

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:	Institute of Certified Public Accountants in Israel
Approved by Governing Body:	President, ICPAI
Date Approved:	August 2011
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GLOSSARY

CPA	Certified Public Accountant
CPD	Continuous Professional Development
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
ICPAI	Institute of Certified Public Accountants in Israel
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IGASB	Israel Government Accounting Standards Board
IIASB	Israeli Accounting Standards Board
IOB	Israeli Oversight Board
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
ISQC	International Standards on Quality Control
QA	Quality Assurance
SMEs	Small- and Medium-Enterprises
SMO	Statement of Membership Obligations
The ISA	The Israeli Securities Authority
US PCAOB	United States Public Company Accounting Oversight Board
US SEC	United States Security and Exchange Commission

Action Plan Subject: SMO 1 Quality Assurance

Action Plan Objective: Use best endeavors to ensure an effective quality review program is in place for all members offering audit and assurance services considering large entities as well as SMPs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The inspection under the supervision of the Israeli Oversight Board (IOB) is mandatory on all firms of certified public accountants that audit the financial statements of public and reporting companies (for this purpose, companies are defined as companies that are subject to the Israel Securities Law, including Israeli companies that their securities are traded on foreign stock exchanges, other than those which are subject to oversight of the United States Public Company Accounting Oversight Board U.S. PCAOB). Members of the Institute of Certified Public Accountants in Israel (ICPAI) who do not audit public companies and wish their firm to be inspected may voluntarily join the oversight process. [GKI] The Institute encourages firms to voluntarily participate in the process.</p> <p>The Israeli Oversight Board has set, at its own discretion, the date and frequency of the inspection. Nevertheless inspections of firms will be undertaken not less than once every three years. However, inspection of large firms will be undertaken annually.</p> <p>In administering its inspections the Israeli Oversight Board coordinates with regulators, including the:</p> <p><u>Auditors' Council (Ministry of Justice)</u> - the Board will advise the Auditors' Council of circumstances where it has revealed significant violations of the Auditors' Law and Regulations.</p> <p><u>Securities Authority</u> - the Board will advise the Securities Authority of every report to the Auditors' Council, as noted above. In addition, the Board will also advise the Securities Authority of any pervasive default in performing audits of public companies and of specific cases where accounting firms failed significantly to adhere to Authority's rules.</p> <p><u>The Supervisor Of Banks: Bank Of Israel</u>- The Board will advise the Supervisor of Banks on a basis similar to the reporting to Securities Authority regarding the audit of banking institutions.</p>					
<p><i>SMO 1 Section 54 Bringing the quality assurance system in line with the requirement of SMO 1</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Ongoing Annually	Hold a quarterly meeting with the Board of Directors to receive a detailed and thorough report on the quality assurance reviews.	Ongoing Annually	Mr. Yitzhak Bezalel CPA Prof. Direct. IOB	Mr. Yitzhak Bezalel CPA Professional Director IOB
2.	December 2011	Draft a report on the broad findings that were uncovered during the review.	January 2012	Mr. Yitzhak Bezalel CPA Prof. Sec. IOB	Mr. Yitzhak Bezalel CPA Professional Director IOB, (Review Team)
3.	January 2012	If necessary, the Board formulates new professional rules following the findings.	February 2012	Mr. Yitzhak Bezalel CPA Prof. Director. IOB	Mr. Yitzhak Bezalel CPA Professional Director IOB, (Steering Committee)
4.	February 2012	Approve the report which includes the conclusions from the audit and present the report to the Securities Authority.	March 2012	Mr. Yitzhak Bezalel CPA Prof. Director. IOB	Mr. Yitzhak Bezalel CPA Professional Director IOB, Steering Committee
5.	March 2012	The steering committee and delegates from the Securities Authority hold a meeting in which the data is presented along with the conclusions arising from the report.	May 2012	Mr. Yitzhak Bezalel CPA Prof. Director. IOB	Mr. Yitzhak Bezalel CPA Professional Director IOB, Steering Committee, Delegates from the Securities Authority

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6.	May 2012	The conclusions of the quality assurance review are issued to the reviewed firm upon completion. Some reviewed members provide a written response, however some reviewed members provide an oral response, which is incorporated into the review report. In all cases the review team drafts a written report of the response which enables the team to follow up on weaknesses that were corrected or to perform follow up control.	June 2012	Mr. Yitzhak Bezael CPA Prof. Director. IOB	Mr. Yitzhak Bezael CPA Professional Director IOB, Review Team
<i>Section 55 Reporting to the Public</i>					
7.	Ongoing	Distribute a summary of the report to the Israeli media, publish it on the Institute's website and professional magazine and in the Israeli financial newspapers and magazines.	March 2012	Mr. Yitzhak Bezael CPA Prof. Director IOB	Mr. Yitzhak Bezael CPA Professional Director IOB
<i>Maintaining Ongoing Process</i>					
8.	Ongoing	Continue to ensure that the Oversight Board is operating effectively and continues to be in line with the SMO 1 requirement.	Ongoing	Mr. Yitzhak Bezael CPA Prof. Director IOB	Mr. Yitzhak Bezael CPA Professional Director IOB
9.	Ongoing	Follow up on the review team's work and address deficiencies encountered in the oversight.	Ongoing	Mr. Yitzhak Bezael CPA Prof. Director IOB	Mr. Yitzhak Bezael CPA Professional Director IOB
10.	Ongoing	Continue to prepare clarifications as to the importance of the review, the creation of several teams, and raise the awareness of the firms being reviewed.	Ongoing	Mr. Yitzhak Bezael CPA Prof. Director IOB	Mr. Yitzhak Bezael CPA Professional Director IOB

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<i>Review of ICPAI's Compliance Information</i>					
11.	Ongoing Annually	Review the SMO 1 requirements annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ICPAI's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated, inform IFAC Compliance stall about the updates in order for them to republish updated information.	Ongoing Annually	Mr. Yitzhak Bezalel CPA Prof. Director IOB	Mr. Yitzhak Bezalel CPA Professional Director IOB

Action Plan Subject: SMO 2 - IESs

Action Plan Objective: Provide a framework for Continuing Professional Development in accordance with the ongoing professional changes

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Israeli legislator is responsible for passing the relevant law and regulations. ICPAI uses its best endeavors to persuade the regulator to pass laws and regulations in accordance with the IES.</p> <p>Accountancy education takes place in the universities. Israeli Universities are under the academic supervision of the Israeli Council for Higher Education (CHEI) and the professional supervision of the Auditors' Council (Ministry of Justice). The Council is the body responsible for the professional accountancy education program. The Institute's members on the Council are actively involved working to support the incorporation of IES in university accountancy education.</p> <p>Completion of a final assessment is necessary in order to become an auditor in Israel. The Auditors' Council (Ministry of Justice) is the body responsible for conducting the final assessment. This examination is uniform for all candidates and is given in comprehensive written format. In order to sit for the examination, candidates must typically have completed a B.A. in Accountancy.</p> <p>Practical experience in the field of audit is required to practice in Israel as an auditor. The Auditors' Council approves the place of practical experience attainment (apprenticeship). The requirement for two years of practical experience is achieved under the supervision of a "coach" who has been approved to act as a "coach" by the Council. There are exceptions: The Auditors' Council may approve apprenticeship in other bodies such as the Securities Authority, the Tax Authority and large public corporations. The conditions are: 1. The apprenticeship must take place where audit and assurance work is performed. 2. The apprenticeship takes place under the supervision of a CPA who has been approved by the Council as a "coach". 3. On occasion, the period of apprenticeship is 1 year, and the additional year is to be carried out in a CPA firm.</p> <p>In regards to CPD, the ICPAI has established the Institute for Continuing Professional Education and Certificate Programs which prepares a wide cadre of relevant professional and managerial subjects. The Institute laid the groundwork for proposed legislation which will require continuing professional education for CPAs. As part of the Institute's efforts towards mandatory CPD for all</p>					

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professional accountants, we record, monitor and verify member's participation.					
<i>Preparations for the adoption of CPD requirements</i>					
12.	2005	Establishment of the Institute for Continuing Professional Education and Certificate Programs. The school's programs include study courses that are between 24-48 hours long, half day study sessions, seminars, workshops, conferences and congresses.	Completed	Mr. David Goldberg, CPA (Isr)	Institute for Continuing Professional Education and Certificate Programs
<i>Maintaining Ongoing Processes</i>					
13.	Ongoing Tri-annually	Prepare the schedule of CPD events (Every 3 months). The events cover a plethora of professional subjects that are relevant to the work of the CPA \ auditor, incl. various complimentary disciplines such as: Company Directors Course; Investigative Auditing; Understanding Governmental Accounting. The syllabus ensures that changes in tax laws, revisions of existing and \ or the introduction of new standards are incorporated.	Ongoing	Mr. David Goldberg, CPA (Isr) and professional lecturers	Technical staff together with individual lecturers
14.	Ongoing Monthly	Send all information about CPD to all members by mail (hard copy of the brochure) and e-mail in the form of a Newsletter, and publish on the ICPAI website under <i>CPD Courses</i> .	Ongoing	Mr. David Goldberg, CPA (Isr)	Institute for Continuing Professional Education and Certificate Programs

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15.	Ongoing	Carry out the activities of the school throughout the country, on a similar basis, in order to maintain uniformity.	Ongoing	Mr. David Goldberg, CPA (Isr)	Institute for Continuing Professional Education and Certificate Programs
<i>Obtaining Recognition of the Regulator</i>					
16.	Ongoing	The Institute has negotiated, with the assistance of representatives from the Treasury, for the recognition of its professional study system, in order that civil servants can formally approach the Institute's bodies, which deal with continuing professional development, and obtain recognition and also points, which are also recognized in accordance with the rules governing civil servants.	Ongoing	Mr. David Goldberg, CPA (Isr)	Institute for Continuing Professional Education and Certificate Programs
17.	Ongoing	The Institute believes that the combination of assessments on a voluntary basis, together with the formal arrangements in the public sector will also lead, at the end of the day, to a complementary process in the legislation and in accordance with the pronouncements by IFAC.	Ongoing	Mr. David Goldberg, CPA (Isr)	Institute for Continuing Professional Education and Certificate Programs
<i>Maintaining Ongoing Processes</i>					
18.	Ongoing	Continue to use best endeavors to ensure that the Institute's education requirements reflect the changes in the profession and the professional landscape, update the members to ensure they maintain professional competence.	Ongoing	Mr. David Goldberg, CPA (Isr) and professional lecturers	Institute for Continuing Professional Education and Certificate Programs

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<i>Review of ICPAI 's Compliance Information</i>					
19.	Ongoing	Carry out periodic review of ICPAI's response to the IFAC self assessment questionnaire and update sections relevant to SMO 2 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Ongoing Annually	Mr. David Goldberg, CPA (Isr)	Institute for Continuing Professional Education and Certificate Programs

Action Plan Subject: SMO 3 - IAASB Pronouncements

Action Plan Objective: Continue to use best endeavors to maintain ongoing processes of translation and adaptation of IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Institute of Certified Public Accountants in Israel is the entity responsible for establishing auditing standards which are obligatory. The regulators have assigned this duty to the Institute. The Israel Auditing Standards Committee is an integral part of the ICPAI, according to the Auditors Regulations (ways of the Auditor's Practice) 5715-1973.</p> <p>The Israel Auditing Standards Committee is responsible for:</p> <ul style="list-style-type: none"> • Ongoing review of IAASB Pronouncements • Recommending the IAASB Pronouncements to be adopted by the ICPAI • Ongoing monitoring of IAASB work program to identify new drafts and final standards • Review the EDs and Pronouncements and prepare recommendations for its adoption in Israel with the plan to develop a translated version • Review of the translation into Hebrew • Examine the appropriateness of the translations and compliance with the Israeli standardization and regulation. 					
<i>Responsibilities of the Israel Auditing Standards Committee</i>					
<i>Translation Process</i>					
20.	January 2008	Selection of a specialized translation company to ensure the ongoing translation of the standards and draft standards as issued by IAASB.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	Ongoing	Completion of the translation in accordance with the agreed plan by the specialized company selected to perform the ongoing translation of the standards. The Committee follows the IFAC Translation Policy for NSS that Adopt IS with modifications. As of 2011 the Committee will communicate the modifications to the IAASB.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
22.	Ongoing	The committee reviews the translated standards.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
23.	Ongoing	Approval of the translation as performed by the selected company and reviewed by the committee in accordance with the approved plan and approval of the translation.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
<i>Adoption of IAASB Pronouncements</i>					
24.	Ongoing	The committee approves the standard. Following the approval, the standard is approved by the Institute's Professional Committee.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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25.	Ongoing	The ICPAI staff publishes the standards on the ICPAI website. The standards are published in the ICPAI magazines which are received by the members of the ICPAI, members of the academia, Israeli stakeholders and high profile members of the Israeli economy for their input within a limited time. All regulatory bodies receive the ED for comment.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
26.	Ongoing	Comments received are discussed by the Committee for final approval.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
27.	Ongoing	Publish approved standard.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
<i>Additional Activities to support the Auditor in Israel</i>					
28.	Ongoing	Following the SOX Act of 2002 in the USA and the publication of PCAOB 5, the regulators in Israel have decided to adopt PCAOB 5 (with amendments) for listed companies only. The Committee published two standards (104, 103) in accordance with the standardization process.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
<i>Maintaining Ongoing Process – 2008</i>					

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29.	January 2008	The following 4 standards were distributed to the specialized translation company for translation: ISA 700, ISA 230, ISA 560, ISRE 2410.	Ongoing	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
30.	January 2008	The Committee received 1 translated standard: ISRE 2410.	April 2008	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
31.	January 2008	The Committee received 1 translated standard: ISA 230.	June 2008	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
32.	January 2008	The Committee received 1 translated standard: ISA 560.	July 2008	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
33.	January 2008	The Committee will received 1 translated standard: ISA 700.	September 2008	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
34.	April 2008	The Committee published final ISRE 2410.	November-December 2008	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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35.	November - December 2008	The Committee will publish the following: ISAs 700, 230 (Clarified) , 560 (Clarified).	February- March 2009	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
<i>Maintaining Ongoing Process – overview for the years 2009-2010</i>					
36.	January 2009	The Committee will receive 1 translated standard: ISA 600.	March 2009	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
37.	February 2009	The Committee will receive 1 translated standard: ISA 200.	April 2009	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
38.	March 2009	The committee will receive 4 translated standards: ISA 705, 706, 710, 300.	August 2009	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
39.	May, 2009	The Committee will receive 1 translated standard: ISA 315.	October 2009	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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40.	July, 2009	The Committee will receive 1 translated standard: ISA 330.	December 2009	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
<i>Maintaining Ongoing Process – overview for the years 2011-2015</i>					
<i>Publication of final ISAs</i>					
41.	2011	The Committee will review the Glossary.	December 2011	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
42.	2011	The Committee will review the Objective and General Principles Governing an Audit of Financial Statements ISA 200.	December 2011	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
43.	2011	The Committee will review the Quality Control for Audits of Financial Statements ISA 220.	December 2011	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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44.	2011	The Committee will review the ISQC 1.	December 2011	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
45.	2011	The Committee will review the Communication of Audit Matters with Those Charged with Governance ISA 260.	2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
46.	2012	The Committee will review the Written Representations ISA 580.	June 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
47.	2012	The Committee will review the Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement ISA 315.	June 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
48.	2012	The Committee will review the Planning an Audit of Financial Statements ISA 300.	June 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
49.	2012	The Committee will review the The Auditor's Procedures in Response to Assessed Risks ISA 330.	December 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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50.	2012	The Committee will review the Using the Work of Another Auditor ISA 600.	December 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
51.	2012	The Committee will review the Other Information in Documents Containing Audited Financial Statements ISA 720.	December 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
52.	2012	The Committee will review the Materiality in Planning and Performing an Audit ISA 320.	December 2012	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
53.	2013	The Committee will review the Evaluation of Misstatements Identified during the Audit related Conforming Amendments ISA 450.	June 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
54.	2013	The Committee will review the Initial Audit Engagements - Opening Balances ISA 510.	June 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
55.	2013	The Committee will review the Audit Sampling ISA 530.	June 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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56.	2013	The Committee will review the Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures, and related Conforming Amendments ISA 540.	June 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
57.	2013	The Committee will review the Related Parties, and related Conforming Amendments ISA 550.	December 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
58.	2013	The Committee will review the Going Concern ISA 570.	December 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
59.	2013	The Committee will review the Using the Work of Internal Auditors, and related Conforming Amendments ISA 610.	December 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
60.	2013	The Committee will review the Agreeing the Terms of Audit Engagements ISA 210.	December 2013	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
61.	2014	The Committee will review the Audit Considerations Relating to an Entity Using a Third-Party Service Organization ISA 402.	June 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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62.	2014	The Committee will review the Audit Evidence ISA 500.	June 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
63.	2014	The Committee will review the Audit Evidence - Specific Considerations for Selected Items ISA 501.	June 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
64.	2014	The Committee will review the External Confirmations ISA 505.	June 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
65.	2014	The Committee will review the Analytical Procedures ISA 620.	December 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
66.	2014	The Committee will review the Using the Work of an Auditor's Expert ISA 620.	December 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
67.	2014	The Committee will review the Comparative Information – Corresponding Figures and Comparative Financial Statements ISA 710.	December 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
68.	2014	The Committee will review the Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks ISA 800.	December 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
69.	2014	The Committee will review the Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement ISA 805.	December 2014	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
70.	2015	The Committee will review the Engagements to Report on Summary Financial Statements ISA 810.	June 2015	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
71.	2015	The Committee will review the Communicating Deficiencies in Internal Control ISA 265.	June 2015	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
72.	2015	The Committee will review the Assurance Reports on Controls at a Third-Party Service 3402.	June 2015	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee
73.	2015	The Committee will review the Objective and General Principles Governing an Audit of Financial Statements ISA 240.	June 2015	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzel Patal, CPA (Isr)	The Israel Auditing Standards Committee

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74.	2015	The Committee will review the Consideration of Laws and Regulations in an Audit of Financial Statements ISA 250.	June 2015	Chairman: Mr. Izhar Kanne, CPA (Isr.) Professional Secretary: Prof. Herzal Patal, CPA (Isr)	The Israel Auditing Standards Committee
<i>Maintaining Ongoing Process</i>					
75.	Ongoing	Continue to raise members' awareness of these standards and assist them in the application of the standards.	Ongoing	Israel Auditing Standards Committee	Professional Staff
76.	Ongoing	Continue to ensure members are kept fully aware of the standards by a communications plan which includes: <ul style="list-style-type: none"> • Updating the Institute's Webpage • Conducting CPD events that include: study courses, seminars, congresses. • Publish in our Newsletter • Publish in our journal (sent by mail to all members). 	Ongoing	Israel Auditing Standards Committee	Professional Staff
<i>Review of ICPAI's Compliance Information</i>					
77.	Ongoing	Continue to perform periodic reviews of the response to the IFAC self assessment questionnaire and update sections relevant to SMO 3 as necessary. Once updated, inform the compliance staff about the updates in order for them to republish.	Ongoing Annually	Israel Auditing Standards Committee	Professional Staff

Action Plan Subject: SMO 4 - International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Continue to use best endeavors to maintain ongoing process to implement the IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>In Israel, ethical standards are not only set by the ICPAI but also through a mix of legislation and international standards. In general, ethics standards of CPA Firms in Israel are composed of 4 sets of standards:</p> <ol style="list-style-type: none"> 1. The Auditors Regulation (Conduct Unbecoming Professional Honor 5715-1955) as set by the Ministry of Justice. 2. Standards set by the US SEC for firms that audit entities traded on the American Stock Exchange. 3. International Ethics Standards for Audit Firms that audit entities traded on the European Market. 4. Independence Standards set for Audit Firms that audit traded companies and reported companies. <p>Over the course of the next year, ICPAI intends to work to review current ethical requirements and compare their content to the content of the IESBA Code of Ethics to see if there are gaps in compliance. ICPAI will then work to raise awareness with the Ministry of Justice and other regulatory authorities regarding any departures found.</p>					
<i>Identify Potential Departures from IESBA Code of Ethics and Promote Convergence</i>					
78.	2011 Ongoing	Promote the convergence of the Ethics standards and the Independence standards with IESBA Code of Ethics among the Ministry of Justice and the other regulatory authorities.	2012 Ongoing	Review Committee	Review Committee
79.	April 2012	Review the IESBA Code of Ethics and compare with current ethical and independence requirements currently in place in Israel.	October 2012 Ongoing	Review Committee	Review Committee
80.	October 2012	Identify areas where there may be gaps in compliance and consider recommendations for closing these gaps.	March 2013	Review Committee	Review Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Raise Awareness of Resources to Support Implementation of IESBA Code of Ethics</i>					
81.	Ongoing	Continue to support and raise awareness among ICPAI membership regarding IESBA's production of tools and guidance to support the implementation of the Code by Small and Medium Practices (SMPs).	Ongoing	Review Committee	Review Committee
<i>Maintain Ongoing Processes</i>					
82.	Ongoing	Monitoring of standard-setting activities of the IESBA and updating the Action Plan for further activities where necessary.	Ongoing	Review Committee	Review Committee
83.	Ongoing	Continue to promote awareness of changes in ethical requirements to ICPAI membership through the inclusion of innovations and changes to ethical requirements in ICPAI professional development courses, conferences, and professional publications.	Ongoing	Review Committee	Review Committee
<i>Review of ICPAI's Compliance Information</i>					
84.	Ongoing	Carry out periodic review of ICPAI's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Ongoing Annually	Review Committee	Review Committee

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSASs)
Action Plan Objective: Continue to use best endeavors to assist in the adoption and implementation of IPSAS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>In 2005 the Israel Government Accounting Standards Board (IGASB) was established in order to adopt the International Public Sector Accounting Standards (IPSASs) published by the International Public Sector Accounting Standards Board (IPSASB), an independent standard setting board operating under the auspices of IFAC. In 2011, the IGASB published the translated IPSAS Guide (in Hebrew) which includes 21 IPSAS. The role of ICPAI has been to support the education and training of professionals in the area of IPSAS and public financial management through technical conferences and CPD offerings. ICPAI intends to continue these efforts to further IPSAS implementation.</p>					
<i>Continuing education of members</i>					
85.	Ongoing	Develop and deliver technical conferences for ICPAI members to inform participants about the IPSASs and foster discussion of significant aspects. Consider new and important trends in IPSAS implementation and changes/amendments to IPSAS in the development of conferences.	May 2005 January 2011 Ongoing	Institute for CPE and Certificate Program	Technical Staff together with individual lecturers
86.	Ongoing	Organize CPD lectures at national conferences for CPAs to broaden understanding of IPSAS and raise awareness of the issues of IPSAS adoption and implementation among a broader audience.	Ongoing	Institute for CPE and Certificate Program	Technical Staff together with individual lecturers
<i>Technical Support for our Members</i>					
87.	Ongoing	Continue "Professional Consultation" over the phone: We offer members a telephone service	Ongoing	ICPAI Technical	Technical Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		whereby they may make oral inquiries on technical matters, including public sector accounting and auditing. In addition, members may request written replies from our technical department on technical issues.		Secretary	
<i>Review of ICPAI's Compliance Information</i>					
88.	Ongoing	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary by the staff responsible for the relevant area of activities.	Ongoing Annually		

Action Plan Subject: SMO 6 - Investigation and Discipline (I&D)

Action Plan Objective: ICPAI will continue to promote the subjects that are connected to SMO 6 in the legislation.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The function of Investigation and Discipline (I&D) in Israel is in effect dealt with directly by the regulator – the Auditors' Council- which is a statutory body subordinate to the Ministry of Justice. The Institute of Certified Public Accountants in Israel is a voluntary body and the Institute, as such, is not officially represented on the Council. Although weight is given in the process of the selection of the members of the Council to the recommendations made by the Institute, and approximately 43% of the members of the Council are persons recommended by the Institute, however, the appointment of the person selected is made by the Minister of Justice and the Minister of Finance of the State of Israel, out of a list of persons who have been recommended and the appointment is an absolutely personal one and the activity of each member of the Council is personal.</p> <p>Even though 43% of the members of the Council come from the persons recommended by the Institute, the Institute as a body has no part and no influence over the activities of the Council, over its agenda, over the way it makes decisions or over the decisions themselves. The Institute addresses the Minister of Justice and the Constitution, Law and Justice Committee directly to promote issues it deems important. It should be noted that within the framework of the decision-making process in the Council, changes that are expected to be made are generally passed over to the Institute in order that its response can be received, or they are made in consultation with it, however, apart from the right to present a response, as aforesaid, the Institute has no impact whatsoever on the Council.</p> <p>The Auditors Council addresses all breaches of professional misconduct or breaches of ethical requirements as stated in the Auditors Law and Regulations. Complaints filed by various bodies including individuals are thoroughly investigated. The Council appoints an Investigation Committee for each and every complaint. The Auditors Council has the judicial authority equivalent to a District Court. The Supreme Court of Israel sits as an appellate court. The Auditors Council has the right to reprimand an auditor, deprive a license for a limited time or for good. The investigative process within the Council is not in lieu of the process required if the auditor broke a State law. Even though the ICPAI is not a statutory body, there exists a disciplinary tribunal with the authority to administer appropriate sanctions.</p>					
<p><i>The Responsibility for the SMO 6 Activities</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
89.	Ongoing	(The Institute will recommend to the Auditors' Council and to the members of the Council to promote the subjects that are connected to SMO 6 in the legislation).	Ongoing	President, CEO, Ethics Committee	President, CEO, Ethics Committee
90.	Ongoing	On the assumption that the Auditor's Council will initiate the legislative process accordingly, the Institute will assist, in so far as is possible, the legislative process on these matters.	Ongoing	President, CEO, Ethics Committee	President, CEO, Ethics Committee
91.	Ongoing	If and when the amendments of the law are passed, the Institute will explain the provisions of the law on the matters of SMO 6 to all of the members of the Institute, within the framework of its publications, website and ongoing CPD courses, workshops, conferences and seminars.	Ongoing	President, CEO, Ethics Committee	President, CEO, Ethics Committee
<i>Maintaining ongoing Processes</i>					
92.	Ongoing	Continue raising awareness of I&D by embedding the requirements within the framework of ICPAI conferences and professional development courses, which the Institute organizes.	Ongoing	President, CEO, Ethics Committee	President, CEO, Ethics Committee
93.	Ongoing	Continue the requirement for each member of the ICPAI to sign a written declaration stipulating adherence to the code and commitment according to the Ethical code and other professional standards, rules and requirements.	Ongoing	President, CEO, Ethics Committee	President, CEO, Ethics Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
94.	Ongoing	Continue the communication between ICPAI Board and the Auditors Council regarding member misconduct. ICPAI Board has the authority to inform the Auditors Council of a member's misconduct.	Ongoing	President, CEO, Ethics Committee	President, CEO, Ethics Committee
<i>Review of ICPAI's Compliance information</i>					
95.	Ongoing	Carry out periodic review of ICPAI's response to the IFAC self assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Ongoing	Ethics Committee	Ethics Committee

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

Action Plan Objective: Support implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>IFRS was adopted by all public (listed) companies in Israel. The IASB promulgated accounting standard number 29 in this respect, which has been adopted as mandatory requirement by the Israeli Securities Authority (ISA). The implementation was unconditional and with no exceptions from IFRS. The ICPAI was in charge of the coaching of both reporters and auditors.</p> <p>Currently, private companies are allowed (but not required) by the IASB to adopt IFRS instead of Israeli GAAP. The IASB promulgated Accounting Standard Number 31, allowing private (non-listed) companies to choose adoption of IFRS for SMEs, commencing in 2011. Furthermore, it mentioned its intension to require in the future (2015) mandatory implementation of either full IFRS or IFRS for SMEs by all private companies' thus canceling the Israeli GAAP for the business sector.</p>					
<i>Development of a Strategy for IFRS for SME Adoption and Implementation</i>					
96.	July 2010	(Together with the IASB, continue monitoring the financial reporting needs of private companies.	December 2015	IASB, ICPAI	ICPAI Subcommittee for Accounting Standards and Financial Reporting
97.	August 2011	Together with the IASB, conduct a study of the implementation of IFRS for SMEs worldwide.	December 2012	IASB, ICPAI	ICPAI Subcommittee for Accounting Standards and Financial Reporting

#	Start Date	Actions	Completion Date	Responsibility	Resource
98.	January 2013	Drawing from research and monitoring recommends to the IASB the preferred strategy towards the adoption of IFRS for SMEs.	December 2015	IIASB, ICPAI	ICPAI Subcommittee for Accounting Standards and Financial Reporting
<i>Maintaining Ongoing Processes</i>					
99.	Ongoing	Continue to promote awareness of changes in IFRS and financial reporting requirements to ICPAI membership through the inclusion of these modifications in ICPAI professional development courses, conferences, and professional publications.	Ongoing	ICPAI	ICPAI Subcommittee for Accounting Standards and Financial Reporting
100.	Ongoing	Monitoring of standard-setting activities of the IASB and updating the Action Plan for further activities where necessary.	Ongoing	ICPAI	ICPAI Subcommittee for Accounting Standards and Financial Reporting
<i>Review of ICPAI Compliance Information</i>					
101.	Ongoing	Carry out periodic review of ICPAI's response to the IFAC self-assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Ongoing Annually	ICPAI	ICPAI Subcommittee for Accounting Standards and Financial Reporting