

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

IFAC Member/Associate:	The Institute of Chartered Accountants in Australia (the Institute)
Approved by Governing Body:	Board
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GLOSSARY

APESB	Accounting Professional and Ethical Standards Board
ASIC	Australian Securities & Investments Commission
AASB	Australian Accounting Standards Board
AUASB	Auditing and Assurance Standards Board
CPP	Certificate of Public Practice
FRC	Financial Reporting Council
The Institute	The Institute of Chartered Accountants in Australia

Action Plan Subject: SMO1 Quality Assurance: to monitor and ensure ongoing compliance with SMO1
Action Plan Objective: Continue to ensure that CAs offering services to the public (i.e. CAs in public practice) maintain the highest professional standards

#	Start Date (M/D/YY)	Actions	Completion Date (M/D/YY)	Responsibility	Resource
<p>Background:</p> <p>The Institute of Chartered Accountants in Australia (the Institute), together with CPA Australia, introduced a Quality Review Program (the program) in 1995. Our program was in operation before SMO1 became operative. Since that time we have continually benchmarked the program against world’s best practice to ensure that it remains as effective and relevant as possible. At the time the program was introduced practices providing audit, compilation, taxation and consulting services were eligible for a quality review at least once every five years. From 2003 practices that audited public listed companies were eligible for a quality review once every three years. All other practices, including practices providing insolvency services, are subject to a review once every five years.</p> <p>Current Quality Review Program</p> <p>All practices that sign off on audits requiring a registered company auditor (RCA) registration (under the Corporations Act in Australia) are reviewed at least once every three years (before Australian auditing standards were given the force of law, these practices were reviewed every five years, unless the practice audited public listed companies). This does not apply to a sole practitioner holding a concessional Certificate of Public Practice (CPP), however, as they are subject to a self assessment review. All other practices are reviewed once every five years, including practices with an RCA but not conducting RCA audits.</p> <p>If a practice is selected for review on a three year cycle, but does not conduct any audits requiring sign-off by an RCA, the practice may request a deferral for two years by providing supporting documentation, including an Australian Securities & Investments Commission (ASIC) Annual Statement, to the Institute. Selection for a first review is random, with subsequent reviews every three or five years.</p> <p>Quality Control Standards</p> <p>In Australia the Accounting Professional and Ethical Standards Board (APESB) was established as an independent body in February 2006 as an initiative of the Institute and CPA Australia. The Institute, CPA Australia and the National Institute of Accountants are all members of the APESB, which has issued APES 320 <i>Quality Control for Firms</i>. The standard addresses the quality control requirements for all professional accounting firms, including assurance and non-assurance aspects of each practice. All the requirements of ISQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements</i> are included in APES 320. APES 320 has been a mandatory standard for all practices since December 2006. APES 320 superseded the 1982 version of APS 4 <i>Statement of Quality Control Standard</i>.</p>					

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<p>As part of its overall project to revise and redraft all the Australian Auditing Standards, the Auditing and Assurance Standards Board introduced a new quality control standard that is legally enforceable under the Corporations Act, entitled ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements</i>. The standard became effective from 1 January 2010.</p> <p>ASQC 1 is based on ISQC 1. As firms had been required to comply with APES 320 since July 2006, the impact of ASQC 1 was minimal.</p> <p>Link to Annual Report on the Quality Review Program www.charteredaccountants.com.au/Industry-Topics/Quality-review/Quality-review-annual-report.aspx</p>					
<i>New Developments in Compliance with SMO1</i>					
1	2009/2010	<p>Continuous improvement/review of Quality Review Program</p> <p>Through the continuous improvement process of the Quality Review Program the Institute is looking to (initially for major firms):</p> <ul style="list-style-type: none"> • develop an innovative approach to quality review that will 'look and feel different' to current review approaches by professional accounting bodies and regulators • minimise duplication of quality review work already being undertaken and where reliance can be replaced on the work • add immediate value to the firm which is reviewed • add value to all members by using the results and issues arising from the program to 	Ongoing	Executive General Manager - Members	Equivalent of 3 full time staff

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		<p>influence policy and reforms, including education.</p> <p>The importance of the drivers of quality to quality review programs is paramount together with other important themes including, education, compliance, mutual recognition, and transparency.</p> <p>Quality review processes are growing in importance as demonstrated by the many different stakeholders who interact with and seek information on the Institute’s Program and the timely results from the review process. In addition, capital markets are reliant on the work performed by Chartered Accountants. Therefore the continuous improvement of the program and by accounting practices guarantees the future of the Institute’s Quality Review Program as a vital component of Australia’s co-regulatory framework.</p> <p>The key issues for the program moving forward include: the future role of the professional accounting body with quality review; stakeholder alignment and global audit regulatory alignment and; measuring and communicating success.</p> <p>Going forward the review approach and processes will be modified to ensure the program:</p> <ul style="list-style-type: none"> • remains relevant and that the reviews are fresh and effective • addresses transformations in the accounting profession, including regulatory and international changes 			

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		<ul style="list-style-type: none"> • encompasses the key issues and actions for the future. <p>The Institute has begun by redesigning its approach to its quality review program.</p> <p>In redesigning our approach to the program (initially for major firms), the Institute recognised that the reviews of statutory assurance services are both mature and numerous. Accordingly, the Institute review process will focus on the drivers of quality and seek to identify improvements to systems and processes that will mitigate the risk of deterioration in any drivers of quality. The Institute will also obtain feedback and gather information from key stakeholders and participants involved in the statutory assurance approach. This includes placing reliance on the national and international internal quality review process of the firm and the ASIC audit inspection program.</p> <p>The reviews of other practice services are less mature. These services are not subject to the same level of external oversight by regulators as statutory assurance services. As a professional accounting body, the Institute is able to determine whether members are conducting their work to the level of quality expected by understanding the firm's review programs and processes in providing these services, and assessing compliance with key professional standards and identifying improvements.</p>			
2	2009	<i>Considering the review work of regulators or other bodies, if appropriate</i>	Ongoing	Executive General Manager -	Equivalent of 3 full time staff

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		<p>In 2009, the Institute and ASIC came to an understanding that both bodies consider the timing and findings of one another's reviews, to help reduce duplication and therefore minimise disruption in practices. The mutual understanding included:</p> <ul style="list-style-type: none"> • when determining the scope and timing of an inspection, ASIC will consider the Institute's quality review findings • in its quality reviews, the Institute will consider ASIC's inspection findings, and may modify the timing and scope of its reviews as a result • firms are encouraged to agree to ASIC informing the Institute that an ASIC inspection is scheduled, and to provide the Institute with a copy of the ASIC inspection report. 		Members	
3	1997	<p><i>Developments to ensure members understand the objectives of quality control and to implement and maintain appropriate systems of quality control and to increase the transparency of the program</i></p> <p>The Institute has issued a comprehensive, interactive <i>Quality Control Guide</i> that can be tailored to individual practices, helping members to meet their obligations under APES 320 and ASQC 1. The Guide includes guidance notes and template documentation.</p> <p>The <i>Quality Control Guide</i> met with a favourable response from members in practice and remains a key component of the program's resources for members in practice. The <i>Quality Control Guide</i> is</p>	Ongoing	Executive General Manager - Members	Equivalent of 3 full time staff

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		<p>now in its 3rd edition.</p> <p>In March 2008 the Institute amended its policy (<i>Retention of, and Access to, Quality Review Documentation</i>) essentially allowing the Institute to retain the review results letter issued to practices upon completion of a review allowing any non-compliance issues to be considered when the practice is next up for review. The results were also made available for the first time to the FRC, an example of the enhanced transparency of the approach now taken by the Program.</p> <p>Transparency is also evident in the approach taken to communicate the results of the Program in recent years. Along with an annual report detailing the results, key non-compliance areas and themes for the past financial year, in 2009 the Institute also began communicating half-yearly results designed to highlight transparency and communicate results on a timely basis while ensuring members are aware of any new standards that require significant attention. A recent example is the AUASB's quality control standard - ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements</i>.</p> <p>Small and medium practices (SMPs) continue to resist documentation requirements for assurance engagements. This is to be the subject of further member education and communication.</p>			

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<i>Maintaining Ongoing Processes</i>					
4	Ongoing	Continue to ensure that the Institute's Quality Review Program is operating effectively and continues to meet and be in line with the requirements of SMO1. This includes the periodic review of the operation of the quality assurance system and updating the action plan for future activities where necessary.	Ongoing	Executive General Manager - Members	Equivalent of 3 full time staff
<i>Review of Institute's Compliance Information</i>					
5	Ongoing	Review response to the IFAC Compliance Self Assessment questionnaires and update as necessary. Perform periodic review of the Institute's response to the IFAC Compliance Self Assessment questionnaires and update sections relevant to SMO1 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Executive General Manager - Members	Equivalent of 3 full time staff

Action Plan Subject: SMO2 International Education Standards for Professional Accountants and Other IAESB Guidance
Action Plan Objective: Use best endeavors to ensure continued compliance with IES and other IAESB Guidance

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background: The Institute trains, governs and supports Australia’s Chartered Accountants. It is responsible for maintaining the high professional, ethical and technical requirements that are the hallmarks of the Chartered Accountant designation and for setting the professional and technical standards that are the foundation of the profession. To become a member of the Institute strict educational and training standards must be met. At the core of these standards is our own Chartered Accountants Program which is a graduate diploma - the highest accounting qualification awarded by a professional body in Australia.</p> <p>The two components of the Chartered Accountants Program are the GradDipCA and Practical Experience Program. On completion of the Chartered Accountants Program, candidates can apply to become a member of the Institute.</p> <p>Candidates must meet the following practical experience requirements to be admitted as a member of the Institute:</p> <ul style="list-style-type: none"> • three years full-time (or equivalent) experience in an organisation accredited by the Institute • candidates must be in accredited employment whilst completing their graduate diploma studies and accrue a minimum of three years for membership • mentored by a Chartered Accountant • demonstrated required levels of technical and non-technical competency outlined in the Candidate Practical Experience Activity Log. <p>Individual and affiliate members who are obliged to undertake Training and Development are required to achieve a minimum of 120 Qualifying hours (at least 90 hours of formal plus up to 30 hours of technical reading) over a three year period. Details of the requirements, the types of activities that satisfy these obligations and the grounds for exemption are set out in <u>Regulation 7</u>.</p> <p>More details related to the educational and training services and requirements of the Institute can be found at: www.charteredaccountants.com.au/Chartered-Accountants/The-Chartered-Accountants-Program</p>					
<p><i>Maintaining Ongoing Processes</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>IES1 - Entry requirements to a program of Professional Accounting Education</i>					
1.	Per Trimester	<p>Entry Qualification</p> <p>The CA Program is a degree-entry program. Program applicants are required to provide original copies of full academic transcripts confirming date of award at first enrolment.</p>	Ongoing	General Manager, CA Program & Admissions Manager, Customer Transactions	3 full time staff 4 full time staff
2.	Annual	<p>Degree Accreditation</p> <p>Annual accreditation of Australian accounting degrees. Annual review of professional accreditation guidelines to ensure compliance with IES1 and continued relevance to the profession.</p>	Ongoing	General Manager, CA Program & Admissions	2 full time staff
3.	Annual	<p>Review Process</p> <p>Annual Review of professional program and membership entry requirements conducted by Education Board to ensure continued relevance and compliance across all IES requirements.</p>	Ongoing	General Manager, CA Program & Admissions Education Board	3 full time staff 10 members
<i>IES2 - Content of Professional Accounting Education Program – Chartered Accountants Program</i>					
4.		<p>Min 2yrs full time (FT) study</p> <p>Graduates of the CA Program are required to complete a minimum of 5 years of study (3 years FT degree + 2 years part time (PT) CA Program)</p>	Ongoing	General Manager, CA Program & Admissions	3 full time staff
5.		<p>Professional qualification at least at degree level.</p>	Five yearly	General Manager, CA Program & Admissions	3 full time staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	Annual	<p>Inclusion of:</p> <ul style="list-style-type: none"> • accounting, finance and related knowledge • organisational and business knowledge • information technology knowledge and competencies. <p>Annual review of each CA program module's syllabus, learning outcomes and assessment structure to ensure compliance with IES2 content requirements is conducted via Module Advisory Subcommittees and reported to Education Board.</p> <p>Annual review of CA Competency Framework to ensure IES2 requirements are met.</p> <p>Annual review of pre-entry degree core knowledge areas to ensure IES2 requirements are met.</p>	Ongoing	<p>General Manager, CA Program & Admissions Education Board</p> <p>Module Advisory Sub-Committees</p>	<p>3 full time staff</p> <p>10 members</p> <p>30+ members</p>
<i>IES3 - Professional Skills and General Education</i>					
7.	Annual	<p>Professional skills</p> <p>Annual review of program content to ensure IES3 compliance as outlined in section 2.3.</p>	Ongoing	<p>General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees</p>	<p>3 full time staff</p> <p>10 members</p> <p>30+ members</p>
8.	Annual	<p>General education</p> <p>Annual review of program content to ensure IES3 compliance as outlined in section 2.3.</p>	Ongoing	<p>General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees</p>	<p>3 full time staff</p> <p>10 members</p> <p>30+ members</p>
<i>IES4 - Professional Values and Ethics</i>					
9.	Annual	<p>Framework of professional values, ethics and attitudes</p>	Ongoing	<p>General Manager,</p>	<p>3 full time staff</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Annual review of program content to ensure IES4 compliance as outlined in section 2.3.		CA Program & Admissions Education Board Module Advisory Sub-Committees	10 members 30+ members
10.	Annual	Conformity with IFAC's code of ethics for professional accountants Annual review of program content to ensure IES4 compliance as outlined in section 2.3. Update of APES 110 Code of Ethics for Professional Accountants in members handbook.	Ongoing	General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees	3 full time staff 10 members 30+ members
<i>IES5 - Practical Experience Requirements</i>					
11.	Each Trimester	Period of practical experience is part of the pre-qualification program and a minimum of 3 years. Institute membership admission requires 3 years full time of relevant, mentored accounting experience. CA Program candidates must provide the Institute with a letter of service agreement signed by their mentor and employer at program commencement and any employment change.	Ongoing	General Manager, CA Program & Admissions	3 full time staff
12.	Each Trimester Annual	Practical experience period should be under the direction of a mentor and mutually beneficial. Member status of a mentor is checked at the registration of each letter of agreement. Only CAs or members of recognised overseas bodies are able to mentor CA Program candidates. Annual satisfaction survey sent to candidates, employers and mentors which includes questions	Ongoing Ongoing	Manager, Customer Transactions General Manager, CA Program & Admissions	4 full time staff 3 full time staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		relating to their practical experience program and related resources.			
13.	Annual	Record of practical experience should be maintained and reviewed regularly with the mentor.	Ongoing	General Manager, CA Program & Admissions Manager, Customer Transactions	3 full time staff
	Quarterly	Annual review of competencies outlined in Practical Experience Activity Log issued to all candidates upon registration of a letter of agreement to ensure IES compliant. Quarterly audit of a sample of candidate Activity Logs to ensure an appropriate completion and mentor sign-off.	Ongoing		4 full time staff
<i>IES6 - Assessment of Professional Capabilities and Competence</i>					
14.	Annual	Formal assessment of professional capabilities and competence Annual review of program assessment structure to ensure IES6 compliant as outlined in section 2.3.	Ongoing	General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees	3 full time staff 10 members 30+ members
15.	Annual	Final assessment should be: <ul style="list-style-type: none"> • in recorded form • reliable and valid • cover a range of knowledge, skills and values • be as close to end of program as possible. Annual review of program assessment structure to ensure IES6 compliant as outlined in section 2.3.	Ongoing	General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees	3 full time staff 10 members 30+ members
<i>IES7 - Continuing Professional Development</i>					
16.	Annual	Promote commitment to lifelong learning for all	Ongoing	General Manager,	4 full time staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>professional accountants</p> <p>Annual review of all online and hard-copy published content re members' professional training & development goals and objectives to ensure alignment with IES7 requirements.</p>		Learning & Business Solutions	
17.	Annual	<p>Facilitate member access to CPD opportunities</p> <p>Develop annual calendar of relevant Training & Development activities and promote to members via direct marketing and website.</p> <p>Annually track member take-up and satisfaction rates with CPD opportunities offered by the Institute.</p>	Ongoing	General Manager, Learning & Business Solutions	4 full time staff
18.	Annual	<p>CPD hourly completion rates of at least 120hrs over 3 year period, including at least 20hrs per year.</p> <p>Annual review of Institute member by-laws and regulations to ensure CPD requirements are compliant with IES7 requirements.</p>	Ongoing	Manager, Professional Standards	3 full time staff
19.	Annual 2 yearly	<p>Process of CPD Monitoring and Enforcement</p> <p>Conduct random annual audit of membership sample to ensure compliance with CPD requirements.</p> <p>Non compliant members to be followed up individually.</p> <p>Formal investigation process for members who fail to comply with minimum CPD requirements.</p> <p>Sanctions imposed on non-compliant members.</p> <p>Review of audit and sanctions process conducted every 2 years to ensure compliance with IES7 requirements.</p>	Ongoing Ongoing	Manager, Professional Standards	3 full time staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>IES8 - Competence Requirements for Audit Professionals</i>					
20.	Annual	Competence requirements for Audit Professionals Annual review of audit content within the pre-entry degree qualification, Chartered Accountants Program and Training & Development calendar to ensure compliance with IES8 requirements.	Ongoing	General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees	3 full time staff 10 members 30+ members
21.	Quarterly	Engagement Partner and licensing regimes Meet quarterly with the Australian Securities & Investments Commission to ensure their licensing procedures for Registered Company Auditors in Australia are compliant with IFAC IES8 requirements.	Ongoing	Executive General Manager-Members	3 full time staff
22.	Annual	Transnational Audits Annual review of audit content within the Chartered Accountants Program and post-membership training & development calendar to ensure knowledge requirements are met for members involved in transnational audits.	Ongoing	General Manager, CA Program & Admissions Education Board Module Advisory Sub-Committees General Manager, Learning & Business Solutions	3 full time staff 10 members 30+ members 4 full time staff
<i>Review of Institute's Compliance Information</i>					
23.	Ongoing	Review response to the IFAC Compliance Self Assessment questionnaires and update as necessary. Perform periodic review of the Institute's response to the IFAC Compliance Self Assessment questionnaires	Ongoing	Executive General Manager - Members	Equivalent of 3 full time staff

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		and update sections relevant to SMO2 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.			
<i>Strategic Review of the Chartered Accountants Program</i>					
2010-2012		A strategic review of the Chartered Accountants Program commenced in 2010. The aim of the review is to ensure the Program meets the future needs of candidates and employers while retaining the quality entry pathway to membership.	January 2012	CEO, CA Program Strategic Review Project Manager	2 full time staff, 8-10 staff on part time basis
<i>Institute/New Zealand Institute of Chartered Accountants Collaboration Project</i>					
2010-2012		The Institute has entered into a collaboration agreement with the NZ Institute to explore synergies between the two Institutes, and to develop and deliver a common capstone module.	January 2012	CEO, CA Program Strategic Review Project Manager	2 full time staff, 3 staff on part time basis

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 ISAs as the minimum base on which Australian Auditing Standards are developed and assist in the implementation of the adopted standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>The Auditing and Assurance Standards Board (AUASB) is an independent statutory body with responsibility for creation of auditing standards that are legally enforceable under the provisions of the <i>Corporations Act 2001</i>. The Strategic Direction from the Financial Reporting Council (FRC) requires the AUASB to use, as appropriate, International Standards on Auditing as a base from which to develop Australian Auditing Standards.</p> <p>The Accounting Professional and Ethical Standards Board (APESB) was established as an independent body in February 2006 as an initiative of the Institute of Chartered Accountants in Australia and CPA Australia. The Institute of Chartered Accountants in Australia, CPA Australia and the National Institute of Accountants are all members of the APESB, which has issued a standard requiring members of the three professional accounting bodies to use auditing standards promulgated by the AUASB in connection with all audits undertaken in Australia (including non-Corporations Act audits).</p> <p>In Australia the APESB issues a quality control standard that addresses the quality control requirements for all professional accounting firms, including assurance and non-assurance aspects of each practice. All the requirements of ISQC1 are incorporated into this standard APES 320 <i>Quality Control for Firms</i>.</p> <p>Australia adopted ISAs a number of years ago and the AUASB has recently completed a program to reissue all the Australian standards in Clarity format, which encompassed issuing Australian equivalents to all the revised and clarified ISAs, as well as ISQC1. These are effective in respect of audits of financial periods which commenced on or after 1 January 2010.</p>					
<p>Maintaining Ongoing Processes</p>					
<p>Promulgating Standards and Implementation Guidance</p>					
1.	Ongoing	Publication of auditing standards and guidance statements in the members’ handbook - both online and in hard copy.	Online version updated every 8 weeks	Executive General Manager - Members	Institute’s Professional Standards group

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			Hard copy updated annually and used extensively in Chartered Accountants Program as well as in many universities as a student text		
2.	December 2010	Development and publication of an Australian Auditing Manual based on the IFAC Small and Medium Practices Committee's <i>Guide to Using International Standards on Auditing in the Audits of Small and Medium sized entities</i> .	First edition launched in July 2008. Second edition, based on the updated IFAC SMP Committee version launched in December 2010	Executive General Manager - Members	Institute's Reporting and Assurance Standards group
3.	August 2008 and enhanced continually	Training offered nationally and structured around the Australian Auditing Manual.	Ongoing	General Manager Learning & Business Solutions	Institute's Training and Development group
4.	Ongoing	An integrated Training and Development program for practitioners. This includes an annual two day National Audit Conference, offered in each major city - Sydney, Melbourne, Adelaide, Brisbane, Perth, supplemented by an annual Technical Conference and other targeted, industry-specific offerings.	Ongoing	General Manager Learning & Business Solutions	Institute's Learning & Business Solutions Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Provision of in-house training for firms.			
5.	Ongoing	<p>Assist members with the development and application of standards via electronic publications and in the Institute's:</p> <ul style="list-style-type: none"> • <i>Accounting and Assurance News Today</i> - published weekly • <i>E-bulletin</i> - published fortnightly • <i>Charter</i> - published monthly. 	Ongoing	General Manager Sales & Marketing	<p>Institute's Reporting and Assurance Standards group</p> <p>Institute's Communications group, with technical input</p>
6.	Ongoing	Provide input to AUASB regarding ISA 'clarified' auditing standards, as well as other standards which have no international equivalent, and Guidance Statements and other pronouncements.	Ongoing	Executive General Manager - Members	Institute's Reporting and Assurance Standards group
7.	May 2009	<p>With the AUASB, CPA Australia (CPAA) and the National Institute of Accountants arrange (NIA) to promote and publicise the revised ASAs in clarity form.</p> <p>Further, the Institute will revise and re-issue the Australian Audit Manual (based on the revised IFAC Small and Medium Practices Committee's <i>Guide to Using International Standards on Auditing in the Audits of Small and Medium sized entities</i>) by the end of the first quarter of 2010.</p> <p>The Institute will also be arranging comprehensive training and development activities centered around the revised Australian Audit Manual, as well as incorporating these into existing programs such as the annual National Audit Conference.</p>	Member briefings with the AUASB, CPAA and NIA completed. Australian Auditing Manual launched in December 2010. Training and development activities are ongoing and comprehensive.	Executive General Manager - Members	<p>Institute's Reporting and Assurance Standards group</p> <p>Institute's Learning & Business Solutions group</p> <p>Institute's Communications group, with technical input</p>
8.	Ongoing	Quality review program.	Ongoing	Executive General Manager -	Institute's Quality Review

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				Members	group
<i>Contribution to Standard Setting Activities of the IAASB</i>					
9.	Ongoing	Consultation with Australian member of the IAASB and regular provision of input and feedback. Further, the three professional accounting bodies assist with funding the activities of the Australian standard setter, the AUASB. The FRC's strategic direction in turn strongly encourages the AUASB to be involved in the work of international bodies such as the IAASB, to participate in and contribute to the development of a single set of auditing standards for world-wide use.	Ongoing	Executive General Manager - Members	Institute's Reporting and Assurance Standards group
<i>Review of Institute's Compliance Information</i>					
10.	Ongoing	Review response to the IFAC Compliance Self Assessment questionnaires and update as necessary. Perform periodic review of the Institute's response to the IFAC Compliance Self Assessment questionnaires and update sections relevant to SMO3 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Executive General Manager - Members	Institute's Reporting and Assurance Standards group

Action Plan Subject: SMO4 and IFAC Code of Ethics for Professional Accountants
Action Plan Objective: Ensure alignment of the Code of Ethics applicable to Institute members with the IFAC Code

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>The Accounting Professional and Ethical Standards Board (APESB) was established as an independent body in February 2006, as an initiative of the Institute of Chartered Accountants in Australia (the Institute) and CPA Australia. The Institute nominates two members for Board positions, and jointly funds the operation of the APESB.</p> <p>With effect from 1 July 2006, the <i>Code of Ethics for Professional Standards</i> (APES 110) was issued by the APESB. APES 110 represents the implementation of the IFAC Code in the Australian context, and is based on the IFAC Code, with some Australian additions. APES 110 is binding on all members of the Institute.</p> <p>APES 110 was amended in December 2007 in relation to guidance concerning Network Firms, in line with international amendments incorporated in the IFAC Code issued by the International Ethics Standard Board for Accountants (IESBA).</p> <p>In February 2008, APES 110 was again amended, following amendments to the Australian <i>Corporations Act</i>, in relation to aspects of auditor independence requirements. These amendments mean that tailoring of the IFAC Code’s requirements previously required for the Australian environment has been revised. The Australian requirements then conformed more closely to the IFAC Code.</p> <p>A new code will be effective from 1 July 2011 with early adoption admitted. It aligns Australia’s professional requirements with international standards and also includes Australian specific requirements relating to inadvertent violations and multiple threats to auditors independence.</p> <p>The APES 110 Code of Ethics for Professional Accountants can be found at www.charteredaccountants.com.au/Members/Members-Handbook.aspx</p>					
<p>Proposed Code of Ethics Revisions</p>					
1.	Ongoing	Developments and amendments to the IFAC Code monitored through the Australian representative to the IESBA.	Ongoing	Manager Professional Standards	Regular meetings with the Australian

#	Start Date	Actions	Completion Date	Responsibility	Resource
					representative to the IESBA, jointly with the other
2.	Ongoing	Responses to consultations and proposed changes discussed with the other Australian professional accounting bodies. As appropriate, submissions to IESBA exposure drafts prepared and lodged.	Ongoing	Manager Professional Standards	Meetings and consultations conducted in accordance with the [Australian] Joint Accounting Bodies Protocol on the preparation of joint submissions.
<i>Member Notification, Education and Promotion Activities</i>					
3.	Ongoing	Developments affecting Institute members communicated by means of website, electronic newsletters, and journal articles.	Ongoing	Manager Professional Standards	The Institute's Brand and Communications Team
4.	2009	Implementation of an audio podcast series for members, highlighting issues from the Institute's Standards team, including aspects of the Code of Ethics.	Ongoing	Manager Professional Standards	The Institute's Professional Standards Team
5.	2009	Review of the content of the Institute's Public Practice Program course, for members entering into practice. This course includes material based on the Code's requirements.	2012	Chartered Accountants Program Development & Operations Manager	
6.	Ongoing	Monitoring of issues reported by individual members to the Members' Enquiry Service conducted by the Institute's Professional Standards Team.	Ongoing	Manager Professional Standards	The Institute's Professional Standards Team

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	Ongoing	Monitoring of issues reported by individual members to the Chartered Accountants Advisory Group, a member counselling service.	Ongoing	Institute Regional Managers	Chartered Accountants Advisory Group members

<i>Review of Institute's Compliance Information</i>					
8.	Ongoing	Periodic review of Institute's response to the IFAC Compliance Self Assessment questionnaires and update sections relevant to SMO4 as necessary.	Ongoing	Executive General Manager - Members	Manager Professional Standards

Action Plan Subject: SMO5 International Public Sector Accounting Standards and Other IPASB Guidance
Action Plan Objective: Continue to use best endeavours to incorporate the requirements of IPSASs into national public sector accounting requirements and persuade those responsible for developing those requirements that they comply with IPSAS

#	Start Date	Actions	Completion Date	Responsibility	Resource
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>More details on the Australian Accounting Standards Board can be found on its website www.aasb.com.au.</p>					
New Developments					
		<p>The Institute will provide public sector forums to establish a better connection with public sector members.</p> <p>Forum held in Canberra in November 2009 with Mike Hathorn, IPSASB chair to discuss the IPSASs, their development progress and future.</p>	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting
Maintaining Ongoing Processes					
1.		The Institute participates in funding the IPSAS board member and technical resource for attending and reviewing IPSASB papers for comment.	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting

#	Start Date	Actions	Completion Date	Responsibility	Resource
		The Institute supports the IPSASB member through monitoring developments and providing input on ED submissions when required.			
2.		<p>Given that the Australian government has determined a sector neutral approach is appropriate, one set of accounting standards apply to all sectors.</p> <p>The Institute provides input to the Financial Reporting Council about the appropriateness of standards for the public sector.</p>	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting
3.		<p>The AASB regularly monitor IPSAS developments, publish IPSAS papers for comment in the Australian jurisdiction and submit on IPSAS proposals.</p> <p>The Institute provides input to IPSAS developments through direct submissions to IPSASB and submissions to the AASB done in conjunction with the other Australian accounting bodies.</p>	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting
<i>Review of Institute's Compliance Information</i>					
4.		Periodic review of Institute's response to the IFAC Compliance Self Assessment questionnaires and update sections relevant to SMO5 as necessary.	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting

Action Plan Subject: SMO6 Investigation and Discipline

Action Plan Objective: Ensure ongoing compliance with SMO6 and enhancement of process as required

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>The Professional Conduct Section is the Institute's disciplinary arm, via its complaint and disciplinary process which enforces those standards and regulates the behaviour of its members to ensure compliance with the Institute's By-laws, Code of Ethics (the "Code"), Standards and Regulations. The Code sets out the professional and ethical requirements for members and is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The power to take disciplinary action against members is contained in the Institute By-laws which also set out the procedure to be followed and the sanctions which may be imposed.</p> <p>The complaint and disciplinary process involves investigating complaints made against members or other issues concerning their conduct, which come to the Institute's attention, e.g. as the result of court action or action by a statutory regulator. Where the investigation concludes that there was non-compliance by the member with the By-laws, Code of Ethics, Standards or Regulations, the member's conduct can be referred to the Institute's Professional Conduct Tribunal. The disciplinary process is limited to imposing sanctions on a member and cannot provide any form of compensation or restitution to a complainant. In some instances where a member's conduct is seen to be less than optimal, but where formal disciplinary action is not justified, the member may be given a "warning".</p> <p>Where members are referred to the Institute's Professional Conduct Tribunal, the sanctions that the Tribunal can impose include a reprimand, cancellation of their Certificate of Public Practice or exclusion from membership of the Institute. The Institute also recognises that whilst the principal role of the complaint process is to monitor members' compliance with its standards, the process also acts as a mechanism to provide feedback to members about conduct which should be avoided.</p> <p>More details related to Member Complaints and Discipline of the Institute can be found at: www.charteredaccountants.com.au/complaints_and_fee_disputes</p>					
1.	Ongoing	Para 9 (Information and Guidance) Review guidance material on professional conduct process on Institute website.	Ongoing	Manager Professional Conduct	Professional Conduct staff
2.	Ongoing	Para 10 (Liaison with outside bodies). In the absence of specific legislative requirements to	Ongoing	Executive General	Manager Professional Conduct

#	Start Date	Actions	Completion Date	Responsibility	Resource
		report possible involvement in crimes etc, maintain and enhance liaison with statutory and regulatory bodies to promote effective co-regulatory framework. <i>Ongoing discussions with various regulatory and government agencies to ensure that there is a clear understanding of the nature of the Institute's role and powers, and to explore ways in which the Institute can contribute to the effectiveness of the overall regulatory framework.</i>		Manager - Members	
3.	2009	Para 18 (Review of Decisions not to take disciplinary action). Reconsider policy of not having independent review of decisions to not refer matters for disciplinary hearing, to ascertain if the adoption of such a practice is now warranted. <i>Following a review it was decided not to make any change in this policy. The focus of the Institute's disciplinary process is on the conduct of its members and the Institute does not have the power to provide any form of redress to persons suffering loss as the result of the actions or omissions of members. All such issues need to be pursued through the normal legal process (but see section below on mediation service). Where this process results in an adverse finding against a member, the Institute then considers if disciplinary action is justified.</i>	Completed	Manager Professional Conduct	Professional Conduct staff
4.	2010	The Institute has initiated a pilot mediation service (based on a similar service offered by the Institute of Chartered Accountants in England and Wales). The service can be accessed by members or their clients to resolve disputes as an alternative to formal legal proceedings. While the service is coordinated by the Professional	Ongoing	Manager Professional Conduct	Manager Professional Conduct

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Conduct section it is not formally a part of the disciplinary process. Where there is evidence of inappropriate conduct the Institute maintains the right to initiate disciplinary proceedings against any member or members involved in the dispute.			
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Para 4 (Constitution) Ensure that any changes to legislation or regulatory environment are adequately reflected in powers to take disciplinary action.	Ongoing	Manager Professional Conduct	Professional Conduct staff
6.	Ongoing	Para 7 (Sanctions) Ensure that Tribunal members (especially Chairs) are familiar with range of sanctions available and particular sanctions handed down in similar cases.	Ongoing	Secretary to Tribunals	Professional Conduct staff
7.	Ongoing	Para 9 (Information and Guidance) Publish periodic articles and guidance to members about need to comply with all standards and other professional requirements.	Ongoing	Manager Professional Conduct	Professional Conduct staff
8.	Ongoing	Para 12 (Investigative Powers) Ensure that powers requiring members to cooperate are involved where necessary and, where they fail to do so, to refer them to Professional Conduct Tribunal for appropriate sanctions.		Manager Professional Conduct	Professional Conduct staff
9.	Ongoing	Para 13 (Expertise and resources) Ensure that adequately qualified personnel are employed to carry our professional conduct function and that appropriate financial and other resources are available.	Ongoing	Executive General Manager - Members	Professional Conduct staff
10.	Ongoing	Para 15 (Independence) Ensure that all personnel and Tribunal members involved in particular investigation are free from any potential or actual conflict of interest.	Ongoing	Manager Professional Conduct	Professional Conduct staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		In 2005 we introduced written Guidelines for Tribunal members which are binding on all those members. The Guidelines specifically deal with conflicts of interest. They are distributed to each new Tribunal member and are implemented by Manager Professional Conduct and the Chairman of the Tribunals.			
11.	Ongoing	Para 16 (Decision to take disciplinary action) Ensure that determination process laid down by By-laws is followed.	Ongoing	Manager Professional Conduct	Professional Conduct staff
12.	Ongoing	Para 19 (Disciplinary Process) Ensure compliance with requirements for hearings, composition of Tribunal, etc.	Ongoing	Manager Professional Conduct	Professional Conduct staff
13.	Ongoing	Para 22 (Independence) Ensure that independence of tribunals and process is maintained. As per 9 above the Tribunal Guidelines are enforced to ensure that the independence of the tribunals and the process is maintained. We have advertised for new non-accountant members and have appointed several non-accountant members to the Tribunals over the last 3 years. They come from a variety of professional and business backgrounds and ensure that the Tribunal decisions take account of community concerns.	Ongoing	Board	Executive General Manager - Members and Professional Conduct staff
14.	Ongoing	Para 23 (Rights of representation and appeal) Ensure that members are aware of rights of representation and appeal rights.	Ongoing	Manager Professional Conduct	Professional Conduct staff
15.	Ongoing	Para 25 and 26 (Time Targets and Tracking) In absence of specific time targets (as explained in 2006 questionnaire) ensure that all investigations are conducted in a timely manner.	Ongoing	Manager Professional Conduct	Professional Conduct staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Monthly statistics are prepared on every file which is open, including all complaints received that month. A detailed update is provided on each open file to ensure that all complaints have been dealt with in the most timely and effective way possible. This is reviewed by Manager Professional Conduct .			
16.	Ongoing	<p>Para 30 (Confidentiality) Ensure that all members and staff involved in process maintain confidentiality.</p> <p>The Tribunal Guidelines as per 9 above, are enforced to ensure that all members of the Tribunal and all persons concerned in the disciplinary process maintain confidentiality. This is reinforced by the Institute’s own code of conduct which is binding on staff dealing with investigations and disciplinary hearings.</p>	Ongoing	Manager Professional Conduct	Professional Conduct and human resources staff
17.	Ongoing	<p>Para 31 (security of records)</p> <p>Only dedicated Professional Conduct staff have access to hard copy or online records. Each complaint file is allocated a discrete file number and a register of files is maintained by Professional Conduct Team.</p>	Ongoing	Manager Professional Conduct	Professional Conduct staff
18.	Ongoing	<p>Para 33 (Maintenance of records)</p> <p>As per 12 above. In addition closed files are archived in accordance with Institute’s strict security procedures.</p> <p>Personal Insolvency - Website Tool</p>	Ongoing	Manager Professional Conduct	Professional Conduct staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		As a result of the current economic and financial situation an increasing number of Institute members are facing financial difficulties which may result in their insolvency. The Institute is currently developing a special section for its website which will offer members facing potential insolvency with guidance on the steps they should take, and the possible consequences of insolvency on their membership and professional status. It is anticipated that the initial version of this material will be completed by July 2009, and updated as necessary.			
<i>Review of Institute's Compliance Information</i>					
19.	Ongoing	Whenever significant changes to investigation and disciplinary processes are being contemplated, ensure that they comply with SMO6 and, where necessary advise IFAC of any changes which should be reflected in IFAC documentation.	Ongoing	Manager Professional Conduct	Professional Conduct staff

Action Plan Subject: SMO7 IFRS and other IASB Pronouncements

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>Background</p> <p>From 1 January 2005 IFRS has been incorporated into Australian Accounting Standards. 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 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; <p>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> <p>More details on the Institute’s information and services relating to Financial Reporting can be found on the Institute’s website www.charteredaccountants.com.au/Industry-Topics</p>					
<p>New Developments</p>					
1.	Ongoing	<p>The Institute is presenting relevant IASB members to their membership to discuss current updates on standards, IASB agendas and relevant exposure drafts.</p> <p>During 2010 both David Tweedie and Warren</p>	Ongoing	Executive General Manager - Members	The Institute’s Head of Reporting

#	Start Date	Actions	Completion Date	Responsibility	Resource
		McGregor presented to various parts of the Institute membership on various IASB matters.			
2.	Ongoing	Continue to advocate to the AASB our support for IFRS for SMEs, with a view to its adoption in Australia.	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting
<i>Maintaining Ongoing Processes</i>					
3.	Ongoing	Assist members with the development and application of standards viz electronic publications and in the Institute's monthly journal, Charter <ul style="list-style-type: none"> • <i>Accounting and Assurance News Today</i> – published weekly • <i>E-bulletin</i> – published fortnightly • <i>Charter</i> – published monthly. 	Ongoing	General Manager Brand & Communications and the Institute's Head of Reporting	The Institute's Reporting and Assurance Team and the Institute's Communications group
4.	Ongoing	Standards are published in the Financial Reporting handbook and the members handbook which exists on the Institute website for members only.	Ongoing	Manager Professional Standards	Professional Standards Team
5.	Ongoing	The Institute regularly responds to submissions on IASB matters (including exposure drafts and discussion papers), seeking member input to this process, usually in joint submissions with the other accounting bodies in Australia.	Ongoing	The Institute's Head of Reporting	The Institute's Reporting and Assurance Team
<i>Review of Institute's Compliance Information</i>					
6.	Ongoing	Periodic review of Institute's response to the IFAC Compliance Self Assessment questionnaires and update sections relevant to SMO7 as necessary.	Ongoing	Executive General Manager - Members	The Institute's Head of Reporting