Updated: | <i>December 2010</i> |
| Next Update: | <i>December 2011</i> |

GLOSSARY:

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| AAS | Australian Accounting Standards |
| AASB | Australian Accounting Standards Board |
| APESB | Accounting Professional and Ethical Standards Board |
| ASIC | Australian Securities and Investments Commission |
| AUASB | Auditing and Assurance Standards Board |
| EAC | Education Advisory Committee |
| FRC | Financial Reporting Council |
| PFC | Professional Standards Council |
| PPC | Public Practice Certificate |
| QAP | Quality Assurance Program |

Action Plan Subject: SMO 1 and Quality Assurance
Action Plan Objective: Maintenance of Compliance with SMO 1

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|----------------------------------|----------|
| <p>Environment and Background:</p> <p>QAP PURPOSE: The main purpose of the CPA Australia Quality Assurance Program (QAP) is to ensure that CPAs offering accounting services to the public (i.e. CPAs in public practice) maintain the highest professional standards.</p> <p>QAP OVERSIGHT: Oversight of the QAP of its members is the responsibility the Board of CPA Australia. The Auditing and Assurance Standards Board (AUASB) and the Australia Accounting Standards Board (AASB) are responsible for setting auditing standards and accounting standards, respectively, and the Accounting Professional Ethical Standards Board (APESB), an independent body established by the accounting bodies, sets professional standards. The Financial Reporting Council (FRC) is a statutory body under the <i>Australian Securities and Investments Commission Act 2001</i> and is responsible for providing broad oversight of the process for setting accounting and auditing standards as well as monitoring the effectiveness of auditor independence requirements in Australia.</p> <p>Link to FRC: www.frc.gov.au</p> | | | | | |
| <p>Maintaining Ongoing Processes</p> | | | | | |
| 1. | Ongoing | <p>Quality Assurance Review Program</p> <p>QA Program continues to operate as per the agreed model – no changes have been made or proposed since the last report</p> | Ongoing | General Manager, Public Practice | |
| 2. | Ongoing | Increased focus has been placed on education and dissemination of learning outcomes from the program (i.e. educating on common breaches and mechanisms to improve quality control procedures) | Ongoing | General Manager, Public Practice | |

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| 3. | Ongoing | Continue to ensure members offering public accounting services and who thus hold a public practice certificate (PPC) undertake a Quality Review based on individual risk | Ongoing | Executive General Manager Member Engagement | QA Team (3 technical staff + 4 administrative staff) |
| 4. | Annually | <p>Quality Control Standards</p> <p>Continue to ensure the Quality Review Manual is in place and reviewed annually (last edition June 2008).</p> <p>The manual is available to all members via CD ROM and Webpage: https://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA-6F105D27/cpa/hs.xsl/981_9146_ENA_HTML.htm</p> | Annually in June | General Manager, Public Practice Manager Quality Assurance Program | QA Team and contracted technical advisers |
| <i>Ongoing Processes - Design of the Quality Assurance Review Program</i> | | | | | |
| 5. | Three times per year | <p>Continue to confirm the Program's design will obtain reasonable assurance that</p> <ul style="list-style-type: none"> ▪ the partner/firm complies with the system; and ▪ the partner/firm has adhered to professional standards and regulatory and legal requirements in performing audits of financial statements selected for review. <p>▪ Publication of a description of the scope and design of the quality assurance review program and related procedures to be followed by quality assurance review teams</p> | Ongoing | Board of CPA Australia General Manager Member Services | QA Team and contracted technical advisers |

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| 6. | 01 June 2005 | <p>Review Cycle</p> <p>QA Cycle for eligible members is based on individual risk assessment and outcomes of previous review.</p> <p>Cycle for members is between 3-5 years.</p> | Ongoing | General Manager, Public Practice Manager Quality Assurance | Quality Assurance Team within CPA Australia, plus 60 trained reviewers |
| 7. | Ongoing | <p>Quality Assurance Review Team Procedures and Documentation</p> <p>Continue to confirm that the quality assurance review teams follow procedures that are based on published guidelines.</p> <p>Continue to confirm that the quality assurance review team documents matters that:</p> <ul style="list-style-type: none"> - provide evidence supporting the quality assurance review report; and - establish that the quality assurance review was carried out in accordance with CPA Australia's guidelines. - comply with CPA Australia's storage and destruction policy. | Ongoing review | General Manager, Public Practice Manager Quality Assurance | QA team and contracted technical advisers |
| 8. | Ongoing | <p>Corrective and Disciplinary Actions</p> <p>Continue to confirm that:</p> <ul style="list-style-type: none"> ▪ as required, each member subject to a quality assurance review makes appropriate corrections to their system of quality control, or their policies and procedures are in compliance; and | Ongoing | General Manager, Public Practice Manager Quality Assurance Manager | Professional Conduct Team |

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| | | when a member subsequently fails to demonstrate compliance with professional standards and regulatory and legal requirements, appropriate disciplinary action is instigated | | Professional Conduct | |
| Ongoing Processes - Quality Assurance Team | | | | | |
| 9. | Ongoing | <p>Quality Assurance Review Team and Team Leader</p> <p>Continue to confirm there are an appropriate number of reviewers to accomplish the review within a reasonable time period.</p> <p>Confirm that a quality assurance review team leader is assigned for each quality assurance review assignment to:</p> <ul style="list-style-type: none"> ▪ supervise the conduct of the quality assurance review; ▪ communicate the conclusions to the member; and ▪ prepare the report. <p>Skills and Competence</p> <p>Continue to confirm that members of the quality assurance review team have the necessary competencies to perform the work.</p> | Ongoing | General Manager, Public Practice Manager Quality Assurance | Quality Assurance Team |
| 10. | Ongoing | <p>Ethical Requirements and Confidentiality</p> <p>Continue to confirm that:</p> <ul style="list-style-type: none"> ▪ the fundamental principles set out in the IFAC Code (in addition to relevant national codes of ethics) are considered; ▪ members are exempted from the relevant conditions contained in the IFAC Code or | Ongoing | General Manager Public Practice Manager Quality Assurance | Quality Assurance Team |

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| | | <p>relevant national codes of ethics regarding professional client confidentiality requirements concerning audit engagement working papers, and</p> <ul style="list-style-type: none"> ▪ the quality assurance review team follows confidentiality requirements similar to those established for professional accountants performing audits of financial statements. | | | |
| 11. | Ongoing | <p>Reporting and Member Response</p> <p>Continue to confirm that:</p> <ul style="list-style-type: none"> ▪ the quality assurance review team leader issues a written quality assurance review report to the reviewed firm or partner upon completion. ▪ the reviewed member provides a timely written response to the recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation, which in turn is agreed by the quality assurance review team and CPA Australia. | Ongoing | <p>General Manager, Public Practice</p> <p>Manager Quality Assurance</p> | Quality Assurance Team |
| 12. | Ongoing | <p>Annual Reporting on Outcomes of Program</p> <p>Continue to confirm that reports on the outcomes of the program are provided to members and key stakeholders by:</p> <ul style="list-style-type: none"> ▪ providing updates on the program to government | Ongoing | <p>General Manager, Public Practice</p> <p>Manager Quality Assurance</p> | Quality Assurance Team |

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| | | <p>regulators including the Financial Reporting Council (FRC)¹ and the Professional Standards Council²;</p> <ul style="list-style-type: none"> ▪ reporting program outcomes to members via monthly newsletters and CPD activities; and publishing an annual report. | | | |
| <i>Review of CPA Australia's Compliance Information</i> | | | | | |
| 13. | Ongoing | Continue to perform a periodic review of the response to the IFAC Compliance self-assessment questionnaire, update sections relevant to this SMO and work with Compliance staff to publish updated information. | 1 July annually or ongoing | CEO General Manager, Public Practice | CPA Australia staff |

¹ The FRC is responsible for providing broad oversight of the process for setting accounting and auditing standards as well as monitoring the effectiveness of auditor independence requirements in Australia and giving the Minister reports and advice on these matters.

² The Professional Standards Councils approve and monitor Limited Liability schemes through-out Australia on behalf of state, territory and commonwealth government which require participating occupational associations to implement strategies for improving professional standards and protecting consumers.

Action Plan Subject: SMO2 International Education Standards for Professional Accountants and Other IAESB Guidance.
Action Plan Objective: Continue to use “best endeavours” to ensure CPA Australia’s continued compliance with IES and other IAESB Guidance

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---------|-----------------|----------------|----------|
| <p><i>Environment and Background:</i></p> <p>Since its inception in 1986, the CPA Program has undergone many changes to keep ahead of the business world and ensure graduates are equipped to be leaders in finance, accounting and business advice. The CPA Program continues to be recognised as a leading professional program and receives strong endorsement by graduates.</p> <p>Detailed information about CPA Australia’s professional education program, its requirements, CPD and training can be found in the relevant sections on the CPA’s website at www.cpaaustralia.com.au</p> <p><i>New Developments</i></p> <p>CPA Australia is developing new pathways to open up opportunities for global business leaders to work towards attaining the CPA designation. In addition to recognizing the prior learning and experience potential members bring, we will be providing more options for graduates from other disciplines, and candidates with gaps in their core knowledge, to work towards CPA status. All broadened entry pathways will be available from semester 1, 2010, however, as part of the transition process CPA Australia will be accepting professional qualifications from recognized professional bodies from semester 2, 2009.</p> <p>Currently we have a CPA Program comprising of six postgraduate-level distance learning segments, and a separate Mentor Program comprising of three years of mentored practical experience. Both requirements need to be completed to gain CPA status.</p> <p>Under the new model, 'CPA Program' will refer to the whole certification model - the formal education plus the practical experience requirements.</p> <p>CPA Australia's CPA Program ensures candidates develop the appropriate skills, knowledge and values required of a CPA through a combination of coherent learning experiences.</p> <p>The syllabus for the CPA Program focuses on strategy, leadership and international business. Content will be globally relevant.</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| <p>Importantly, the program will also continue to address the needs of employers and lead to a highly valued and global designation. CPA Australia will maintain the same rigorous standards of competence currently as has always been required to achieve the CPA Australia designation.</p> <p>In order to move quickly to the revised model for the CPA Program, CPA Australia will enroll candidates who are undertaking their first segment in semester 2, 2009 in the new syllabus for the CPA Program. If candidates have already commenced the CPA Program and enrolled in semester 1, 2009 or prior, candidates will have received information about their transition options.</p> | | | | | |
| <p><i>Maintaining Ongoing Processes – Continue to review and assess entry requirements to ensure ongoing compliance with IES statements</i></p> | | | | | |
| 1. | Per semester | Continue to assess the: <ul style="list-style-type: none"> ▪ program of applicants for admission as associates to ensure it complies with IES2; and ▪ applicants’ practical experience to ensure compliance with IES5. | Ongoing | GM Professional Programs & Pathways | 16+ full time staff |
| 2. | Every three years | Continue to review the professional education program structure and content every three years. | Ongoing | GM Professional Programs & Pathways | 16 full time staff |
| 3. | Every two years | <ul style="list-style-type: none"> ▪ Continue to ensure admission requirements remain relevant to the needs of the profession; and they are reviewed by the Education Advisory Committee. | Ongoing | GM Professional Programs & Pathways | 16 full time staff |
| 4. | Annually | <ul style="list-style-type: none"> ▪ Continue to review and accredit all recognized accounting (Bachelor) degrees; and ▪ continue to implement assessment process to ensure applicants meet entry requirements. | Ongoing | GM Professional Programs & Pathways Manager MAIS | 5 full time staff 10 full time staff |
| 5. | Ongoing | Continue to: <ul style="list-style-type: none"> ▪ review and assess acceptable form of pre-qualification professional accounting knowledge; and ▪ implement assessment process to ensure applicants meet entry requirements. | Ongoing | GM Professional Programs & Pathways | 12 full time staff |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| 6. | Annually | <p>Continue to review and assess acceptable form of pre-qualification professional accounting knowledge for:</p> <ul style="list-style-type: none"> ▪ detailed individual assessments of qualifications of applicants; and ▪ requirements to be reviewed annually. | Ongoing | <p>Education Advisory Committee</p> <p>GM Professional Programs & Pathways</p> | 10 full time staff |
| <i>Ongoing Processes : IES 2 - Pre-Qualification for Professional Knowledge</i> | | | | | |
| 7. | Per semester | <p>Continue to review and assess:</p> <ul style="list-style-type: none"> ▪ educational program to ensure graduates have the required professional knowledge to function as graduate accountants as required by IES2; and ▪ requirements of IES2 in regards to professional accountancy knowledge to ensure compliance and report to Education Advisory Committee. | Ongoing | GM Professional Programs & Pathways | 5 full time staff |
| 8. | Per semester | <ul style="list-style-type: none"> ▪ Continue to review requirements of IES2 in relation to accounting, finance and related subject areas to ensure compliance and report to Education Advisory Committee; and | Ongoing | GM Professional Programs & Pathways | 5 full time staff |
| | Annually | <ul style="list-style-type: none"> ▪ Continue to ensure that the Manager Mentor Program & Accreditation obtains reports from accredited education providers regarding any course changes or significant staffing changes. | Ongoing | GM Professional Programs & Pathways | |
| <i>Ongoing Processes: IES 3, IES 4 – Professional Skills, Knowledge, Values and Ethics.</i> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| 9. | Per semester | <p>Continue to review and assess:</p> <ul style="list-style-type: none"> ▪ the educational program to ensure graduates have acquired a high level of intellectual skills as required by IES3; and ▪ the requirements of IES3 in relation to development of intellectual skills to ensure compliance and report to Education Advisory Committee. | Ongoing | GM Professional Programs & Pathways | 10 full time staff |
| 10. | Per semester | <p>Content for Values, Ethics and Attitudes</p> <p>Continue to review and assess:</p> <ul style="list-style-type: none"> ▪ the educational program to ensure graduates are equipped with appropriate professional values ethics and attitudes as required by IES4; and ▪ the requirements of IES4 to ensure compliance and report to Education Advisory Committee. | Ongoing | GM Professional Programs & Pathways | 8 full time staff |
| 11. | Per semester | <p>IFAC Code of Ethics</p> <ul style="list-style-type: none"> ▪ Continue to review the Professional Education Program content to ensure it is based on relevant sections of the IFAC Code of Ethics. ▪ Continue to update the “Code of Ethics for Professional Accountants” in the members’ handbook. | Ongoing | GM Professional Programs & Pathways | 8 full time staff |
| | Content to be reviewed in March and September each year | | Ongoing | Manager Professional Conduct | 2 full time staff |
| <i>Ongoing Processes : IES 5 - Practical Experience Requirement</i> | | | | | |
| 12. | Per semester | <ul style="list-style-type: none"> ▪ Continue to ensure: | Ongoing | GM Professional | 16 full time |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| 14. | Annually | <p>Monitoring Practical Experience</p> <p>Continue to:</p> <ul style="list-style-type: none"> ▪ review and assess Practical Experience Program to ensure graduates have acquired appropriate practical experience to function competently; ▪ obtain mentor attestation of compliance; ▪ obtain employer attestation of compliance; and ▪ review mentor program to ensure compliance with IES5. | Ongoing | GM Professional Programs & Pathways | 8 full time staff |
| <i>Ongoing Processes : IES 6 - Final Assessment Requirement</i> | | | | | |
| 15. | Every two years | Review and assess assessment procedures and requirements | Ongoing | GM Professional Programs & Pathways | 10 full time staff |
| 16. | Per semester | <p>Continue to ensure final assessment format meets IES6 requirements.</p> <ul style="list-style-type: none"> ▪ review and assess assessment procedures to ensure candidates' professional capabilities and competencies are appropriately assessed ▪ have systems in place to ensure assessment is: <ul style="list-style-type: none"> ○ uniform for all candidates; ○ given simultaneously where it is being held in more than one location in the country; and ○ set and assessed by qualified or approved individuals. ▪ maintain systems in place to ensure pre-qualification requirements relating to professional knowledge, professional skills, and professional | Ongoing | GM Professional Programs & Pathways Manager MAIS | 10 full time staff |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | <p>values, ethics, and attitudes are met</p> <ul style="list-style-type: none"> ▪ review final assessment to ensure assessment of professional knowledge is reliable and valid | | | |
| 17 | Annually | <ul style="list-style-type: none"> ▪ Continue to have systems in place to ensure candidates have qualified within the required timeframe. | Ongoing | Manager MAIS | 8 full time staff |
| | Bi-annual | <ul style="list-style-type: none"> ▪ Continue to conduct bi-annual audit of candidates who have failed to continue enrolment in the CPA Program. | Ongoing | Manager MAIS | 8 full time staff |
| 18 | February and September per year | Review testing and moderation systems twice a year to ensure integrity of system and questions. | Ongoing | GM Professional Programs & Pathways | 10 full time staff |
| <i>Ongoing Processes : IES 7 - Continuous Professional Development</i> | | | | | |
| 19 | Annually | <p>Continue to:</p> <ul style="list-style-type: none"> ▪ review requirements of IES7 annually to ensure compliance. ▪ conduct CPD Audit Review ▪ follow-up members who have failed to meet minimum CPD requirements. ▪ communicate any changes to CPD requirements to members via appropriate channels in a timely manner such as: <ul style="list-style-type: none"> - appropriate amendments to the CPA Program; - conducting CPA events and information sessions; - updating Webpage: http://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA- | Ongoing | GM Public Practice | 10 full time staff |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | 6F105D27/cpa/hs.xsl/30660_ENA_HTML.htm ; and communications plan. | | | |
| Ongoing Processes : Activities to Promote IESs SMO 2 | | | | | |
| 20 | Ongoing | <p>Education Advisory Committee to continue to:</p> <ul style="list-style-type: none"> ▪ review IESs and prepare implementation plan to educate and ensure members can abide by the requirements; ▪ ensure by-laws and regulations meet minimum standards; and ▪ promptly communicate standards to members via appropriate channels such as: <ul style="list-style-type: none"> - appropriate amendments to the CPA Program; - conducting CPA events and information sessions; - updating Webpage: http://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA-6F105D27/cpa/hs.xsl/801_ENA_HTML.htm); and - communications plan. | Ongoing | <p>GM Professional Programs & Pathways</p> <p>Manager Professional Conduct</p> | <p>10 Full time staff</p> <p>2 Full time staff</p> |
| Review of CPA Australia's Compliance Information | | | | | |
| 21. | Ongoing | Continue to perform periodic review of the response to the IFAC Compliance self-assessment questionnaire and update sections relevant to this | 1 July annually or ongoing. | CEO and Executive General Manager | CPA Australia staff |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | SMO and work with Compliance staff to publish updated information. | | – Member Knowledge | |

SMO 2 – Additional Information

The member must have the following to use the CPA designation:

- an undergraduate degree accredited by CPA Australia or a degree approved by CPA Australia
- completion of the CPA Program, a comprehensive postgraduate professional study program
- completion of three years’ supervised or mentored experience in finance, accounting or business
- undertake continuing professional development each year
- show continued adherence to a strict code of conduct set by CPA Australia

To offer public accounting services, CPAs must also complete CPA Australia's Public Practice Program, which involves distance learning and a residential component, and must hold a Public Practice Certificate in accordance with the CPA Australia's by-laws.

Refer: https://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA-07551D24/cpa/hs.xsl/1038_4026_ENA_HTML.htm

To become a member of CPA Australia the simplest pathway is to complete an undergraduate degree accredited by CPA Australia.

To be eligible, subjects must be completed in accounting, finance and business areas to satisfy the minimum core knowledge. This can be done through a major in accounting, a double-major including accounting or a double degree. If you've already completed an undergraduate degree that has been accredited by CPA Australia, you are eligible to apply for an Associate membership.

Refer: https://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA-07551D24/cpa/hs.xsl/800_3525_ENA_HTML.htm

To become a CPA, Associate members must complete the CPA Program and the Practical Experience Mentor Program (Mentor Program). The three year Mentor Program provides a framework for developing and demonstrating practical workplace skills at a professional level, in the areas of accounting and / or finance, while being mentored by an approved mentor and documenting what they do at work.

Refer: https://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA-07551D24/cpa/hs.xsl/802_21806_ENA_HTML.htm

Under the new model the “CPA Program” will refer to the whole certification model - the formal education plus the practical experience requirements. CPA Australia's CPA Program ensures candidates develop the appropriate skills, knowledge and values required of a CPA through a combination of coherent learning experiences. The syllabus for the CPA Program focuses on strategy, leadership and international business. Content will be globally relevant. Importantly, the program will also continue to address the

needs of employers and lead to a highly valued and global designation. CPA Australia will maintain the same rigorous standards of competence currently as has always been required to achieve the CPA Australia designation.

Formal assessment for each segment is by three-hour open-book examination. Panels of professional specialists moderate the examination papers through approval of the questions selected for inclusion and monitoring the marking procedures and pass standard. All of the segment study material is examinable, as are relevant aspects of the CPA Australia *Members' Handbook* and legislation where advised. Examinations for compulsory segments include assessment of candidates' written skills known as constructed response testing, in combination with multiple choice test items.

Refer: https://www.cpaustralia.com.au/cps/rde/xchg/SID-3F57FECA-07551D24/cpa/hs.xsl/801_7568_ENA_HTML.htm

Upon renewing membership each year members are required to declare their ongoing compliance with the CPA Constitution, By Laws and minimum CPD Requirements. Compulsory CPD applies to all ASA, CPA and FCPA members, including retired members who provide Public Accounting services, in any year (whether or not for reward). The minimum CPD Requirement is 120 hours of CPD every three years with at least 20 hours to be undertaken in each year. Members are required to achieve a minimum of 120 hours (at least 90 hours of formal development plus up to 30 hours of structured relevant reading over the three year period. The reading component can contribute up to 10 hours of the 20 hour minimum requirement per annum).

Refer:

https://www.cpaustralia.com.au/cps/rde/xbcr/SID-3F57FECA-07551D24/cpa/120776_My_CPD_Commitment_Brochure_WEB220409.pdf

Action Plan Subject: SMO3 International Standards, Related Practice Statements and Other papers Issued by the IAASB.
Action Plan Objective: To continue using “best endeavours” to maintain and ongoing process to adopt ISAs and assist in the implementation of the adopted standards.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <p><i>Environment and Background:</i></p> <p>The Auditing and Assurance Standards Board (AUASB) is an independent, statutory agency of the Australian Government, responsible for developing, issuing and maintaining auditing and assurance standards. The mission of the AUASB is to develop, in the public interest, high-quality auditing and assurance standards and related guidance, as a means to enhance the relevance, reliability and timeliness of information provided to users of auditing and assurance services.</p> <p>Sound public interest-oriented auditing and assurance standards are necessary to reinforce the credibility of the auditing and assurance processes for those who use financial and other information. The AUASB standards are legally enforceable for audits or reviews of financial reports required under the <i>Corporations Act 2001</i>. The AUASB’s role extends to liaison with other standards setters and participation in standard-setting initiatives.</p> <p><i>Clarity Standards</i></p> <p>The AUASB has issued revised and redrafted <i>Clarity</i> format standards which were applicable for audits conducted for periods commencing on or after 1 January 2010. This was consistent with the IAASB’s adoption date of 15 December 2009</p> <p>CPA Australia:</p> <ul style="list-style-type: none"> (i) is represented at all AUASB meetings and provides comments to the Board when requested; (ii) contributes to joint submissions on all EDs – with the ICAA and NIA; and (iii) was part of a “Clarity Standards information roadshow,” organised by the AUASB, and to undertaken jointly with the ICAA and NIA, and the Australian Securities and Investments Commission (ASIC). <p>More details on CPA Australia’s information and services relating to audit can be found on the CPA’s website under Technical Resources/Audit (www.cpaaustralia.com.au)</p> | | | | | |

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| Maintaining Ongoing Processes | | | | | |
| 1. | Ongoing | CPA Australia continues to execute the ongoing activities in terms of notifying members of exposure drafts and pending new pronouncements, raising awareness amongst members of all new pronouncements, and encouraging the national standard-setter (AUASB) to use pronouncements of the IAASB as the underlying basis for its standards | Ongoing | General Manager, Professional Standards | Policy Adviser, Audit and Assurance |
| 2. | Ongoing | More recently CPA Australia has promoted the use of the revised and redrafted Clarity standards (for use in Australia for financial reporting periods commencing on or after 1 January 2010) by: (i) its involvement with the AUASB and the other professional bodies in a series of face-to-face and online information sessions around the country; (ii) presenting several face-to-face and online training sessions for CPA Australia members; (iii) the revision and re-issue of its Sample Audit Programs for Small and Medium Entities (SAPSE), aimed specifically at assisting members in applying auditing standards in the SME and NFP sectors; and (iv) keeping updated a series of Fact Sheets, aimed at practitioners and management and which explain the key features of the standards. | Ongoing | General Manager, Professional Standards | Policy Adviser, Audit and Assurance |
| 3. | Ongoing | CPA Australia's focus in the coming year will be to continue to raise awareness of, and assist members in the application of, these standards. | Ongoing | General Manager, Professional Standards | Policy Adviser, Audit and Assurance |
| 4. | Ongoing | Continue to ensure members are kept fully aware of papers issued by the AUASB (Action 1 above) by an appropriate communications plan which includes: | Ongoing | General Manager, Professional Standards | Policy Adviser, Audit and Assurance, in conjunction with Professional |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Program; ▪ conducting CPA events and information sessions – note that this will include staff in the Accounting Policy team liaising with staff in the Professional Development BU to develop appropriate and relevant training via various mediums; ▪ updating Webpage: www.cpaaustralia.com.au ; and ▪ communications plan. | | | Development BU (as appropriate) |
| 5. | Ongoing | Continue to use best endeavours to: | Ongoing | General Manager, Professional Standards | Achieved - the AUASB has undertaken to issue pronouncements that comply with IAAASB pronouncements |
| | Ongoing | <p>a) encourage the AUASB to incorporate International Auditing Standards into national standards and/or related other pronouncements; and</p> <p>b) assist with the implementation of national standards and related other pronouncements that incorporate International Auditing Standards. This includes promoting the use of related Guidance Statements, or the development of national pronouncements that incorporate related Guidance Statements or that provides similar implementation guidance. Also see action 2 above.</p> | Ongoing | General Manager, Professional Standards | Policy Adviser, Audit and Assurance, in conjunction with AUASB and other professional bodies |
| <i>Review of CPA Australia's Compliance Information</i> | | | | | |
| 6. | Ongoing | Continue to perform periodic reviews of the | 1 July annually or | CEO and the | CPA Australia staff |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|---|------------------------|-------------------------------------|-----------------|
| | | response to the IFAC Compliance self-assessment questionnaire and update sections relevant to this SMO and work with Compliance staff to publish updated information. | ongoing. | Executive GM Member Knowledge | |

Action Plan Subject: SMO4 and IFAC Code of Ethics for Professional Accountants
Action Plan Objective: To continue to ensure compliance with the IFAC Code of Ethics

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <p><i>Environment and Background:</i></p> <p>Professional conduct requirements for members of CPA Australia are promulgated in its Constitution. Members of CPA Australia are required to comply with the requirements of CPA Australia’s Constitution, By-Laws, and applicable Professional Standards and are subject to the conditions regarding the regulation of their professional conduct.</p> <p><i>APESB:</i></p> <p>In February 2006, as an initiative of CPA Australia and The Institute of Chartered Accountants in Australia (the Institute), the Accounting Professional and Ethical Standards Board (APESB) was established as an independent body. CPA Australia, the Institute and the National Institute of Accountants (NIA) are members of the APESB.</p> <p>The primary role of the APESB is the development and issuing of appropriate professional and ethical standards which apply to the membership of the three bodies. A second role of the APESB is to provide the opportunity or forum for the discussion and consideration of issues relating to professional standards for accountants.</p> <p>The APESB follows a rigorous process for the development of professional and ethical standards. Based extensively on well documented processes adopted by international and national accounting standard setting bodies, the <i>Due Process and Working Procedures for the Development and Review of APESB Pronouncements</i> formalises the Board's approach to developing standards.</p> <p>The APES 110 – Compiled Code of Ethics for Professional Accountants can be found at the APESB website (www.apesb.org.au) under Standards & Guidance/Issued Standards.</p> <p>NOTE: References to the “Board” in this Action Plan for the subject of “SMO4 and IFAC Code of Ethics for Professional Accountants,” refer to the “Accounting Professional and Ethical Standards Board (APESB).”</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--------------------------------------|------------|--|-----------------|---|--|
| Maintaining Ongoing Processes | | | | | |
| 1. | Ongoing | <p>Ethical Requirements Ethics continues to operate as per the agreed model</p> | Ongoing | General Manager, Professional Standards | Policy Adviser Professional Standards and Governance |
| 2. | Ongoing | <p>Ethical requirements to be complied with by members have been established and implemented.</p> <ul style="list-style-type: none"> ▪ Continue to ensure the Board continues to update ethical requirements affecting members by CPA Australia providing feedback on exposure drafts on ethical and professional standards issued by the Ethics Board. ▪ Continue to review standards issued by the Board to ensure compliance with IFAC requirements. ▪ Continue to communicate requirements to members via appropriate channels such as: <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Program; ▪ conducting CPA events and information sessions; ▪ Update Members' Handbook; ▪ Electronic Newsletter to members containing link directing to CPA Australia website for further information and; ▪ updating Webpage: www.cpaaustralia.com.au ; and ▪ communications plan. | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |

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| 3. | Ongoing | <p>Convergence with IFAC Code</p> <ul style="list-style-type: none"> ▪ Continue to monitor the Board to ensure compliance with its Terms of Reference; and ▪ Continue to ensure modifications to IFAC Code of Ethics only relate to specific Australian regulatory requirements and do not lessen requirements of the IFAC Code. | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |
| 4. | Ongoing | <p>Approach to Ethics</p> <ul style="list-style-type: none"> ▪ Continue to monitor the Board to ensure compliance with its Terms of Reference; and ▪ Continue to ensure modifications to IFAC Code of Ethics only relate to specific Australian regulatory requirements and do not lessen requirements of the IFAC Code. | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |
| 5. | Ongoing | <p>CPA Australia Code of Ethics and IFAC Code of Ethics - Eliminate Differences</p> <ul style="list-style-type: none"> ▪ Continue to ensure that the Board updates the Code of Ethics to reflect any IFAC changes on a timely basis; and ▪ continues to promptly communicate any changes to Code of Ethics to members via appropriate channels such as: <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Program; ▪ conducting CPA events and information sessions; ▪ Update Members' Handbook; | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |

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| | | <ul style="list-style-type: none"> ▪ Electronic Newsletter to members containing link directing to CPA Australia website for further information and; ▪ updating Webpage: www.cpaaustralia.com.au ; and ▪ communications plan. | | | |
| 6. | Ongoing | <p>Government / Regulatory Bodies - Ethical Requirements</p> <ul style="list-style-type: none"> ▪ Continue to monitor of local laws and regulations for any changes and ▪ continue to communicate any changes to members via appropriate channels such as: <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Program; ▪ conducting CPA events and information sessions; ▪ Update Members' Handbook; ▪ Electronic Newsletter to members containing link directing to CPA Australia website for further information and; ▪ updating Webpage: www.cpaaustralia.com.au ; and ▪ communications plan. | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |
| 7. | Ongoing | <p>Describe Law / Regulations – Audit</p> <ul style="list-style-type: none"> ▪ Continue to ensure members who audit listed entities are familiar with laws and regulations about independence and ethics; | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |

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| | | <ul style="list-style-type: none"> ▪ Continue to monitor legal requirements for any changes; and ▪ Continue to communicate any changes to members via appropriate channels such as: <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Program; ▪ conducting CPA events and information sessions; ▪ Update Members' Handbook; ▪ Electronic Newsletter to members containing link to CPA Australia website for more information; and ▪ communications plan. | | | |
| 8. | Ongoing | <p>Government / Regulators and Convergence</p> <p>Continue to ensure regular communication of Code of Ethics for Professional Accountants to private sector/government/regulators/ stakeholders.</p> <p>Comparison of Requirements of SMO 4</p> <ul style="list-style-type: none"> ▪ Continue to regularly review all the Board proposals and ensure they do not differ from IFAC principles; and ▪ Continue to communicate/ submit the country specific additions to IFAC. | Ongoing | General Manager, Professional Standards | 1 full time staff equivalent |
| Activities to Promote IFAC Code of Ethics | | | | | |
| 9. | Ongoing | Continue to communicate and promote activities | Ongoing | General | 1 full time staff |

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| | | <p>of IFAC and any exposure drafts relating to IFAC Code of Ethics to members via appropriate channels such as:</p> <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Program; ▪ conducting CPA events and information sessions; ▪ Electronic Newsletter to members containing link to CPA Australia website for more information; and ▪ communications plan. | | Manager, Professional Standards | equivalent |
| <i>Review of CPA Australia's Compliance Information</i> | | | | | |
| 10. | Ongoing | Continue to perform periodic review of the response to the IFAC Compliance self-assessment questionnaire and update sections relevant to this SMO and work with Compliance staff to publish updated information. | 1 July annually or ongoing. | CEO and General Manager, Professional Standards | CPA Australia staff |

Action Plan Subject: SMO5 International Public Sector Accounting Standards and Other IPASB Guidance
Action Plan Objective: Continue to use “best endeavours” to encourage continued adoption and implementation of IPSASs in Australia.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|---|--|
| Environment and Background: | | | | | |
| <p>The Australian Accounting Standards Board (AASB) uses the Australian Accounting Standards as the vehicle for prescribing requirements for the not-for-profit public sector entities where appropriate (and in these situations the one set of standards apply to both the for-profit sector and the not-for-profit public sector). Where a not-for-profit public sector topic is substantive but not addressed, or it is not appropriate for it to be addressed in an existing Australian Accounting Standard, the AASB will create a stand-alone single topic-specific Standard. Where relevant, and in the absence of a not-for-profit reason to do otherwise, the AASB will seek consistency with the IASB's IFRSs, New Zealand's equivalents to IFRSs and the IPSASB's IPSASs.</p> <p>CPA Australia has continued to encourage the AASB to expose, relevant to Australia, IPSASB EDs and provide support to IPSASB projects. In addition, CPA Australia has been exposing the activities of IPSASB including IPSASs and occasional papers to the public sector via conferences, workshops and forums held in Malaysia, Indonesia and Singapore.</p> <p>More details on the Australian Accounting Standards Board can be found on its website www.aasb.gov.au.</p> | | | | | |
| Maintaining Ongoing Processes | | | | | |
| 1. | Ongoing | CPA Australia has continued to encourage the Australian Accounting Standards Board to expose, relevant to Australia, IPSASB EDs and provide support to IPSASB projects. CPA Australia invites the membership to comment on the Exposure Drafts and share their views with CPA Australia as part of the process in developing CPA Australia's | Ongoing | General Manager, Professional Standards | Senior Policy Adviser, Financial Reporting |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|----------------------------|--|-----------------|--|---------------------|
| | | | | Knowledge | |
| <i>Review of CPA Australia's Compliance Information</i> | | | | | |
| 4. | 1 July annually or ongoing | Continue to perform periodic review of the response to the IFAC Compliance self-assessment questionnaire and update sections relevant to this SMO and work with Compliance staff to publish updated information. | Ongoing | CEO and Executive General Manager – Member Knowledge | CPA Australia staff |

Action Plan Subject: SMO6 Investigation and Discipline

Action Plan Objective: Continue to use “best endeavours” to maintain a just and effective investigation and discipline process and regime as prescribed by SMO6.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <p><i>Environment and Background:</i></p> <p>Members of CPA Australia are required to comply with the requirements of CPA Australia’s Constitution, By-Laws, and Applicable Regulations and Professional Standards and are subject to the conditions regarding the regulation of their professional conduct. In addition there are several areas where their conduct is also subject to regulation by agencies of the Australian, State and Territory Governments including:</p> <ul style="list-style-type: none"> • the Corporations Act (auditing and liquidation issues) • the Income Tax Act (taxation issues) • the Superannuation Industry (Supervision) Act (superannuation issues) <p>The Professional Conduct of members of CPA Australia is promulgated in its Constitution. The Board of CPA Australia adopted the Code of Ethics for Professional Accountants (APES 110) as produced by the Accounting Professional & Ethical Standards Board (APESB) as the Code of Professional Conduct for its members. The Accounting Professional & Ethical Standards Board was established as an independent body in February 2006, as an initiative of CPA Australia and the Institute of Chartered Accountants in Australia (the Institute). CPA Australia, the Institute and the National Institute of Accountants (NIA) are all members of the APESB.</p> <p>The primary role of the APESB is the development and issuing of appropriate professional and ethical standards which apply to the membership of the three bodies. A second role of the APESB is to provide the opportunity or forum for the discussion and consideration of issues relating to professional standards for accountants. The APESB follows a rigorous process for the development of professional and ethical standards. Based extensively on well documented processes adopted by international and national accounting standard setting bodies, the <i>Due Process and Working Procedures for the Development and Review of APESB Pronouncements</i> formalises the Board's approach to developing standards.</p> <p>More details on CPA Australia’s information and services relating to Member Discipline and Complaints can be found on the CPA Australia’s website under “<i>About CPA Australia</i>” – “<i>Member Discipline & Complaints</i>” (www.cpaaustralia.com.au).</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| Maintaining Ongoing Processes | | | | | |
| 1. | Ongoing | <p>In 2009 CPA Australia completed a review of the professional conduct processes and changes were made to its By-Laws commencing 1 January 2010 to reflect the new procedures</p> <p>Features of the new professional conduct process include:</p> <ul style="list-style-type: none"> • the introduction of the right to appeal a decision of an One Person Tribunal(OPT) • the ability of the OPT to impose any of the penalties as described in the Constitution • the ability of a Disciplinary Tribunal to award costs against CPA Australia if the charges against a member were not sustained. <p>New members were appointed to the Disciplinary panel to replace those members retiring at the end of their appointed term. A new maximum term of six years for a Panel member was introduced by The Board of CPA Australia to ensure the ongoing introduction of new members. Community representatives are still appointed to the Disciplinary Panel</p> | Ongoing | Executive General Manager, Member Engagement | Manager, Professional Conduct |
| 2. | Ongoing | The rewrite of the professional conduct database is continuing with the expected completion date now 31 March 2011 | Ongoing | Executive General Manager, Member Engagement | Manager, Professional Conduct |
| 3. | Ongoing | Continue to ensure that rules for the investigation | On-going | CEO | Board of CPA |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | <p>and discipline of misconduct, including breaches of professional standards and rules by their individual members are included in the Constitution of CPA Australia.</p> <p>Note that misconduct includes all and any of the following:</p> <ul style="list-style-type: none"> ▪ Criminal activity; ▪ Acts or omissions likely to bring the accountancy profession into disrepute; ▪ Breaches of professional standards; ▪ Breaches of ethical requirements; ▪ Gross professional negligence; ▪ A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights; and ▪ Unsatisfactory work. | | | <p>Australia</p> <p>Professional Conduct Unit Legal Unit</p> |
| 4. | July 2006 | <p>Provision of Information and guidance to members</p> <p>Continue to ensure members are kept fully aware of :</p> <ul style="list-style-type: none"> ▪ all provisions of the ethical code and other applicable professional standards, rules and requirements, and ▪ the consequences of non-compliance, ▪ by an appropriate communications plan which includes: <ul style="list-style-type: none"> - appropriate amendments to the CPA Public Practice Program; | Ongoing | Manager Professional Conduct | <p>Professional Conduct Unit</p> <p>Public Practice Unit</p> <p>Communications Unit</p> |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | <ul style="list-style-type: none"> - conducting CPA events and information sessions; - updating Webpage: http://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECA-35474A98/cpa/hs.xsl/1041_ENA_HTML.htm and - communications plan. | | | |
| 5. | Ongoing | <p>Liaison with Outside Bodies</p> <ul style="list-style-type: none"> ▪ Continue to report possible involvement in serious crimes and offences by members or member firms to the appropriate public authority; and continue to disclose related information to that authority. | Ongoing | Manager Professional Conduct | General Counsel Professional Conduct Unit |
| 6. | 01/09/2008 Ongoing Ongoing | <p>Investigative Powers and Processes</p> <p>Review and rewrite of professional conduct processes in current By-Laws.</p> <p>Continue to ensure that rules:</p> <ul style="list-style-type: none"> ▪ require members to co-operate in the investigation of complaints and to respond promptly to all communications; and ▪ provide for sanctions in the event of failure to comply. <p>Continue to ensure the availability of appropriate expertise and adequate financial and other</p> | 30/09/2009 Ongoing Ongoing | Manager Professional Conduct Manager Professional Conduct Manager Professional Conduct | Board sub-committee Professional Conduct Unit Board sub committee Professional Conduct Unit |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----|------------|--|-----------------|---------------------------------|---|
| | | resources to enable timely investigative and disciplinary action. | | | Professional Conduct Unit |
| 7. | 01/09/2008 | <p>Investigative Powers and Processes – continued When the review and rewrite of professional conduct processes in current By-Laws (Action 6 above) has been completed ensure that members are informed of the changes by an appropriate communications plan which includes:</p> <ul style="list-style-type: none"> ▪ appropriate amendments to the CPA Public Practice Program; ▪ conducting CPA events and information sessions; ▪ updating Webpage: http://www.cpaustralia.com.au/cps/rde/xchg/SI-D-3F57FECA-35474A98/cpa/hs.xsl/1041_ENA_HTML.htm and ▪ communications plan. | Ongoing | Manager Professional Conduct | Professional Conduct Unit |
| 8. | Ongoing | Continue to confirm that in all cases that at the outset that any individual chosen from the committee to assist in an investigation is independent from: <ul style="list-style-type: none"> ▪ the subject of the investigation; and ▪ anyone connected with or interested in the matter investigated. | Ongoing | Manager Professional Conduct | Professional Conduct Unit Disciplinary panel |
| | Ongoing | Continue to ensure that: <ul style="list-style-type: none"> ▪ all staff declare any potential conflicts of interest when investigating a complaint; and ▪ all tribunal members declare at the | Ongoing | Manager Professional Conduct | Professional Conduct Unit Disciplinary panel |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | commencement of a hearing if they have a conflict of interest. | | | |
| 9. | Ongoing | <p>Continue to ensure that:</p> <ul style="list-style-type: none"> ▪ at the completion of the investigation process, the Investigation Case Manager reviews the evidence and decides whether there appears to be a case to answer; and ▪ if the Investigation Case Manager is satisfied that there is a case to answer, the matter is referred to a disciplinary tribunal or similar grouping and professional charges laid. ▪ a process is established and maintained for the independent review of complaints by clients and others in cases where it has been decided, following investigation, that the matter will not be referred to a disciplinary hearing. ▪ Professional Conduct officers are not involved in the initial determination of a complaint independently review any request for a review. | Ongoing | Manager Professional Conduct | Professional Conduct Unit |
| 10. | | The Disciplinary Process | | | |
| | Ongoing | Continue to ensure that the disciplinary panel of members is established in accordance with the By-Laws. | Ongoing | Manager Professional Conduct | Professional Conduct Unit |
| | Ongoing | Continue to ensure that this panel has been delegated by the Board to undertake disciplinary procedures and to make determinations. | Ongoing | Manager Professional Conduct | Disciplinary panel Professional Conduct Unit |
| | Ongoing | Continue to ensure that this panel is overseen by a | Ongoing | Manager | Disciplinary panel Professional |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | Ongoing | Chair Panel comprising one member as the chair and three members as deputy chairs. Continue to ensure that this twenty five per cent of the disciplinary panel is comprised of non-members/community representatives who do not have any accounting qualifications. Note that the duties of the panel are detailed in the By-Laws. | Ongoing | Professional Conduct Manager Professional Conduct | Conduct Unit Disciplinary panel Professional Conduct Unit Disciplinary panel |
| 11. | Ongoing Ongoing | The tribunal should exhibit independence. How this is done may vary from jurisdiction to jurisdiction, but institutional rules should exist that prevent the member body from influencing the disciplinary tribunal's operational work, decision-making, or imposition of sanctions. Further, only the appeal tribunal referred to in Paragraph 23 may amend or reverse a decision of the tribunal. Continue to ensure that the tribunal is independent of the governance and management decisions of CPA Australia. Continue to ensure that the duties of an appeal tribunal are detailed in the By-Laws. | Ongoing Ongoing | Manager Professional Conduct Company Secretary | Professional Conduct Unit Professional Conduct Unit |
| 12. | Ongoing | Rights of Representation and Appeal Continue to ensure that the Constitution and rules of CPA Australia: ▪ permit a qualified lawyer or other person chosen by the defendant to accompany and represent the | Ongoing | Manager Professional Conduct | Professional Conduct Unit |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|--|-----------------|------------------------------|---------------------------|
| | | <p>defendant at all disciplinary hearings and to advise him or her throughout the investigative and disciplinary process;</p> <ul style="list-style-type: none"> ▪ permit the defendant to appeal the conviction and any imposed sanction; ▪ where local laws and public interest considerations permit, any order made against the defendant should be suspended by the tribunal that convicted the defendant, pending the hearing of that appeal; ▪ a member appearing before a disciplinary or appeal tribunal has the right as detailed in the By-Laws to legal representation; ▪ any investigation is suspended once it is known that legal proceedings through a court of law is underway and that this suspension remains in force until an outcome of the legal action; ▪ the appeal tribunal does not include a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction; ▪ the appeal process includes the same procedures as apply to hearings before the disciplinary tribunal; and ▪ all appeal tribunals are held in accordance with the procedures as outlined in the By-Laws. | | | |
| 13. | Ongoing | <p>Administrative Process Continue to establish time targets for disposal of all cases, and aim at meeting them whenever possible.</p> <p>Note also that an estimated average time target for</p> | Ongoing | Manager Professional Conduct | Professional Conduct Unit |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| | | the investigation of a complaint is outlined on the information page attached to the complaint form found on the CPA Australia website: http://www.cpaaustralia.com.au/cps/rde/xbcr/SID-3F57FECA-35474A98/cpa/complaint_form_2007.pdf and internal time targets are detailed in the Procedures Manual. | | | |
| 14. | Ongoing 01/06/2007 | Continue to maintain and operate tracking mechanisms, to ensure that all: <ul style="list-style-type: none"> ▪ investigations and prosecutions are promptly handled, and ▪ necessary action is taken at the appropriate stage. Rewrite the specialised data base used to track all investigations through to the publication of outcomes of a tribunal to include exception reporting. | Ongoing 30/06/2010 | Manager Professional Conduct Manager Professional Conduct | Professional Conduct Unit Technology Business Unit Company Secretariat Professional Conduct Unit |
| 15. | Ongoing | Continue to ensure that all staff and panel members have signed confidentiality and privacy statements and have undergone police checks. | Ongoing | Manager Professional Conduct | Company Secretary Privacy Officer |
| 16. | Ongoing | Continue to maintain secure and confidential facilities for the storage of case papers and other evidence and that all files are secured in specialised storage areas | Ongoing | Manager Professional Conduct | Company Secretary Privacy Officer |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
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| 17. | Ongoing | Continue to ensure that: <ul style="list-style-type: none"> ▪ complete records of all investigations and disciplinary processes both during the proceedings and the retention period the member body establishes for these purposes; and ▪ all files are kept in accordance with CPA Australia's Storage and Destruction policy. | Ongoing | Manager Professional Conduct | Company Secretary Privacy Officer |
| <i>Review of CPA Australia's Compliance Information</i> | | | | | |
| 18. | Ongoing | Continue to perform periodic review of the response to the IFAC Compliance self-assessment questionnaire and update sections relevant to this SMO and work with Compliance staff to publish updated information. | 1 July annually or ongoing. | Manager Professional Conduct | CPA Australia staff |

Action Plan Subject: SMO7 IFRS.

Action Plan Objective: Continue to use “best endeavours” to ensure that Australian Accounting Standards (AAS) remain equivalent to IFRS.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---------|-----------------|----------------|----------|
| <p>Environment and Background:</p> <p>From 1 January 2005 IFRS has been incorporated into Australian Accounting Standards (AAS). Australian accounting standards are referred to in the Corporations Act and therefore have legal effect for all companies reporting in accordance with the Law. Australian accounting standards require a compliance statement to IFRS where relevant.</p> <p>The Australian Accounting Standards Board (AASB) is an Australian Government agency under the <i>Australian Securities and Investments Commission Act 2001</i>. Under that Act, the statutory functions of the AASB are:</p> <ul style="list-style-type: none"> ▪ to develop a conceptual framework for the purpose of evaluating proposed standards; ▪ to make accounting standards under section 334 of the <i>Corporations Act 2001</i>; ▪ to formulate accounting standards for other purposes; ▪ to participate in and contribute to the development of a single set of accounting standards for worldwide use; ▪ and to advance and promote the main objects of Part 12 of the ASIC Act, which include reducing the cost of capital, enabling Australian entities to compete effectively overseas and maintaining investor confidence in the Australian economy. <p>More details on CPA Australia’s information and services relating to Financial Reporting can be found on the CPA’s website under Technical/Financial Reporting (www.cpaustralia.com.au).</p> <p>More details on the Australian Accounting Standards Board can be found on its website www.aasb.gov.au.</p> | | | | | |

| Maintaining Ongoing Processes | | | | | |
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| 1. | Ongoing | CPA Australia has provided opportunities for the member of the IASB from Australia to present at member congresses etc and co-hosted an event with the Chair of the IASB as guest speaker | Ongoing | General Manager, Professional Standards | Senior Policy Adviser, Financial Reporting |
| 2. | July 2004 | Continue to notify members of newly issued Australian Accounting Standards (equivalent to IFRS) through the weekly online <i>CPA Update</i> . | On-going | CEO and General Manager, Professional Standards | CPA Australia staff |
| 3. | 1 July 2006 | <p>Continue to use best endeavours to:</p> <ul style="list-style-type: none"> ▪ have the Australian Accounting Standards Board (AASB) incorporate the requirements of IFRSs in Australian Accounting Standards; ▪ or where the responsibility for the development of national accounting standards lies with third parties, to persuade those responsible for developing those requirements that general purpose financial statements should comply with IFRSs, or with local accounting standards that are converged with IFRS, and disclose the fact of such compliance; <p>Continue to ensure that submissions to the AASB articulate the need for the requirements of the Australian Accounting Standards to be those of the IFRS when they apply to for-profit entities.</p> <p>To assist with the implementation of IFRSs, or</p> | Ongoing | CEO and Executive General Manager – Member Knowledge | CPA Australia staff |
| | | | Ongoing | CEO and Executive | CPA Australia staff |

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| | | national accounting standards that incorporate IFRSs, continue to ensure the offer to members is the current Australian Accounting Standards equivalent to IFRS. | Ongoing | General Manager – Member Knowledge CEO and General Manager – Member Knowledge | CPA Australia staff |
| 4. | July 2006 | Continue to review existing continuous professional development (CPD) strategies/events on both new and existing Australian Accounting Standards and IFRS and implement and conduct new programs as appropriate. | 1 July annually or ongoing. | CEO and Executive General Manager - Member Knowledge | CPA Australia staff |
| <i>Review of CPA Australia's Compliance Information</i> | | | | | |
| 5. | Ongoing | Continue to perform periodic review of the response to the IFAC Compliance self-assessment questionnaire and update sections relevant to this SMO and work with Compliance staff to publish updated information. | 1 July annually or ongoing. | CEO and Executive General Manager - Member Knowledge | CPA Australia staff |