

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

Use of Information

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

ACTION PLAN

IFAC Member/Associate:	<i>UACR (The Union of Accountants of the Czech Republic)</i>
Approved by Governing Body:	<i>The Executive Board of the UACR</i>
Date Approved:	<i>December 2010</i>
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Glossary

CACR	Chamber of Auditors of the Czech Republic
CCA	Chamber of Certified Accountants
CPD	Continuing Professional Development
ExB UACR	Executive Board of the Union of Accountants of the Czech Republic
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
SMO	Statement of Membership Obligations
UACR	Union of Accountants of the Czech Republic

Action Plan Subject: SMO 1 and Quality Assurance

Action Plan Objective: Use best endeavors to promote the need for high quality audit of financial statements.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
Audits of financial statements in the Czech Republic can only be carried out by statutory auditors, members of the Chamber of Auditors of the Czech Republic (CACR). The CACR has sole responsibility for Quality Assurance Review Program of its members. The Act on Auditors delegates exclusive competence for auditing financial statements to the Chamber of Auditors of the Czech Republic.					
<i>Using best endeavors to promote SMO 1 to the CACR</i>					
1.	ongoing	UACR uses its best endeavors to promote requirements set out in the SMO 1 to the Chamber of Auditors of the Czech Republic.	ongoing	Chamber of Auditors of the Czech Republic	UACR Executive Board
<i>Maintaining Ongoing Processes</i>					
2.	ongoing	Accountants comply with the requirements set out by the Act on Auditors and are trained accordingly.	ongoing	UACR Executive Board	Prof. Lilia Dvořáková, UACR Vice-President
<i>Review of the UACR's Compliance Information</i>					
3.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 2 and the International Education Standards
Action Plan Objective: Implement professional certification and continuing professional development of UACR members.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The UACR membership is voluntary and no final assessment was required from candidates for admission as UACR members until 1997. In 1997 a system of voluntary certification was introduced by UACR which was based on the ACCA model. The certification distinguished between experts, executive accountants, and accounting technicians. Since June 2008, there have been only 2 stages left, the certified expert and the executive accountant. Certified members of the UACR are organized in UACR's unit called the Chamber of Certified Accountants (CCA). Certified members of UACR (organized in the Chamber of Certified Accountants) are subject to requirements set out by the International Education Standards.</p> <p>At the moment, UACR is concentrating its effort on implementing the requirements of the amended Law on Accounting (2009, effective as of Jan. 2010) and related regulations (No 410/2009 Coll., No 385/2009 Coll.) concerning the accounting of the state organization units and self-governing territorial units (municipalities, voluntary associations of municipalities, regions) among accountants.</p>					
<i>Modifying the UACR's certification system</i>					
4.	2008	Modify the certification of accountants from a three-stage system to a 2-stage system.	June 2008 completed	UACR Executive Board	Presidium of UACR Executive Board
<i>Ensuring UACR's ongoing convergence with new and amended International Education Standards</i>					
5.	When	Continue using its best endeavors to address SMO 2 requirements by having established convergence with the new and amended IES for	ongoing	UACR Education Commission	Presidium of UACR Executive Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
		its professional accountancy education program. Establish communication with economic universities and training providers and UACR's Education Commission to ensure that courses and accountancy education content are updated to reflect new requirements.			
<i>Implementing the requirements of the amended Law on Accounting</i>					
6.	January 2010	Implement the requirements of the amended Law on Accounting (2009, effective as of Jan. 2010) and related regulations (No 410/2009 Coll., No 385/2009 Coll.) concerning the accounting of the state organization units and self-governing territorial units (municipalities, voluntary associations of municipalities, regions) among accountants – drafting methodological guidelines, development of new methodological and consultancy software.	ongoing	UACR Education Commission	Presidium of UACR Executive Board
7.	May 2009	Set up a new methodological board to facilitate implementation of the amended Law on Accounting and related regulations and to incorporate the suggestions of the professional community into recommendations for the Ministry of Finance.	2009 completed	UACR, UACR's accounting methodologist, UACR's auditing methodologist	Presidium of UACR Executive Board
<i>Maintaining Ongoing Processes</i>					
8.	ongoing	Continue activity of the methodological board for business entities in the area of accounting, wages and law, consultancy for professional accountants, monthly publication of recommendations in <i>Metodické aktuality SÚ ČR</i>	ongoing	UACR, UACR's accounting methodologist, UACR's auditing	Editorial Board of <i>Metodické aktuality SÚ ČR</i> (Methodology Newsletter of UACR)

#	Start Date	Actions	Completion Date	Responsibility	Resource
		(Methodology Newsletter of UACR).		methodologist	
9.	ongoing	Organize courses of Continuing Professional Development for professional accountants. Instruction on the training agenda and dates is provided by the Presidium of UACR Executive Board to local organizational units.	ongoing	UACR Education Commission	Presidium of UACR Executive Board
10.	Since 1994	Update <i>Účetní poradce</i> (Accounting Advisor), a methodological and consultancy software for accountants in business entities.	ongoing	UACR, UACR's accounting methodologist, UACR's auditing methodologist	Editorial Board of <i>Účetní poradce</i> (Accounting Advisor)
<i>Review of the UACR's Compliance Information</i>					
11.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 3 and the International Auditing and Assurance Standards
Action Plan Objective: Promote implementation of ISAs and other IAASB pronouncements.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
In the Czech Republic the ISAs and other IAASB pronouncements are adopted by the Chamber of Auditors of the Czech Republic (CACR). The UACR bears no responsibility for setting auditing standards. As part of using its best endeavors UACR encourages CACR to maintain the ongoing convergence process with ISAs and their application in the EU.					
<i>Using best endeavors to encourage CACR to maintain the convergence process</i>					
12.	ongoing	Encourages the CACR to continue the ISAs/IAASB convergence process.	ongoing	UACR Executive Board	UACR Executive Board
13.	since 2008	Collect information about the Clarified ISAs and compare them with the Czech standards for auditing.	2010	UACR Executive Board	UACR Executive Board
14.	ongoing	Monitor continuously IAASB pronouncements and standards and make sure that they are translated appropriately into Czech and that they are made available to the professional community.	ongoing	UACR Executive Board	Presidium of UACR Executive Board
15.	Spring 2008	Continue the process of convergence with Clarified ISAs and their adoption in the UACR/CACR framework.	ongoing	UACR Executive Board, CACR Executive Board	UACR Executive Board, CACR Executive Board
16.	Spring 2010	Set the target date for the adoption of Clarified ISAs. UACR's process of redrafting standards in line with ISAs and IAASB's pronouncements will be completed by that date. Is it really your responsibility, not CACR's? If not relevant,	not determined	UACR Executive Board, CACR Executive Board	UACR Executive Board, CACR Executive Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
		perhaps delete?			
<i>Maintaining Ongoing Processes</i>					
<i>Review of the UACR's Compliance Information</i>					
17.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 4 and the IFAC Code of Ethics
Action Plan Objective: Promote the IFAC Code of Ethics and implement required measures within the UACR.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i> In 2007 the UACR adopted the new version of the IFAC Code of Ethics. So far, compliance with the Code of Ethics is obligatory for members of the UACR's Chamber of Certified Accountants upon completion of certification and admission to the Chamber. Non-certified members of UACR may express compliance since January 2010. The option given in May 2010 will enable also non-certified accountants to voluntarily proclaim compliance with the IFAC Code of Ethics.					
<i>Promoting ongoing convergence with the IFAC Code of Ethics</i>					
18.	July 2008	Ensure understanding of the new IFAC Code of Ethics regulations and processes and their implementation in the operations of UACR.	April 2009 Completed	UACR Executive Board	Presidium of UACR Executive Board
19.	May 2009	Establish ongoing monitoring of amendments to the IFAC Code of Ethics with a view of their incorporation in training programs. Monitor the changes made to the IFAC Code of Ethics and adopt the changes following the existing due process. In particular, monitor closely the IESBA work program and proposed revisions to the IFAC Code of Ethics so they can be incorporated into UACR's framework on a timely basis. This includes updating the Action Plan as necessary.	May 2010	UACR Executive Board	UACR Education Commission
20.	May 2010	Option given to all UACR members to proclaim compliance with the IFAC Code of Ethics; vowing to comply will oblige the member to abide by rules and conditions set out by the IFAC Code of Ethics.	May 2010	UACR Disciplinary Commission, UACR Ethics Commission	UACR Disciplinary Commission, UACR Ethics Commission

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#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	May 2010	Set up the Ethics Commission and the Disciplinary Commission of UACR(this put	May 2010	UACR Executive Board	Presidium of UACR Executive Board
22.	2009	Publication of the revised (Clarity? Effective 2011?) IFAC Code of Ethics on UACR's web page.	2009 completed	UACR Executive Board	Presidium of UACR Executive Board
23.	May 2010	Create a register of signatories of the revised IFAC Code of Ethics.	June 2010 Completed?	UACR Executive Board	UACR Ethics Commission
24.	June 2010	Post the register of signatories of the revised Code of Ethics on UACR's web page.	June 2010	UACR Executive Board	UACR Ethics Commission
25.	ongoing	Collect ethical dilemmas and problems from professional accountants.	ongoing	UACR Executive Board	Presidium of UACR Executive Board, Ethics Commission upon its establishment (May 2010)
26.	October 2009	Popularize the new Clarity? IFAC Code of Ethics among clients and academic community; use reference to the register of signatories for promoting its significance in the profession.	ongoing	UACR Executive Board	Presidium of UACR Executive Board, Ethics Commission (upon its establishment)
27.	2011	Observe the current state of adoption of the requirements of the IFAC Code of Ethics in the UACR's code of ethics; drafting a report on the findings.	2012	UACR Executive Board	Presidium of UACR Executive Board
<i>Maintaining Ongoing Processes</i>					
28.	2009	Discuss the revisions to the IFAC Code of Ethics and their adoption in UACR's ethical standards, discuss the collected ethical dilemmas and problems.	ongoing	UACR Executive Board	Presidium of UACR Executive Board, Ethics Commission (upon its establishment)

#	Start Date	Actions	Completion Date	Responsibility	Resource
29.	2009	Comment on the revisions to the IFAC Code of Ethics and on IESBA schedule.	ongoing	UACR Executive Board	Presidium of UACR Executive Board, Ethics Commission (upon its establishment)
<i>Review of the UACR's Compliance Information</i>					
30.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 5 and the International Public Sector Accounting Standards
Action Plan Objective: Use best endeavor to promote IPSAs to the public sector.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
The UACR uses best endeavors to promote the use of IPSASs to the public sector and continues to assist the Ministry of Finance in their implementation where possible. A new regulation (No 410/2009 Coll.) concerning the accounting of the state organization units and self-governing territorial units (municipalities, voluntary associations of municipalities, regions) was enacted in 2009.					
<i>Promoting the new regulation No 410/2009 and providing consultancy to municipalities and territorial units</i>					
31.	2010	Establish a methodical board to facilitate implementation of the new methodology of accounting for municipalities and territorial units. The UACR is member of the board.	January 2010 completed	UACR, UACR's accounting methodologist, UACR's auditing methodologist	UACR, UACR's accounting methodologist, UACR's auditing methodologist
32.	2009	Perform the role of a coordinator between municipalities (territorial units) and the Ministry of Finance. The Union of Accountants answers queries. There is insufficient capacity in UACR for provision of training to all applicants.	ongoing	UACR Executive Board	Presidium of UACR Executive Board
33.	2009	Provide consulting service for municipalities called <i>Software for Municipalities - an Accounting Guide for Municipal Administration</i>	ongoing	UACR, UACR's accounting methodologist, UACR's auditing methodologist	UACR, UACR's accounting methodologist, UACR's auditing methodologist
<i>Maintaining Ongoing Processes</i>					
34.	2010	Increase the capacity of UACR training courses	2010	UACR	UACR Education

#	Start Date	Actions	Completion Date	Responsibility	Resource
		and seminars for implementation of the new regulation No 410/2009 Coll. and the Reform to the Accounting of State and Territorial Units.		Executive Board	Committee
<i>Review of the UACR's Compliance Information</i>					
35.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 6 and Investigation and Discipline
Action Plan Objective: Improve and ensure continuing maintenance of the Investigation and Disciplinary System.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
The Disciplinary Board of UACR is the body responsible for managing the I&D issues. The UACR has recently implemented several measures required by SMO 6 to improve its I&D processes.					
<i>Strengthening investigation and disciplinary processes</i>					
36.	2007	Introduce procedure for investigation and disciplining (I&D) its certified members for failure to comply with professional rules and regulations.	ongoing	UACR Disciplinary Board	Members of UACR Disciplinary Board
37.	2007	Include in the catalogue of possible sanctions an exclusion from membership as the ultimate penalty for non-complying members (in line with SMO 6.7).	2009 completed	UACR Disciplinary Board	Members of UACR Disciplinary Board
38.	2007	Establish a process for independent review of complaints for cases where it has been decided after investigation not to refer the matter to disciplinary hearing (in line with requirements of SMO 6.18).	2009 completed	UACR Disciplinary Board	Members of UACR Disciplinary Board
39.	2008	Ensure UACR maintain a balance of accountants and non-accountants presented on UACR's Disciplinary Board to provide for an outside judgment (in line with SMO 6.19).	2010	UACR Disciplinary Board	Members of UACR Disciplinary Board
40.	2008	UACR rules will prevent an individual from being both a member of the investigation committee and the disciplinary committee or serving in relation to the same case (in line with SMO 6.19).		UACR Disciplinary Board	Members of UACR Disciplinary Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
41.	2008	Ensure that the members of UACR as well as the public are aware of the existence of Investigation and Discipline mechanisms so that they can address the UACR's Disciplinary Board with their matters.		UACR Disciplinary Board	Members of UACR Disciplinary Board
<i>Maintaining Ongoing Processes</i>					
42.	ongoing	UACR continues to place emphasis on ensuring that all its voluntary members (including non-certified members) are subject to an effective and fully implemented investigation and disciplinary system.	ongoing	UACR Executive Board	Members of UACR's Presidium of Executive Board and UACR Disciplinary Board
<i>Review of the UACR's Compliance Information</i>					
43.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 7 and the International Financial Reporting Standards
Action Plan Objective: Support the implementation of IFRSs and coordinate its high-quality and complete translation.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
The International Financial Reporting Standards as endorsed by the European Union are also adopted in the Czech Republic, with the Ministry of Finance being responsible for their adoption. The UACR assists the Ministry in the process of IFRS implementation and coordinates the translation of IFRSs into Czech. The translation served as a basis for publication of standards in EU Official Journal. The UACR published the Czech translation of the IFRS Bound Volume in 2005 and an appendix with new and revised standards in 2006.					
<i>Continuing assisting the Ministry of Finance in the implementation of IFRS</i>					
44.	ongoing	Continue assisting the Ministry of Finance in the implementation of IFRS and promotion of ongoing convergence with IFRS.	ongoing	UACR Executive Board	Members of UACR Executive Board
45.	ongoing	Assist the Ministry of Finance in reviewing new and revised standards and provide input to the IASB standard-setting process. Did it ever happen?	ongoing	UACR Executive Board	Members of UACR Executive Board
46.	When?	Encourage the Ministry of Finance to submit comments to the IASB's proposal of IFRS for small and medium-sized enterprises.	ongoing	UACR Executive Board	Members of UACR Executive Board
47.	ongoing	Continue and expand educational and training activities related to the effective implementation of IFRS in the Czech Republic and in the EU.	ongoing	UACR Executive Board	Education Commission
<i>Maintaining Ongoing Processes</i>					
48.	ongoing	Continue coordinating the process of translation of the IFRS Bound Volume into Czech for its publication.	ongoing	UACR Executive Board, CACR Executive Board	Editorial team of IFRS translation in UACR

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#	Start Date	Actions	Completion Date	Responsibility	Resource
49.	Autumn 2010	Establish an Editorial Board for IFRS translation	Autumn 2010	UACR Executive Board	UACR Executive Board, editorial team of IFRS translation, experts from economic universities
<i>Review of the UACR's Compliance Information</i>					
50.	ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions