

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

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| IFAC Member/Associate: | Georgian Federation of Professional Accountants and Auditors (GFPAA) |
| Original Publish Date: | April 2010 |
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| Next Update: | July 2012 |

GLOSSARY

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| ACCA | Association of Certified Chartered Accountants |
| CPD | Continuing Professional Development |
| EC | Ethics Committee |
| ECC | Education and Certification Committee |
| ED | Executive Director |
| GFPAA | Georgian Federation of Professional Accountants and Auditors |
| IAASB | International Audit & Assurance Standards Board |
| IAESB | International Accounting Education Standards Board |
| IASB | International Accounting Standards Board |
| IES | International Education Standards |
| IFAC | International Federation of Accountants |
| IFRS | International Financial Reporting Standards |
| IPSAS | International Public Sector Accounting Standards |
| ISA | International Standards on Auditing |
| ISQC | International Standard on Quality Control |
| QA | Quality Assurance |
| QARC | Quality Assurance Review Committee |
| QC | Quality Control |
| SC | Standards Committee |
| TSU | Tbilisi State University |

Action Plan Subject: SMO 1 - Quality Assurance
Action Plan Objective: Development and maintenance of GFPAA Quality Assurance Review System

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|----------------------------------|--------------------|----------|
| <p><i>Background:</i></p> <p>According to the law on Auditing Services (1995) the Auditing Council at the Parliament of Georgia is entrusted with the quality assurance (QA) of audit services in Georgia. To meet IFAC requirements, especially requirements of SMO 1, GFPAA in 2006 has revised its Constitution and adopted corporate membership, in order to conduct QA review within its corporate members (i.e. members-audit firms) with its own initiative. Quality Control Questionnaires were prepared and approved in May 2008 and were sent to GFPAA's members-audit firms in June 2008. In December 2009, the analysis of received responses has been finalized.</p> <p>In order to facilitate audit quality assurance and strengthen public oversight of auditors and audit firms, as well as to cover all audit firms in QARP, rather than GFPAA's members-audit firms, now GFPAA is working with Profession members on drafting Law on Accounting and Audit Services and will lobby the law.</p> | | | | | |
| <p><i>Implementation of Quality Assurance Review System</i></p> | | | | | |
| 1. | April 2008 | <p>GFPAA reviews requirements of SMO 1; get into contact with an IFAC Member experienced in Quality Assurance Review System.</p> <p>GFPAA got into contact with Estonian Auditing Board.</p> | <p>May 2008</p> <p>Completed</p> | Executive Director | ED |

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|----|---------------|--|--------------------------------------|--|---|
| 2. | February 2008 | <p>GFPAA organises the International Conference <i>Professional Education and Service Quality Assurance: Experience, Reality, Prospects</i>.</p> <p>On May 28 – 29, GFPAA organized the International Conference in which the representatives from 11 countries took part and made presentations, including the representatives of Estonia, Germany and Britain.</p> | <p>May 2008</p> <p>Completed</p> | <p>Education Committee Chairman. Quality Assurance Review Committee Chairman</p> | <p>ECC Chairman QARC Chairman ED</p> |
| 3. | April 2008 | <p>Membership Committee invites Audit Firms to discuss membership (Sending invitations to the Firms). The letters were sent to the Audit Firms.</p> | <p>June 2008</p> <p>Completed</p> | <p>Membership Committee Chairman</p> | <p>Membership Committee and GFPAA Administration</p> |
| 4. | April 2008 | <p>GFPAA addresses Auditing Council at the Parliament of Georgia for forming the memorandum in order to include GFPAA non-member Audit Firms in the Quality Assurance System.</p> <p>Consultations were held.</p> | <p>May 2008</p> <p>Completed</p> | <p>Quality Assurance Review Committee Chairman</p> | <p>QARC Chairman, GFPAA Board Chairman ED</p> |
| 5. | March 2008 | <p>GFPAA will prepare and send draft Quality Control Questionnaire to Georgian Audit Firms.</p> <p>Quality Control Questioners sent to 13 GFPAA Member Auditing Firms. The Quality Control Questionnaire was prepared in April 2008 before the Conference, based on the information about the Estonian QA System received electronically.</p> | <p>June 2008</p> <p>Completed</p> | <p>Quality Assurance Review Committee Chairman</p> | <p>Auditing Council GFPAA Administration</p> |
| 6. | November 2009 | <p>Translate <i>Guide to Quality Control for Small- and Medium-Sized Practices</i>.</p> | <p>January 2010</p> <p>Completed</p> | <p>QARC Chairman</p> | <p>QARC Members</p> |

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| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|---------------|--|-------------------------|----------------|----------------|
| 7. | July 2010 | Draw out Action Plan for implementation of Quality Assurance Review System (Plan should include system structure, review funding method, reviewers selecting criteria and arrangements for moving from test based Quality Control method to personal visit to a firm). | December 2010 Completed | QARC Chairman | QARC Members |
| 8. | November 2010 | Consider the types of public interest entity audits that might be in the scope of the system. | December 2010 Completed | GFPAA ED | Board of GFPAA |
| 9. | October 2011 | Provide training in <i>Guide to Quality Control for Small- and Medium-Sized Practices</i> . | July 2012 | QARC Chairman | QARC Members |
| 10. | October 2011 | Support and provide guidance corporate members to implement ISQC 1. | July 2012 | QARC Chairman | QARC Members |
| 11. | May 2011 | Provide lobbying to enforce ISQC 1 to all audit firms on legislative basis. | December 2011 | QARC Chairman | QARC Members |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 12. | Ongoing | Continue to ensure that GFPAA Quality Assurance Review System continues 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 as necessary. | Ongoing | QARC Chairman | QARC Members |
| <i>Review of GFPAA's Compliance Information</i> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|---|------------------------|-----------------------|-----------------|
| 13. | Ongoing | Perform periodic review of GFPAA 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 | QARC Chairman | GFPAA ED |

Action Plan Subject: SMO 2 - International Education Standards
Action Plan Objective: Further development and maintenance of GFPAA Educational System

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|----------------|--|-----------------------|----------------|---|
| <p><i>Background:</i></p> <p>In Georgia accountants' and auditors' studying process is carried out by high schools in compliance with the Education Law in Georgia. Accountants' and auditors' professional development and certification is the prerogative of recognized professional organizations in accordance with the Georgian Law on Accounting and Reporting. De facto such organization is GFPAA at the moment.</p> <p>Candidates for GFPAA membership have to complete a Georgian language qualification based on translations of the ACCA syllabus, meet a three-year practical experience requirement and undergo a final assessment. GFPAA is regularly translating and adopting IES pronouncements.</p> <p>GFPAA has signed (in 2008) a memorandum of cooperation with Tbilisi State University (TSU) and other economic profile high schools to fulfill the requirements of IES and in order for high school syllabus to be in compliance with level I of ACCA training program (Papers F1 ~Accountant in Business~, F2 ~Management Accounting~, and F3 ~Financial Accounting~). Besides this, since 2009 our professional members give lectures for economic faculty students of TSU in financial accounting and reporting. This program is worked out by GFPAA.</p> | | | | | |
| <p><i>Further strengthening the Professional Accountancy Education Program</i></p> | | | | | |
| 14. | September 2008 | Translate <i>Guide to Using International Standards on Auditing in the Audits of Small – and Medium sized Entities</i> issued by IFAC. | April 2009 Completed | ECC Chairman | Group of Translators; Amount of fee will be determined up to July 2008 |
| 15. | April 2009 | Review and edit translated <i>Guide to Using International Standards on Auditing in the Audits of Small- and Medium sized Entities</i> . | August 2009 Completed | ECC Chairman | Review and Editor Group Sum of fee will be determined up to July 2008 |

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| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--------------------------------------|----------------|---|-----------------|-------------------------|---------------------------------------|
| 16. | May 2010 | Approve IES 8 and post it to GFPAA's website. | December 2011 | Chairman of GFPAA Board | Executive Director |
| 17. | October 2008 | Update Professional Educational Programs. | Regularly | ECC Chairman | ECC members ACCA program lecturers |
| <i>CPD activities</i> | | | | | |
| 18. | December 2010 | Develop and approve a long-term program of Continuing Professional Education. | March 2012 | ECC Chairman | ECC Members |
| 19. | April 2011 | Work out a New System of monitoring and discipline of CPD. | May 2011 | ECC Chairman | ECC Members |
| 20. | May 2011 | Review and approve a New System of CPD monitoring and discipline. | June 2011 | Chairman of GFPAA Board | GFPAA Board Members |
| 21. | July 2011 | Post to GFPAA's website the New System of CPD monitoring and discipline. | July 2011 | GFPAA ED | GFPAA Administration |
| 22. | September 2011 | Implement the New System of CPD monitoring and discipline. | March 2012 | ECC Chairman | ECC Members |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 23. | Ongoing | Continue maintaining the ongoing convergence with IES Requirements and publishing Translations of renewed ACCA Papers. Action Plan might be expanded in the future if necessary and Compliance Information will be reviewed and updated periodically. | Ongoing | ECC Chairman | ECC Members |

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| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|----------------|-----------|
| <i>Review of GFPAA's Compliance Information</i> | | | | | |
| 24. | Ongoing | Perform periodic review of GFPAA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated information will be submitted to IFAC Compliance Staff. | Ongoing | ECC Chairman | GFPAA EDr |

Action Plan Subject: SMO 3 - International Auditing and Assurance Standards
Action Plan Objective: Further improve and maintain processes for ongoing convergence with IAASB Pronouncements

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|----------------|--|-------------------------|-------------------------|--------------------------|
| <p><i>Background:</i></p> <p>According to the Law on Auditing Service, the Auditing Council at the Parliament of Georgia is responsible for translating and updating the International Auditing and Assurance Standards Board Pronouncements. The Auditing Council at the Parliament of Georgia issued a decree (in 1999) for implementing the ISAs, and its activity in this area was terminated after that.</p> <p>De facto the GFPAA carries out translating, updating and issuing of the International Auditing and Assurance Standards Board Pronouncements, though according to the legislation, it is not responsible for this.</p> | | | | | |
| <i>Ongoing Adoption of International Accounting and Assurance Standards Board Pronouncements</i> | | | | | |
| 25. | September 2009 | Seek funding (from donors) for translation and publication of the 2009 IAASB Handbook. | November 2009 Completed | SC Chairman | SC Chairman; GFPAA ED |
| 26. | June 2010 | Revise SC Policy Statement. Committee's expanded functions will include the following : <ul style="list-style-type: none"> • Ongoing review of IAASB Pronouncements; • Adoption of IAASB Pronouncements by GFPAA; and • Comments on the drafts of IAASB Pronouncements - preparing the proposals. | July 2010 | Chairman of GFPAA Board | Members of GFPAA Board |
| 27. | March 2010 | Develop Convergence Policy with IAASB Pronouncements. | April 2012 | SC Chairman | SC Members |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-------------------------------|-------------------|---|--------------------------|-------------------------|------------------------|
| 28. | March 2010 | Work out Action Plan of GFPAA Standards Committee and present it to GFPAA Board. (Action Plan will include translation – reviewing the drafts of IAASB Pronouncements, sending Comment Letters to IFAC’s Exposure Drafts beginning in 2009, and performing other convergence activities). | April 2012 | SC Chairman | SC Members |
| 29. | April 2010 | Review and approve the Convergence Policy and Schedule worked out by the SC. | May 2012 | Chairman of GFPAA Board | Members of GFPAA Board |
| 30. | April 2010 | Post on GFPAA website Convergence Policy and the Schedule approved by the Board. | May 2012 | ED GFPAA | GFPAA Administration |
| 31. | June 2010 | Transmit to IFAC for advice the Convergence Policy and the Schedule approved by the Board. | June 2012 | ED GFPAA | GFPAA Administration |
| <i>Translation Activities</i> | | | | | |
| 32. | January 2009 | Revise GFPAA Translation Procedures for providing the convergence with IFAC Translation Policy. Develop and present to GFPAA Board for approval of GFPAA Translation Policy. | January 2009 Completed | SC Chairman | SC Members |
| 33 | January 2009 | Review and approve GFPAA Translation Policy. | January 2009 Completed | Chairman of GFPAA Board | Members of GFPAA Board |
| 34. | August 2009 | Revise GFPAA Translation Procedures for providing the convergence with IFAC Translation Policy. Develop and present to GFPAA Board for approval of GFPAA Translation Policy. | September 2009 Completed | SC Chairman | SC Members |

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| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|-------------------|---|------------------------|-----------------------------|------------------------------|
| 35. | January 2009 | Review and approve GFPAA Translation Policy. | January 2009 Completed | Chairman of GFPAA Board | Members of GFPAA Board |
| 36. | October 2009 | Translate the Clarity ISAs. | March 2010 Completed | Leader of Translators Group | 7000 USD |
| 37. | May 2010 | Edit translation of the 2009 IAASB Handbook. | June 2010 Completed | Publication Editor | 2000 USD |
| 38. | June 2010 | Post the 2009 IAASB Handbook on GFPAA website. | June 2010 Completed | GFPAA ED | GFPAA Administration |
| 39. | June 2010 | Publish the 2009 IAASB Handbook with little circulation. | July 2010 Completed | GFPAA ED | 2500 USD |
| <i>Assisting with the Implementation of the Standards</i> | | | | | |
| 40. | September 2010 | Select the lecturer for trainings on the Clarity Standards. | October 2011 | ECC Chairman | ECC Members |
| 41. | October 2010 | Prepare the materials for the training. | November 2011 | ECC Chairman | Selected lecturer 400 USD |
| 42. | November 2010 | Hold the training. | December 2011 | Selected Lecturer | Lecturer 1000 USD |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 43. | Ongoing | Continue working on translating new editions of the ISAs into Georgian and their publication also, to implement approved new standards in practice. Action plan might be expanded in the future as necessary and Compliance Information will be reviewed and updated. | Ongoing | SC Chairman | SC members |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---|-----------------|----------------|------------|
| <i>Review of GFPAA's Compliance Information</i> | | | | | |
| 44. | Ongoing | Perform periodic review of GFPAA 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 | SC Chairman | SC members |

Action Plan Subject: SMO 4 -IESBA Code of Ethics

Action Plan Objective: Further improve and maintain processes to ensure ongoing convergence with the IESBA Code of Ethics

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|----------------|--|-----------------|----------------|--------------|
| <i>Background:</i> | | | | | |
| According to the Law on Auditing Service, the Auditing Council at the Parliament of Georgia is responsible for introducing the Ethics Code for Auditors. GFPAA works for continuing convergence with the IESBA Code of Ethics (on the basis of the GFPAA regulations). GFPAA carries out updating and issuing the Ethics Code (in correspondence with IESBA Code of Ethics) continuously. | | | | | |
| 45. | July 2010 | Review IESBA Code of Ethics and compare with the existing GFPAA Code. | September 2011 | EQRC Chairman | EQRC members |
| 46. | September 2010 | Prepare the appropriate changes to be introduced into the GFPAA Ethics Code. | October 2011 | EQRC Chairman | EQRC members |
| 47. | October 2010 | Discuss corrected GFPAA Ethics Code at the of the GFPAA Board meeting and approve. | November 2011 | EQRC Chairman | EQRC members |
| 48. | November 2010 | Publish GFPAA Ethics Code. | December 2011 | EQRC Chairman | EQRC members |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 49. | Ongoing | Update GFPAA Code of Ethics regarding new requirements. Expand the Action plan in the future as necessary, review and update Compliance Information. | Ongoing | EQRC Chairman | EQRC members |
| <i>Review of GFPAA's Compliance Information</i> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|---|-----------------|----------------|--------------|
| 50. | Ongoing | Perform periodic review of GFPAA 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 | EQRC Chairman | EQRC members |

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards
Action Plan Objective: Further improve and maintain processes for ongoing compliance with IPSASs

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|---------------------|----------------|------------------------|
| <p><i>Background:</i></p> <p>According to Georgian legislation the Ministry of Finance of Georgia is responsible for establishing public sector accounting standards.</p> <p>IPSASs are not adopted in Georgia. However, at the initiative of the GFPAA, the IPSASs of 2004 were translated, but they have not been introduced in the public sector so far. The accounting based on the old Soviet period is still used in the public sector.</p> <p>According to the Strategic Plan of the Ministry of Finance of Georgia, implementation of IPSAS in Georgia will be finalized by the year 2020. The Ministry of Finance announced tender on translation of IPSAS. Within a few months' period the first stage of this plan will commence (translation of IPSAS). GFPAA takes part in the tender for IPSASs translation into Georgian and successfully passed the first and second stages of the tender. At the final stage, which will be held by 20 May 2011, there are two participants – the GFPAA and the Translation Back Office (Argentina).</p> | | | | | |
| 51. | May 2010 | Develop the Action Plan for promoting and translation of IPSASs. | June 2010 Completed | GFPAA ED | Members of GFPAA Board |
| <p><i>Maintaining Ongoing Processes</i></p> | | | | | |
| 52. | Ongoing | Maintain and improve relationship with the Ministry of Finance for establishment of IPSASs. Expand the Action plan in the future as necessary, review and update Compliance Information. | Ongoing | GFPAA ED | GFPAA ED |
| <p><i>Review of GFPAA's Compliance Information</i></p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|---|------------------------|-----------------------|-----------------|
| 53. | Ongoing | Perform periodic review of GFPAA 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 | GFPAA ED | GFPAA ED |

Action Plan Subject: SMO 6 - Investigation and Discipline
Action Plan Objective: Development and maintenance of GFPAA Investigation and Discipline System

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|---------------|---|-------------------------|--------------------------|------------------------|
| <i>Background:</i> | | | | | |
| Investigation and discipline issues regulation, in compliance with the Auditing Service Law, is the responsibility of the Auditing Council at the Parliament of Georgia. To date, this requirement is not carried out into practice. GFPAA works on development of the Investigation and discipline mechanism (I &D) for its members, though that activity is limited to introducing regulations by the Membership and Ethics Committee. | | | | | |
| <i>Strengthening the I&D mechanisms</i> | | | | | |
| 54. | February 2009 | Review the requirements of SMO 6; contact other IFAC Member Bodies to share the experience about establishment of a system of Investigation and Discipline. | April 2009 Completed | EC and QARC Chairmen | GFPAA Administration |
| 55. | May 2009 | Work out the Policy Statement for establishment of a system of Investigation and Discipline and present to GFPAA Board. | June 2009 Completed | EC and QARC Chairmen | EC and QARC Members |
| 56. | November 2010 | Approve the Policy Statement on the system of Investigation and Discipline. | December 2011 | Chairman of GFPAA Board | Members of GFPAA Board |
| 57. | June 2011 | Raise members' and the public's awareness of GFPAA's I&D mechanisms. | July 2012 | Chairman of EC Committee | Executive Director |
| 58. | November 2010 | Post the Policy Statement of the system of Investigation and Discipline on GFPAA's website. | December 2011 | GFPAA ED | GFPAA Administration |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|-------------------|---|------------------------|---|-----------------------------|
| 59. | May 2011 | Apply the system of Investigation and Discipline. | Permanent | EC and QARC Chairmen | QARC members; EC Members |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 60. | Ongoing | Continue working on the improvement of Investigation and Discipline System. Action plan might be expanded in the future as necessary and Compliance Information will be reviewed and updated. | Ongoing | EC Chairman; QARC Chairman | EC members; QARC members |
| <i>Review of GFPAA's Compliance Information</i> | | | | | |
| 61. | ongoing | Perform periodic review of GFPAA 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 | EC Chairman; QARC Chairman GFPAA ED | EC members; QARC members |

Action Plan Subject: SMO 7 - International Financial Reporting Standards
Action Plan Objective: Further improve and maintain processes for adoption and implementation

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|---------------|---|------------------------|----------------|--|
| <i>Background:</i> | | | | | |
| According to the Georgian Law for Accounting, GFPAA carries out translation and issuing of the International Financial Reporting Standards. In 2008 GFPAA made a decision, according to which it plans to translate and publish IFRSs annually. The 2009 and 2010 IFRSs are already translated and published. The 2009 IFRS for SMEs is also translated. | | | | | |
| <i>Translation of IFRS</i> | | | | | |
| 62. | July 2008 | Translate the revised international accounting standards and the new standards issued since 2007. | April 2009 Completed | GFPAA ED | GFPAA translator |
| 63. | December 2008 | Publish the translated 2009 IFRSs (these actions will take place annually) and transmit them for approval by the Committee at the Parliament of Georgia (if adoption of standards will not be changed by Georgian Law). | July 2009 Published | GFPAA ED | Members of Accounting Committee at the Parliament of Georgia |
| 64. | January 2008 | Contact IASB for Permission to translate the IFRSs on an ongoing basis. | Annually | SC Chairman | GFPAA ED |
| 65. | October 2009 | Translate IFRSs for SMEs. | January 2010 Completed | SC Chairman | SC Members |
| 66. | April 2010 | Develop the plan for translation of 2010 IFRSs. | April 2010 Completed | SC Chairman | SC Members |
| 67. | May 2010 | Translate the revised and new standards issued since 2009. | October 2011 | GFPAA ED | GFPAA translator |

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| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|-------------------|---|------------------------|-----------------------|--|
| 68. | June 2010 | Revise Quality of Compliance of translated standards with their original ones. | November 2011 | SC Chairman | Standards Review Committee |
| 69. | December 2010 | Publish the translated 2010 IFRSs. | December 2011 | GFPAA ED | GFPAA |
| 70. | December 2010 | Transmit the translated 2010 IFRSs for approval to the Committee at the Parliament of Georgia (if adoption of standards will not be changed by Georgian Legislation). | December 2011 | | Members of Accounting Committee at the Parliament of Georgia |
| <i>Promoting Ongoing Convergence with IFRSs for SME</i> | | | | | |
| 71. | April 2010 | Review National Financial Reporting Standards for SMEs for compliance with IFRS for SMEs (if there are some changes in Georgian Law on Accounting and Reporting). | March 2010 | SC Chairman | Persons selected for compliance review |
| 72. | June 2010 | Plan actions regarding IFRS for SMEs according to the decision of GFPAA Board. | March 2010 | | |
| <i>Review of GFPAA's Compliance Information</i> | | | | | |
| 73. | Ongoing | Perform periodic review of GFPAA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information. | Ongoing | SC Chairman | SC members |

Action Plan Subject: Other activities of the GFPAA

Action Plan Objective: Further strengthen GFPAA position as leading professional body in Country and internationally

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|-----------------------------|-----------------|------------------------|---------------|
| <p><i>Background:</i></p> <p>GFPAA organised a number of conferences during the last two years to share experiences of neighbor countries as well as those of leading professional organizations. GFPAA board members and the executive team also attended a number of conferences, including the 18th World Congress of Accountants. The aforementioned conferences are:</p> <ol style="list-style-type: none"> 1. 5-6 November 2009, Georgia. The “Accounting and audit regulation - sharing experience” conference was organized by GFPAA and representatives of UK, Germany, Poland, Turkey, Serbia, Lithuania, Uzbekistan, Russia, Ukraine, Azerbaijan and Armenia attended. 2. 16-18 November 2009, Georgia. The “Enhancing Financial Disclosure Standards in Armenia, Azerbaijan, and Georgia” conference was organized by GFPAA and ADB, and representatives of Azerbaijan, Armenia and Georgia attended. 3. Chairman of GFPAA board participated in the conference “Investment attractiveness of Ukraine and investment climate strengthening. IFRS and IAS for Economics Improvement” held on 7-8 July 2010 in Kiev, Ukraine. 4. GFPAA Executive Director and executive team members attended the 18th World Congress of Accountants held in Malaysia on 8 November 2010. 5. Chairman of GFPAA board participated as a panelist for the International Financial Forum “Accountants Creating Value” held on 31 March 2011 in Kiev, Ukraine. 6. Chairman of GFPAA board will attend and make a presentation at the International Conference on “Prospects for Development of Accounting, Auditing and Analysis in the Context of Eurointegration”, which will be held on 19 May 2011 in Odessa, Ukraine <p>GPF AA is also involved in discussion with Government to establish new audit and accounting regulation in Georgia.</p> <ul style="list-style-type: none"> • GFPAA and Ministry of Finance of Georgia (MoF) agreed to issue joint publication to clarify MoF dispute resolution council decisions. • GFPAA and MoF started work on regulation of how Government can rely on the work of Audit Firms | | | | | |
| 74. | May 2011 | Joint publication with MoF. | September 2011 | Tax Committee Chairman | Tax Committee |

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| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|-------------------|------------------------|-----------------------|-----------------|
| 75. | May 2011 | Audit regulation. | July 2012 | GFPAA Board | GFPAA |



Lavrenti Chumburidze
Executive Director