

## **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 responses 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](http://www.ifac.org/ComplianceAssessment/published_surveys.php)

### **Use of Information**

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

### **ACTION PLAN**

<b>IFAC Member/Associate:</b>	Croatian Audit Chamber (CAC)
<b>Approved by Governing Body:</b>	CAC Governing Board (CAC GB)
<b>Date Approved:</b>	May 2010
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## **Glossary**

<b>APOC</b>	Audit Public Oversight Committee
<b>CAC</b>	Croatian Audit Chamber
<b>CAC GB</b>	Croatian Audit Chamber Governing Board
<b>CoE</b>	Code of Ethics
<b>CPD</b>	Continuous Professional Development
<b>DC</b>	Disciplinary Council
<b>FEE</b>	Federation des Experts Comptables Européens
<b>FRSB</b>	Financial Reporting Standards Board
<b>GB</b>	Governing Board
<b>IAQ</b>	Initial Assessment Questionnaire
<b>IAR</b>	Initial Assessment Review
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>ICAEW</b>	Institute of Chartered Accountants England and Wales
<b>IES</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>ISQC1</b>	International Standards on Quality Control 1
<b>ISA</b>	International Standards of Auditing
<b>MoF</b>	Ministry of Finance
<b>QA</b>	Quality Assurance
<b>QAD</b>	Quality Assurance Department
<b>SMO</b>	Statement of Membership Obligation

**Action Plan Subject:** SMO 1 – Quality Assurance  
**Action Plan Objective:** Continue the Development and Implementation of Quality Assurance Review Program

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>One of the Croatian Audit Chamber’s (CAC) key functions is supervision and control of the work and quality of audit firms, independent auditors and certified auditors that were granted a licence to work in the Republic of Croatia.</p> <p>The quality assurance system has been developed with the kind and helpful assistance of the Institute of Chartered Accountants in England and Wales (ICAEW) through the twinning arrangement financed by the World Bank, where the ICAEW provided technical assistance in development of CAC’s methodology and manual for conducting quality assurance, as well as assistance with the implementation of the initial pilot reviews of all audit companies. The ICAEW also trained CAC’s quality assurance team and organized the post training examination for the team.</p> <p>The CAC process begins with an initial information gathering exercise in respect of the audit firms operating in Croatia. This exercise is based on an Initial Assessment Questionnaire (IAQ) which the CAC sent to all audit firms to get a preliminary overview of the size, range of activities and quality of all audit firms. Once this information is assessed, a programme of initial assessment reviews (IARs) was put together for CAC’s reviewers to carry out initial visits of all audit firms to confirm and expand upon the information received. During IAR activities, CAC provides recommendations on all audit requirements and facilitates support to each audit firm where improvements are needed to raise the level of audit quality. Furthermore, for all cases of illegalities in the operation of particular audit firms, COC takes the appropriate disciplinary measures.</p> <p>After the completion of IARs of all audit firms and detailed analysis of IARs findings, CAC is ready for full monitoring visits. During these visits, CAC reviewers will look in more detail at the audit work carried out by the registered audit firms and independent auditors. According to the Audit Act the audit firms with public interest audits are subject to a three year visit cycle. All other audit firms carrying out statutory audits are subject to a six year visit cycle. The criteria for selection of the audit firms for quality assurance (QA) visits are risk-based.</p> <p>For this purpose, starting in 2011, CAC will commence with six-year plans and detailed annual monitoring plans for each year. All QA plans shall be established by CAC Governing Board (CAC GB) with prior approval of the Audit Public Oversight Committee</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
(APOC).The CAC quality assurance review system is established and organized in accordance with the Audit Act, the Statute of CAC, the Rule Book on Supervision and Quality Assurance Reviews and with the QA Methodology. The CAC quality assurance system and QA activities are subject to review by the APOC.					
<i>Enhance Adoption &amp; Implementation of International Standards on Quality Control (ISQC1)</i>					
1.	January 2010	Adoption and implementation of ISQC1 effective as of December 15, 2009	January 2010 Completed (January 2010)	CAC GB – Committee for Auditing Standards and Ethics	CAC employees
2.	February 2010	Translation of ISQC1 into Croatian language	February 2010 Completed (March 2010)	Translation Committee	Translation Committee staff
3.	March 2010	Distribution of ISQC1 in Croatian Official Gazette	March 2010 Completed (April 2010)	CAC GB – Committee for Auditing Standards and Ethics	CAC employees
4.	March 2010	Raise awareness of ISQC1 (as part of the translated 2009 Handbook of International Standards on Auditing and Quality Control) by placing it on the CAC's website.	March 2010 Completed (April 2010)	CAC GB – Committee for Auditing Standards and Ethics	CAC employees
5.	November 2010	Prepare technical support for the CAC members about implementation of ISQC1 requirements - available on the CAC web site.	April 2011 Completed (May 2011)	CAC GB	CAC's Quality Assurance Department (QAD) employees with ICEW consultants
6.	November 2010	Prepare and conduct training modules for the CAC members about the most significant and frequent issues identified during the QA reviews	Ongoing - Annually	CAC GB	CAC employees

#	Start Date	Actions	Completion Date	Responsibility	Resource
		of audit firms. Do this on an annual basis.	First training Completed (April 2011)		
<i>Implementation of Quality Assurance Review System</i>					
7.	March 2010	Distribution of initial assessment questionnaire to get a preliminary overview of the size, range of activities and quality of all of audit firms.	March 2010 Completed (April 2010)	CAC's QAD	CAC's QAD employees with ICAEW consultants
8.	March 2010	Development of the programme of initial assessment reviews to carry out initial visits to all audit firms.	April 2010 Completed (May 2010)	CAC's QAD	CAC's QAD employees with ICAEW consultants
9.	April 2010	Create a methodology manual for conducting quality assurance over audits, audit firms and independent certified auditors in the Republic of Croatia (SMO 1 paragraphs 15-19).	June 2010 Completed (September 2010)	CAC's QAD	CAC's QAD employees with ICAEW consultants
10.	May 2010	Implementation and carrying out of initial assessment reviews of all audit firms.	September 2010 Completed (December 2010)	CAC's QAD	CAC's QAD employees with ICAEW consultants
11.	September 2010	Complete reports and final risk assessments of all audit firms.	September 2010 Completed (January 2011)	CAC's QAD	CAC's QAD employees with ICAEW consultants

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
12.	September 2010	Adjustment of legal framework with the Audit Act and the Statute of CAC – new Rule book on supervision and quality assurance reviews.	April 2011  Completed (June 2011)	CAC GB and CAC's QAD	CAC's QAD employees
13.	January 2011	Plan of QA reviews in 2011/2012 and detailed programme of QAD activities (education, training) (SMO 1 paragraphs 20-27, paragraphs 36-40).	April 2011  Completed (February 2011)	CAC's QAD	CAC's QAD employees
14.	March 2011	Report to the CAC GB and the APOC about IAR results and the summary of QA results available to the public (SMO 1 paragraphs 55-56).	April 2011  Completed (March 2011/June 2011)	CAC's QAD	CAC's QAD employees
15.	April 2011	Creation of the Annual return 2010 - collection of data about activities of all audit firms during 2010.	June 2011  Completed (June 2011)	CAC's QAD	CAC's QAD employees
16.	May 2011	Commence programme of full monitoring visits (full assessment reviews) according to legal framework and developed methodology manual (SMO 1 paragraphs 28-35).	Ongoing	CAC's QAD	CAC's QAD employees
17.	September 2011	Report to the CAC GB and the APOC regarding QA reviews and results (SMO 1 paragraphs 55-56).	Ongoing	CAC's QAD	CAC's QAD employees
18.	October 2011	First six-year cycle plan of QA reviews in 2012/2017 and detailed one-year plan of QAD activities for the period 2012/2013.	November 2011	CAC's QAD	CAC's QAD employees

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
19.	Ongoing	Monitoring and reviewing the adequacy of legal framework and operational framework (CAC methodology, tools, capacity) for the effective and efficient implementation of planned visits in a three-and six-year cycles	Ongoing		
20.	Ongoing	Tracking changes in business environments of audit firms (on an annual basis) for the purpose of organizing and carrying out CAC QA visits	Ongoing	CAC's QAD	CAC's QAD employees
<i>Maintaining Ongoing Processes</i>					
21.	Ongoing	Continue to ensure that CAC's QA reviews are operating effectively and that these continue to be in line with SMO 1 requirements. This includes periodic review of the operation of the QA system and updating the Action Plan for future activities where necessary.	Ongoing	CAC's QAD	CAC's QAD employees
<i>Review of CAC's Compliance Information</i>					
22.	Ongoing	Perform periodic review of CAC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC's QAD	CAC's QAD employees

**Action Plan Subject:** SMO 2 – International Education Standards for Professional Accountants and Other IAESB Guidance  
**Action Plan Objective:** Enhance alignment of CAC education requirements with International Education Standards (IESs)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>In order to be admitted as a Member of CAC, candidates must meet certain requirements. According to the Croatian Audit Act, in order to begin a program of professional education, a candidate must attain a university Bachelor's degree and 3 years of work experience in an audit firm - of which 2 years must be supervised by mentor (certified auditor).</p> <p>According to the European 8<sup>th</sup> Directive and the Audit Act, after completing the CAC initial professional education program, candidates are required to pass an examination to be considered a certified auditor. Examinations are set by CAC through its Commission for Exams. The process includes academic experts which recommend exam questions, the Commission for Exams then chooses the questions and grades the exams. The assessment is uniform for all students. The CAC professional education programme and also examination programme for certified auditor includes the following subjects: 1. Financial accounting and financial reporting; 2. Cost accounting and managerial accounting; 3. Auditing; 4. Law for auditors; 5. Information technology and computing for auditors; 6. Business economics and the basic principles of financial management; 7. Risk management and internal controls. The final exam is written and due to volume of the issues it usually lasts for two days. Threshold of passing the exam is based on the results of two main subjects: Financial accounting and Auditing in regards to Continuing Professional Development (CPD), at least once a year, the CAC organises an education training for its members in order to update with all new information and developments in areas relevant to audit profession (changes in Audit Act, Accounting Law and other relevant Laws, changes in ISAs, IFRSs etc). Additionally, certified auditors should carry out continuing professional education for a minimum of 24 hours per year, or cumulatively 72 hours for a period of three years. Compliance with CPD requirements is monitored and non-compliance with CPD requirements has resulted in disciplinary measures. According to the CAC Statute certified auditor who failing to take part in CPD without justified grounds, has committed an offence which is of quite grave character. For this statutory violation, the following measures may be imposed on a certified auditor: reminder, reprimand, fine, temporary withdrawal of the right to carry out audits or permanent withdrawal of the right to carry out audits.</p>					
<p><i>Adoption and Full Implementation of the IESs</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
23.	March 2010	Translation of IES into Croatian language. Work with IFAC Translation Department to produce high quality translations which are developed in-line with IFAC translation policies.	June 2010  Completed (November 2010)	Translation Committee	Translation Committee staff
24.	June 2011	Study and analysis of differences between IES and national education requirements.	September 2011	CAC GB – Committee for Vocational Training and Continuing Professional Improvement	CAC GB – Committee for Vocational Training and Continuing Professional Improvement with CAC employees
25.	September 2011	Provision of recommended actions for improving alignment of CAC education and certification program with IESs.	October 2011	CAC GB – Committee for Vocational Training and Continuing Professional Improvement	CAC GB – Committee for Vocational Training and Continuing Professional Improvement with CAC employees
26.	October 2011	Implementation of recommended actions for aligning CAC education and certification program with IESs.	August 2012	CAC GB – Committee for Vocational Training and Continuing Professional Improvement	CAC GB – Committee for Vocational Training and Continuing Professional Improvement with CAC employees
27.	Ongoing	Continue to monitor IESs for updates and ensure that these updates are adequately reflected in the CAC education programme.	Ongoing	CAC GB – Committee for Vocational Training and Continuing Professional Improvement	CAC employees
<i>Maintaining Ongoing Processes</i>					

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
28.	Ongoing	Continue to ensure that CAC's education requirements continue to incorporate IES requirements. This includes periodic review of the existing requirements and preparation of the Action Plan for future activities where necessary.	Ongoing	CAC GB – Committee for Vocational Training and Continuing Professional Improvement	CAC GB – Committee for Vocational Training and Continuing Professional Improvement
<i>Review of CAC's Compliance Information</i>					
29.	Ongoing	Perform periodic review of CAC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC GB – Committee for Vocational Training and Continuing Professional Improvement	CAC GB – Committee for Vocational Training and Continuing Professional Improvement

**Action Plan Subject:** SMO 3 – International standards, related practice statements and other papers issued by the IAASB  
**Action Plan Objective:** Continue to use best endeavours to maintain ongoing process to adopt and implement IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Croatian Audit Act stipulates that ISAs must to be applied in the Republic of Croatia. All ISAs, including any revisions, are adopted as drafted by IAASB, without modifications on the effective date. The overall responsibility of adopting and translating the ISAs is held by the CAC. The CAC has recently translated the Handbook of International Standards on Auditing and Quality Control 2009 Edition which is published in Official Gazette and placed on CAC’s web site for free public use. Furthermore, the CAC supports activities of SMPs through translation of guidance issued by IFAC and organization of the training in this respect.</p>					
<i>Further Strengthen the Process of Adoption and Implementation of IAASB Pronouncements</i>					
30.	June 2010	Organise courses or workshops to educate certified auditors about ISAs implementation and new auditing requirements.	Continuous  The first workshops scheduled for September 2011	CAC GB – Committee for Auditing Standards and Ethics and Committee for Vocational Training and Continuing Professional Improvement	Practitioners (CAC members) and CAC employees
31.	June 2010	On a continuous basis ensure that initial education and certification materials utilize most recent amendments and additions to ISAs.	Continuous  The first updating of materials is scheduled for September	CAC GB – Committee for Auditing Standards and Ethics and Committee for Vocational Training and Continuing	Practitioners (CAC members) and CAC employees

#	Start Date	Actions	Completion Date	Responsibility	Resource
			2011	Professional Improvement	
32.	June 2010	Enhance and strengthen CPD program by incorporating new amendments and additions to ISAs into program materials.	Continuous  The first strengthened CPD programs scheduled for September 2011	CAC GB – Committee for Auditing Standards and Ethics and Committee for Vocational Training and Continuing Professional Improvement	Practitioners (CAC members) and CAC employees
33.	November 2010	Improve the current plan for informing members and the public about the current ISAs that are in effect and to be used. This includes the clarified ISAs which came into effect December 15, 2009.	Continuous	CAC GB – Committee for Auditing Standards and Ethics	Practitioners (CAC members) and CAC employees
34.	April 2011	Provide auditors with the information on auditing issues connected with the actual global or national financial situation and trends. Publish on the CAC website translation of IFAC/FEE/WB materials.	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC employees
35.	June 2011	Support activities of SMPs through translation of guidance issued by IFAC and organization of the training in this respect. Provide all audit firms with the translation of the Guide to Using ISAs in the Audit of SMEs.	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC employees
36.	Ongoing	Implementation of ISAs is a subject of QA reviews. Incorporate feedback from QA activities about application issues in the planning and	Ongoing	CAC GB – Committee for Auditing Standards	CAC employees

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
		organizing CAC CPD activities.		and Ethics and Committee for Vocational Training and Continuing Professional Improvement	
<i>Maintaining Ongoing Processes</i>					
37.	Ongoing	Continue to support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CAC	CAC employees
<i>Review of CAC's Compliance Information</i>					
38.	Ongoing	Perform periodic review of CAC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC	CAC employees

**Action Plan Subject:** SMO 4 – International Ethics Standards Board for Accountants (IESBA) Code of Ethics  
**Action Plan Objective:** Continue to use best endeavours to maintain ongoing process to adopt and implement IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>CAC has a statutory responsibility to promote quality, expertise and integrity in the profession of accountancy by its members and to promote, control and regulate the profession of accountancy by its members in the Republic of Croatia. The CAC adopted the IESBA Code of Ethics and is responsible for update and translation of the Code. The CAC encourages and promotes application of the Code of Ethics to its members. The CAC has recently translated the 2010 Handbook of the Code of Ethics for Professional Accountants which is placed on the CAC's website.</p>					
<i>Continue Efforts to Strengthen Implementation of the Code of Ethics</i>					
39.	June 2010	Translation of the 2010 Handbook of the Code of Ethics for Professional Accountants into Croatian language. Conduct translation in accordance with IFAC Translation Department translation policies.	October 2010 Completed (October 2010)	Translation Committee and CAC GB – Committee for Auditing Standards and Ethics	Translation Committee staff
40.	October 2010	Publish the translated 2010 Edition on the CAC website for public viewing.	October 2010 Completed (October 2010)	Translation Committee and CAC GB – Committee for Auditing Standards and Ethics	Translation Committee staff
41.	Ongoing	Monitor the changes made to the IESBA Code of Ethics and adopt the changes following the existing due process. In particular, monitor closely the IESBA work program and proposed	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC's employees

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
		revisions to the Code of Ethics so they can be incorporated into CAC's framework on a timely basis. This includes updating the Action Plan as necessary.			
42.	Ongoing	Ensure that compliance with ethical requirements is a subject of QA reviews and a consideration when investigating complaints.	Ongoing	CAC and CAC's QAD	CAC's employees
<i>Maintaining Ongoing Processes</i>					
43.	Ongoing	Continue to support ongoing adoption and implementation of IFAC Code of Ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC's employees
<i>Review of CAC's Compliance Information</i>					
44.	Ongoing	Perform periodic review of CAC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC's employees

**Action Plan Subject:** SMO 5 – International public sector accounting standards and other IPSASB guidance

**Action Plan Objective:** Continue promoting the use of IPSASs in Croatia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
Public sector accounting standards are not within the scope and function of the CAC. Croatia does not currently require the use of IPSAS, however, the Croatian government develops national public sector accounting standards which are the authority of the Croatian State Audit Office.					
<i>Promoting the Use of IPSASs</i>					
45.	September 2010	Promote the use of the IPSAS among the members and Government institutions through presentations and meetings with the MoF and the State Audit Office.	Ongoing	CAC GB	CAC GB
46.	August 2011	Develop a presentation to raise awareness among CAC membership of the benefits and application of IPSAS.	February 2012	CAC GB Committee for Vocational Training and Continuing Professional Improvement and CAC Employees	CAC GB Committee for Vocational Training and Continuing Professional Improvement and CAC Employees
47.	March 2012	Conduct presentation to raise awareness among CAC membership of the benefits and application of IPSAS.	August 2012	CAC GB Committee for Vocational Training and Continuing Professional Improvement and CAC Employees	CAC GB Committee for Vocational Training and Continuing Professional Improvement and CAC Employees

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
48.	Ongoing	Continue to identify opportunities to further assist in adopting IPSAS. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC’s employees
<i>Review of CAC’s Compliance Information</i>					
49.	Ongoing	Perform periodic review of CAC’s response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC GB – Committee for Auditing Standards and Ethics	CAC’s employees

**Action Plan Subject:** SMO 6 – Investigation and Discipline

**Action Plan Objective:** Continue to use best endeavours and further improve CAC’s investigation and disciplinary system

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The CAC is responsible for investigating and disciplining (I&amp;D) audit firms, independent auditors and certified auditors. The I&amp;D process is carried out by CAC staff and Disciplinary Committee. CAC developed and established its I&amp;D programme which was adopted by the General Assembly on March 20<sup>th</sup>, 2010. I&amp;D mechanism was incorporated into the Statute after General Assembly adoption. Current Statute of CAC (under I&amp;D article) recognise mild misconduct and gross/serious misconduct. Sanctions are ranked from warning, reprimand, and fine of costs to withdrawal of the right to carry out audits (loss of professional title).</p>					
<i>Further Development of I&amp;D process</i>					
50.	May 2010	Introduction of I&D mechanism to CAC’s members and build members awareness of the existing I & D process.	September 2010  Completed (December 2010)	CAC GB – Committee for Complaints and Disciplinary Council	CAC employees during IARs
51.	September 2010	Commence I&D process. Begin implementation of sanctions process. Presently this activity is in process. The first disciplinary actions undertaken and processed through Disciplinary Council and Courts, where relevant	March 2011	CAC GB – Committee for Complaints and Disciplinary Council	CAC employees during IARs
52.	April 2011	Conduct a general review of the I & D system to ensure it is operating effectively. Conduct an initial analysis of the key requirements of SMO 6 with the components of the CAC I&D process.	February 2012	CAC GB – Committee for Complaints and Disciplinary Council	CAC employees

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
53.	February 2012	Provide recommended actions which might be taken to enhance alignment of the I&D process of CAC with SMO 6.	August 2012	CAC GB – Committee for Complaints and Disciplinary Council	CAC employees
<i>Maintaining Ongoing Processes</i>					
54.	Ongoing	Continue to use best endeavours to ensure CAC's investigation and disciplinary mechanism continues to address all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	CAC GB – Committee for Complaints and Disciplinary Council	CAC employees
<i>Review of CAC's Compliance Information</i>					
55.	Ongoing	Perform periodic review of CAC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC GB – Committee for Complaints and Disciplinary Council	CAC employees

**Action Plan Subject:** SMO 7 – International Financial Reporting Standards (IFRS)

**Action Plan Objective:** Continue to use best endeavours to maintain and continuously improve an ongoing program for adoption and implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Financial Reporting Standards Board (FRSB) in Croatia is responsible for developing financial reporting standards for the Republic of Croatia. It is also responsible for translation of IFRSs. The FRSB’s activities include developing the Croatian equivalents to the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The Croatian Accounting Act requires the use of IFRSs issued by the IASB and translated by FRBS for preparation of financial statements of listed entities, credit institutions and financial industry. The Croatian Financial Reporting Standards are required for preparation of financial statements of other private sector entities (small and medium), which are not listed.</p>					
<i>Continue to improve IFRS implementation</i>					
56.	Ongoing	Continue in an active participation in the meetings with the Ministry of Finance and FRSB.	Ongoing	CAC GB	CAC GB
57.	Ongoing	Provide comments on the proposed changes in the accounting legislation and work to encourage alignment with IFRS.	Ongoing	CAC GB	CAC’s employees
58.	Ongoing	Assist and support CAC Members with technical tools regarding public disclosure of audited financial statements.	Ongoing	CAC GB	CAC’s employees
<i>Maintaining Ongoing Processes</i>					
59.	Ongoing	Continue to identify opportunities to further assist in implementation of IFRSs. This includes review	Ongoing	CAC GB – Committee for	CAC’s employees

#	Start Date	Actions	Completion Date	Responsibility	Resource
		of the existing activities and preparation of the Action Plan for future activities where necessary.		standards on auditing, quality control and ethics	
<i>Review of CAC's Compliance Information</i>					
60.	Ongoing	Perform periodic review of CAC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CAC GB – Committee for standards on auditing, quality control and ethics	CAC's employees