

### **BACKGROUND NOTE ON ACTION PLANS**

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaires. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire for background information on each member and associate their environment and existing processes. These responses may be viewed at: [http://www.ifac.org/ComplianceAssessment/published\\_surveys.php](http://www.ifac.org/ComplianceAssessment/published_surveys.php)

### **Use of Information**

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

### **ACTION PLAN**

|                                    |  |
|------------------------------------|--|
| <b>IFAC Member/Associate:</b>      | Slovenská komora audítorov (SKAU)              |
| <b>Approved by Governing Body:</b> | President and Chairs of individual commissions |
| <b>Date Approved:</b>              | November 2010                                  |
| <b>Date Published:</b>             | <b>December 2010</b>                           |

**Glossary:**

|              |   |
|--------------|---|
| <b>CPD</b>   | Continuing Professional Development   |
| <b>CNCC</b>  | Compagne Nationale des Commissaires aux Comptes (France)                              |
| <b>IAASB</b> | International Auditing and Assurance Standards Board                                  |
| <b>IAESB</b> | International Accounting Education Standards Board                                    |
| <b>IASB</b>  | International Accounting Standards Board  |
| <b>IES</b>   | International Education Standards   |
| <b>IFRS</b>  | International Financial Reporting Standards   |
| <b>ISA</b>   | International Standards on Auditing   |
| <b>SKAU</b>  | Slovenská komora audítorov  |
| <b>UDVA</b>  | Úrad pre dohľad nad výkonom auditu – Public Interest Oversight Authority for auditors |
| <b>QAR</b>   | Quality Assurance Review  |

**Action Plan Subject:** SMO 1 – and Quality Assurance

**Action Plan Objective:** Continue to ensure high standard of quality control and quality assurance review system that addresses the SMO1 requirements.

| #   | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <i>Background</i>   |            |         |                 |                |          |
| <p>Slovenská komora audítorov (SKAU) is responsible for the external Quality Assurance Review (QAR) system of its members who perform audit of financial statements. SKAU’s QAR system was established in October 2002, set up by Internal rules for providing QAR and appointment of reviewers, approved by General Assembly. System of QAR has been created and is continuously developed in cooperation with the experts from Compagne Nationale des Commissaires aux Comptes (CNCC), France.</p> <p>Act No. 540/2007 Coll. effective as of January 1<sup>st</sup>, 2008, sets following extended duties and changes into SKAU QAR system:</p> <ul style="list-style-type: none"> <li>- System of QAR is subject to oversight performed by the Úrad pre dohľad nad výkonom auditu (UDVA)</li> <li>- Specific criteria for reviewer</li> <li>- Prevention of conflict of interest</li> <li>- QAR system – every 3 years to an audit at public-interest entity; every six years to an audit at other accounting entities</li> <li>- Obligatory assessment of : application of ISA, Code of Ethics, Act on auditors, independence, quantity and quality of resources spent, number of audit hours, adequacy of the audit fees, internal quality control system of the audit firm</li> <li>- Report with main conclusion of review, recommendations and reasonable time limits for the removal of deficiencies is required to send to the Supervisory Board of SKAU. If auditor or audit firm fail to follow the recommendation, Supervisory Boards is obliged to send Proposal for a disciplinary procedure.</li> <li>- SKAU is obliged to send overview of the results of QAR to the UDVA and publish the results at its web site</li> <li>- SKAU is obliged to send Internal Rules audit QAR, Rules of the selection of reviewers and Plan of an audit QAR for a calendar year to UDVA for a review</li> </ul> <p>International Standard on Auditing (ISA) 220 was incorporated into QAR. Quality Assurance and Ethics is part of mandatory auditors‘ training and assistants of auditors. Each auditor shall set up an internal mechanism of quality control and its performance is subject to regular QAR .</p> <p>International Standard on Quality Control 1 (ISQC1) – has been adopted as mandatory standard for performing the audit. In order to support application of ISQC1, SKAU has performed the following:</p> |            |         |                 |                |          |

| #   | Start Date    | Actions  | Completion Date         | Responsibility | Resource  |
|---|---------------|--|-------------------------|----------------|---|
| a) Prepared mandatory training for auditors and assistant of auditors, which is running since October 2010 – November 2011<br>b) Working on guidance for implementing provisions of ISQC1 into audit practice<br>c) Assigning the performance of quality control according to ISQC1 into program of external QAR. |               |  |                         |                |   |
| <i>Continue to Ensure Compliance with SMO 1 Requirements</i>  |               |  |                         |                |   |
| 1.  | December 2007 | Implement requirements of the new Act on Auditors No. 540/2007 Coll. into Internal Rules   | 2008 Completed          | UDVA, SKAU     | SKAU Management Board   |
| 2.  | December 2007 | Prepare annual plan of supervision of auditors and audit companies for approval by Management Board  | February 2008 Completed | SKAU           | Commission of Quality Assurance (QA), Management Board  |
| 3.  | April 2008    | Perform the quality assurance procedures according to the annual plan  | October 2008 Completed  | SKAU           | Commission of QA  |
| 4.  | November 2008 | Review summary report of QA realized during 2008 at Management Board   | December 2008 Completed | SKAU           | Commission of QA  |
| 5.  | December 2008 | Plan of supervision of auditors and audit companies for 2009   | January 2009 Completed  | SKAU           | Commission of QA  |
| 6.  | January 2009  | Approve Annual Report of QA 2008 and submit it to UDVA   | February 2009 Completed | SKAU           | Commission of QA, Management Board  |
| 7.  | March 2009    | Publish Annual Report of QA 2009, Plan of QA for 2009 on SKAU web site   | March 2009 Completed    | SKAU           | Commission of QA  |
| <i>Maintaining Ongoing Processes</i>  |               |  |                         |                |   |
| 8.  | April 2009    | Continue to ensure that SKAU Quality Review is operating effectively and continues to be in line with SMO 1, Act on Auditors and UDVA specific requirements. Cooperation with CNCC in the area of reviews audit of a public-interest entity and some specific issues occurred during the QA reviews. | Ongoing                 | SKAU           | Management Board, Supervisory Board, Commission of QA, Commission of ISA, Commission of Ethics, Commission of Education |

| #  | Start Date    | Actions  | Completion Date | Responsibility | Resource   |
|--|---------------|--|-----------------|----------------|--|
|  |               | Organizing workshops for reviewers and for auditors as a result of reviews. Preparing internal guidelines for auditors for the areas where are necessary.  |                 |                |  |
| 9.   | February 2010 | Prepare translation of Guidelines to Quality ISQC1 in 2010 and obligatory educational seminars for auditors during 2010-2011   | Ongoing Process | SKAU           | Commission of QA,<br>Commission of ISA,<br>Commission of Education |
| <i>Review of SKAU Compliance Information</i> |               |  |                 |                |  |
| 10.  | 2011          | Perform periodic review of SKAU response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance staff about updates in order for the the Compliance staff to republish updated information. | Ongoing Process | SKAU           | Commission of QA   |

**Action Plan Subject:** SMO 2 – and International Education Standards  
**Action Plan Objective:** Continue to use best endeavors to adopt and implement International Education Standards and other IAESB Guidance

| #  | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---------|-----------------|----------------|----------|
| <i>Background</i>  |            |         |                 |                |          |
| <p>The Act on Auditors No. 540/2007 Coll. effective as of January 1<sup>st</sup> 2008 has made fundamental change in the prerequisite conditions to the Professional Examination. Each candidate who wants to become an assistant of auditor should successfully pass an entry test designated to examine the professional level of applicant´s theoretical knowledge before a commission appointed by the SKAU. Candidates should have a second-level university degree. The successful applicants are registered into List of Assistant auditors.</p> <p>Each candidate for an examination to become an auditor is required to have:</p> <ul style="list-style-type: none"> <li>a) At least five years of professional experience in accounting</li> <li>b) Participated in continuing education for an assistant auditors and attended minimum 35 hours per year and 200 hours in 3 year rolling period</li> <li>c) As an assistant auditor completed a minimum of three years practical training focused on audit of no less than 3 000 hours</li> <li>d) Assistant auditor shall take part in practical training under the supervision of an approved trainer by SKAU. Act on Auditors sets up the requirements for an auditor who wants to become a trainer of assistant of auditors.</li> </ul> <p>Since January 1<sup>st</sup> 2008, Public Oversight Authority is responsible for organizing Auditor´s examination and registering auditors into List of Auditors.</p> <p>Act on Auditors No. 540/2007 Coll. sets up following main specific requirements :</p> <ul style="list-style-type: none"> <li>1) Assistant of auditors – minimum 35 hours per year, 200 hours in 3-year rolling period. This conditions is obligatory to meet also during suspended practical training</li> <li>2) Auditors – minimum 20 hours of CPE per year, 120 hours in 3-year rolling period. During suspended auditor´s license auditor is required to prove that he maintained his professional competence and passed 1, 5 times the number of hours of minimum hours of annual continuing education.</li> <li>3) If an auditor or an assistant auditor does not take part in continuing education, the Commission for Continuing Education shall send a proposal for a disciplinary procedure to the Disciplinary Commission of SKAU.</li> <li>4) If an auditor or an assistant auditor does not take part in continuing education despite a disciplinary measure imposed by the Tribunal, the</li> </ul> |            |         |                 |                |          |

| #   | Start Date    | Actions   | Completion Date         | Responsibility | Resource                              |
|---|---------------|---|-------------------------|----------------|---------------------------------------|
| <p>Commission for Continuing education shall send a proposal for the imposition of sanctions by the POA.</p> <p>SKAU and its system of continuing education is subject to oversight by UDVA. Since 2008 SKAU in cooperation with POA organizes annual conference on selected issues: Act on Auditors (2008), Practical training for assistant of auditors and responsibility of trainers (2009), Code of Ethics (2010)</p> <p>SKAU in framework of CPD organizes seminars and workshops focused on:</p> <ul style="list-style-type: none"> <li>- ISA, IFRS, IPSAS</li> <li>- selected issues based on the results of Annual Quality Assurance Report,</li> <li>- 2x in a year organizes specific seminars for the auditors selected by drawing lots to audit accounting entity (political parties and political movements)</li> <li>- sets up system to accept other form of education in framework of CPD attended by auditors and assistant of auditors, organized by the universities, educational institutions, associated professional organization and audit firms.</li> <li>- working on translation of IFAC video courses on Clarity projects</li> <li>- educational seminars on ISQC 1 - 3 days</li> <li>- educational seminars on ISA for SME - 2 days</li> <li>- set up system of e'learning education and will start with IFAC video courses on Clarity projects</li> </ul> |               |   |                         |                |                                       |
| <i>Continue to ensure compliance with SMO 2 Requirements</i>  |               |   |                         |                |                                       |
| 11.   | December 2007 | Implement requirements of the new Act on Auditors No. 540/2007 Coll. into Internal Rules                      | 2008 Completed          | SKAU           | SKAU Management Board<br>CPD          |
| 12.   | January 2008  | Preparing plan of educational seminars on central base and regional for 2008 for approval by Management Board | February 2008 Completed | SKAU           | Commission for CPD,                   |
| 13.   | November 2008 | New Internal rules of CPD approved by General Assembly  | November 2009 Completed | SKAU           | General Assembly,<br>Management Board |
| <i>Maintaining Ongoing Processes</i>  |               |   |                         |                |                                       |
| 14.   | Ongoing       | Continue to ensure that SKAU CPD is operating   | Ongoing                 | SKAU           | Management Board                      |

| #  | Start Date | Actions  | Completion Date | Responsibility | Resource                               |
|--|------------|--|-----------------|----------------|--|
|  |            | effectively and continues to be in line with SMO 2, Act on Auditors and POA recommendation. Preparing specific seminars focused on explaining internal guidelines for auditors for the areas where are necessary, continue in organizing conference in cooperation with POA.       |                 |                | Commission for CPD                     |
| <i>Review of SKAU's Compliance Information</i> |            |  |                 |                |  |
| 15.  | Ongoing    | Perform periodic review of SKAU response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance staff about updates in order for the the Compliance staff to republish updated information. | Ongoing         | SKAU           | Management Board<br>Commission for CPD |

**Action Plan Subject:** SMO 3 – and International Auditing and Assurance standards  
**Action Plan Objective:** Continue to use best endeavors to adopt and implement ISA and other IAASB Pronouncements

| #  | Start Date | Actions  | Completion Date | Responsibility              | Resource                                   |
|--|------------|--|-----------------|-----------------------------|--|
| <i>Background</i>  |            |  |                 |                             |  |
| <p>The Act on Auditors, Audit and Oversight of the Audit Performance 540/2008 requires the auditor to perform an audit in accordance with ISA's as promulgated by SKAU. ISA and other IAASB Pronouncements are adopted in Slovakia without modifications. This means that SKAU has an important and direct role with the implementation process so that auditors are aware of the standards and using them as intended.</p> <p>SKAU has established an ongoing process to translate new and revised IAASB pronouncements. The translations are available electronically on SKAU's website for all its members. Translation process is in accordance with IFAC's Translation Policy. SKAU finished with translation of ISA 2009, translation has been approved by the Directorate General of Translations (DGT) of the European Commission (EC) in August 2010.</p> |            |  |                 |                             |  |
| <i>Participation in IAASB's Standard Setting Activities</i>  |            |  |                 |                             |  |
| 16.  | 2003       | Translate all auditing standards, issued in the clarity project, into Slovak language and annually issue translated IFAC Handbook                      | Ongoing         | SKAU and auditing committee | Commission of ISA and external translators |
| 17.  | 2009       | Implement ISA revised and redrafted during the clarity project.  | Ongoing         | SKAU and auditing committee | Commission of ISA                          |
| 18.  | Ongoing    | Monitor new and amended standards from the IAASBA, provide and send comments to exposure drafts as needed and incorporate new and amended requirements | Ongoing         | SKAU and auditing committee | Commission of ISA                          |
| 19.  | Ongoing    | Annually issue update of Handbook of International regulation of Audit, Assurance services and Ethics.   | Ongoing         | SKAU and auditing committee | Commission of ISA                          |
| <i>Maintaining Ongoing Processes</i>   |            |  |                 |                             |  |
| 20.  | Ongoing    | Developing a program for responding to IAASB   | Ongoing         | SKAU and                    | Commission of ISA                          |

| #  | Start Date | Actions  | Completion Date | Responsibility                      | Resource                                      |
|--|------------|--|-----------------|-------------------------------------|---|
|  |            | exposure drafts in connection with the proposals that may be difficult to implement in Slovakia  |                 | auditing committee                  |   |
| <i>Member education and training</i>           |            |  |                 |                                     |   |
| 21.  | Ongoing    | Provide technical courses to educate auditors about new auditing requirements.   | Ongoing         | SKAU and education committee        | Commission of ISA<br>Commission of CPD        |
| 22.  | Ongoing    | Include updated Auditing Standards in all relevant training courses offered by the SKAU  | Ongoing         | SKAU and education committee        | Commission of ISA<br>Commission of CPD        |
| 23.  | Ongoing    | Conduct annual technical conference for SKAU's members focusing on the audit issue to inform participants about and foster discussion of the more significant aspects  | Ongoing         | SKAU and members of both committees | Commission of ISA<br>Commission of CPD        |
| <i>Technical Support for our Membership</i>    |            |  |                 |                                     |   |
| 24.  | Ongoing    | Offer members an electronically communications with ISA expert throughout our web site, answers to specific questions on ISA are available to all members  | Ongoing         | SKAU                                | expert of ISA - member of Commission of ISA   |
| 25.  | Ongoing    | Develop SKAU's website in order to inform SKAU's members about news added to website.  | Ongoing         | IT staff of SKAU                    | Technical staff of SKAU and Commission of ISA |
| <i>Review of SKAU's Compliance Information</i> |            |  |                 |                                     |   |
| 26.  | Ongoing    | Perform periodic review of SKAU's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information. | Ongoing         | SKAU                                | Expert on ISA - member of Commission of ISA   |
| 27.  | Ongoing    | Review periodically Action Plan and update as necessary by the staff responsible for the relevant area of activity.  | Ongoing         | SKAU                                | Technical staff of SKAU and Commission of ISA |

**Action Plan Subject:** SMO 4 – and IFAC Code of Ethics  
**Action Plan Objective:** Ensure alignment of SKAU Code of Ethics with IESBA’s Code of Ethics

| #   | Start Date | Actions   | Completion Date     | Responsibility              | Resource                                  |
|---|------------|---|---------------------|-----------------------------|---|
| <i>Background</i>   |            |   |                     |                             |   |
| SKAU has established convergence with the IESBA’ Code of Ethics and it has been adopted (with few explanation paragraphs and reference to Slovak legislation added). The Code is translated into Slovak language. Currently, translation of the June 2009 revised IESBA’ Code of Ethics has been completed and information campaign has been launched (international conference on Ethics organized by SKAU on 3-4 June 2010, communication to SKAU regional sections). Approval of the Slovak translation of the Code is expected at SKAU General Assembly which will be held in November 2010. Afterwards the Revised Code will come into effect. |            |   |                     |                             |   |
| 28.   | Dec 2009   | Implement the new revisions in the IESBA’s Code of Ethics in the Slovak code on a timely basis without modifications.   | June 2010 Completed | The SKAU Ethics Committee   | Members of committee external translators |
| 29.   | June 2010  | Inform members of SKAU on a timely basis of the revisions and to ensure adherence to them.  | November 2010       | The SKAU Ethics Committee   | Members of committee                      |
| 30.   | Ongoing    | Pursue awareness of and adherence to the Code by the members through quality control measures and (further) training.   | Ongoing             | SKAU, UDVA (oversight body) | Members of committees                     |
| <i>Maintaining Ongoing Processes</i>  |            |   |                     |                             |   |
| 31.   | Ongoing    | Monitor new and amended standards from the IESBA, provide and send comments to exposure drafts as needed and incorporate new and amended requirements in the SKAU Code of Ethics.                         | Ongoing             | The SKAU Ethics Committee   | Members of committee                      |
| 32.   | Ongoing    | Continue to support ongoing convergence with IESBA pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary. | Ongoing             | The SKAU Ethics Committee   | Members of committees                     |

| #  | Start Date | Actions  | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|----------------|----------|
| <i>Review of SKAU's Compliance Information</i> |            |  |                 |                |          |
| 33.  | Ongoing    | Perform periodic review of SKAU response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. | Ongoing         | SKAU Board     | Members  |

**Action Plan Subject:** SMO 5 – International Public Sector Accounting Standards  
**Action Plan Objective:** Promoting the Use of IPSASs

| #  | Start Date | Actions   | Completion Date | Responsibility | Resource   |
|--|------------|---|-----------------|----------------|--|
| <i>Background</i>  |            |   |                 |                |  |
| <p>Ministry of Finance of the Slovak Republic, as a national standards setter, developed National Public Sector Standards by application of uniform state reporting and accrual accounting in 2008. Since then Slovak national public sector standards are based on an accrual basis of accounting IPSASs. National Public Standards had been developed in order to eliminate differences between national standards and IPSASs. SKAU assisted the government in the program to converge national standards to IPSASs and in ensuring that preparers of public sector financial statements had accessed to training about the application of IPSASs and those responsible for convergence to IPSASs.</p> <p>IPSASs had not been yet translated into Slovak. Consolidated accounting financial statements of public sector are obligatory to be prepared for the 1<sup>st</sup> time in 2010. SKAU organized special seminars on this theme and 326 auditors and 163 assistants of auditor had been trained. SKAU prepared system of governing tasks of auditing of public sector, established on-line system of Q&amp;As on the web site, answers are prepared by SKAU expert for IPSAS and working group for IPSAS.</p> |            |   |                 |                |  |
| <i>Maintaing Ongoing Processes</i>   |            |   |                 |                |  |
| 34.  | ongoing    | Support uniform state accounting and reporting based on principles of IPSAS   | ongoing         | SKAU           | Management Board   |
| 35.  | ongoing    | Support convergence of national legislation with IPSAS  | ongoing         | SKAU           | Management Board   |
| 36.  | ongoing    | Monitor and address issues occurred during auditing of public sector by developing guidelines and organizing special seminars for its members | ongoing         | SKAU           | Responsible member of Management Board for IPSAS, Commission for CPD |
| 37.  | ongoing    | Provide supervision of public sector audit through SKAU's QA system   | ongoing         | SKAU           | Commission for QA  |
| <i>Maintaining Ongoing Processes</i>   |            |   |                 |                |  |
| 38.  | ongoing    | Continue to monitor the activities of the International   | ongoing         | SKAU           | SKAU   |

| #  | Start Date | Actions   | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|----------------|----------|
|  |            | Public Sector Accounting Standards Board /IPSASB/ and to promote convergence of national public sector standards to IPSASs.                         |                 |                |          |
| <i>Review of SKAU's Compliance Information</i> |            |   |                 |                |          |
| 39.  | ongoing    | Perform periodic review of SKAU's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary | ongoing         | SKAU           | SKAU     |

**Action Plan Subject:** SMO 6 – and Investigation and Discipline  
**Action Plan Objective:** Continuous Improvement and Development

| #   | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <i>Background</i>   |            |         |                 |                |          |
| <p>The SKAU improved its I&amp;D mechanism as a result of the new Act on Auditors No. 540 /2007 Coll. effective as of January 1<sup>st</sup>, 2008. This Act extended duties and changes in the responsibility of <b>Supervisory Board of SKAU</b> as follows:</p> <ul style="list-style-type: none"> <li>- Examine and process complaints</li> <li>- In controlling the fulfillment of recommendations for the removal of deficiencies reported by the qa reviewer</li> <li>- If auditor or audit firms fail to keep time limit or recommendations chair of supervisory board is obliged to send proposal For a disciplinary procedure</li> <li>- In sending proposals for a disciplinary procedure if auditor, audit company and assistant auditor fail to pay registration fees, membership fees, fees for entry tests or make other payments or if the auditor, audit firm or assistant auditor had breached internal regulations of the chamber</li> <li>- Control compliance with the good repute requirements referred to Act on Auditors</li> </ul> <p><b>Supervisory Board</b> has five members, the term in office is four years and each member shall be approved by the General Assembly. The member may be re-elected to the same body of the chamber only for a maximum of two successive terms in office.</p> <p>Supervisory Board shall:</p> <ul style="list-style-type: none"> <li>A) Control the activities of the bodies of the chamber and compliance with the Slovak legislation and resolutions adopted by the General Assembly</li> <li>B) Control financial management of the chamber on quarterly base</li> <li>C) Control the fulfillment of recommendations for the removal of deficiencies within the specified time limit in accordance with report of quality Assurance review</li> <li>D) Examine and process complaints and report to the Management Board</li> <li>E) Control compliance with the good repute requirements referred</li> </ul> <p>Disciplinary measures and Disciplinary Procedure are applied by two independent systems:</p> |            |         |                 |                |          |

| #  | Start Date    | Actions   | Completion Date            | Responsibility | Resource   |
|--|---------------|---|----------------------------|----------------|--|
| <p>1) by the Tribunal of Disciplinary Commission of SKAU<br/>2) by the Úrad pre dohľad nad výkonom auditu (UDVA)</p> <p><b>Disciplinary Commission of SKAU</b> shall impose disciplinary measures on an auditor, audit firm or assistant auditor for failure to comply with the obligations set up by the Act on Auditors, Internal Rules, Code of Ethics, ISA, IFRS or other Slovak legislative acts:</p> <p>a) Written admonition for failure to comply with the obligations set up by the Act on Auditors, Internal Rules, Code of Ethics, ISA, IFRS or other Slovak legislations<br/>b) Penalty of up to 3 330,- EUR on an auditor and up to 16 600,- EUR on an audit firm<br/>c) Deletion of and assistant auditor from the list of assistant auditors</p> <p>Disciplinary Commission has five members, the term in office is four years and each member shall be approved by the General Assembly. The member may be re-elected to the same body of the chamber only for a maximum of two successive terms in office. The process of investigation and disciplinary mechanism are summarized into Disciplinary Code, which was a matter of consideration by UDVA and approved by General Assembly in 2008.</p> |               |   |                            |                |  |
| <i>Maintaining Ongoing Process</i>   |               |   |                            |                |  |
| 40.  | December 2007 | Implement requirements of the new Act on Auditors No. 540/2007 Coll. into Internal Rules for approval by General Assembly   | November 2008<br>Completed | UDVA, SKAU     | SKAU Management Board  |
| 41.  | ongoing       | Conduct meeting of Supervisory Boards to control activities of the SKAU Bodies, financial management of SKAU, examine and process complaints  | 2008<br>Completed          | SKAU           | Supervisory Board  |
| 42.  | ongoing       | Conduct meeting of Disciplinary Commission to consider proposals of Supervisory Board and Commission for Continuing Education   | 2008<br>Completed          | SKAU           | Disciplinary Commission,<br>Supervisory Board<br>Commission for Continuing education |
| 43.  | ongoing       | To conduct such meetings on ongoing basis, tailoring each meeting to specific agenda. Supervisory Board and Disciplinary Commission are obliged to submit Annual report to the General Assembly | 2009<br>ongoing            | SKAU           | Disciplinary Commission,<br>Supervisory Board  |

| #  | Start Date | Actions   | Completion Date | Responsibility | Resource   |
|--|------------|---|-----------------|----------------|--|
| <i>Maintaining Ongoing Processes</i>         |            |   |                 |                |  |
| 44.  | ongoing    | Supervisory Board will continue in cooperation with the QA Commission and SKAU staff to monitor payments of SKAU members and assistant of auditors.<br>Disciplinary Commission of SKAU will evaluate results of the disciplinary measures and will recommend theme for educational seminars and cooperate in preparing guidelines for SKAU members by the Management Board. | ongoing         | SKAU           | Disciplinary Commission, Supervisory Board and Technical staff |
| <i>Review of SKAU Compliance Information</i> |            |   |                 |                |  |
| 45.  | ongoing    | Perform periodic review of SKAU responses 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 the updates in order for the Compliance staff to republish updated information.   | ongoing         | SKAU           | Disciplinary Commission, Supervisory Board and Technical staff |

**Action Plan Subject:** SMO 7 – and International Financial Reporting Standards

**Action Plan Objective:** *Continue to Use Best Endeavors to Support Convergence with IASB Standards and Support their Implementation*

| #   | Start Date | Actions   | Completion Date | Responsibility | Resource |
|---|------------|---|-----------------|----------------|----------|
| <i>Background</i>   |            |   |                 |                |          |
| As a member-state of EU it is mandatory for Slovakia to use IFRS in consolidated financial statements for companies listed on a regulated market as endorsed by the EC. Slovak Act on Accounting requires as of 1 of January 2005 all consolidated financial statements to be prepared under IFRS and as of January 1 <sup>st</sup> , 2006, IFRS are mandatory for preparing individual financial statements of financial sector companies as well as for some large companies, surpassing the threshold. SKAU has no direct responsibility for adoption or promulgation of IFRS in the country as it lies with the European Commission and relevant national regulator - Ministry of Finance of the Slovak Republic. |            |   |                 |                |          |
| SKAU issued BV IFRS 2007 and 2009 in Slovak language.   |            |   |                 |                |          |
| <i>Promote IFRS for SME</i>   |            |   |                 |                |          |
| 46.   | ongoing    | Promote IFRS for SME on its website for its members and accounting professionals  | ongoing         | SKAU           | SKAU     |
| <i>Maintaining Ongoing Processes</i>  |            |   |                 |                |          |
| <i>Provide up to date information to SKAU members in respect of new developments in IFRS</i>  |            |   |                 |                |          |
| 47.   | ongoing    | Publish IASB's press releases and other materials on its website to make the professionals aware of new and revised standards | ongoing         | SKAU           | SKAU     |
| 48.   | ongoing    | Follow up the IASB standard-setting process through SKAU representatives in FEE   | ongoing         | SKAU           | SKAU     |
| <i>Ensure ongoing translation of IFRS Handbook</i>  |            |   |                 |                |          |
| 49.   | ongoing    | Continue to issue and update the full consolidated text of all IFRS.  | ongoing         | SKAU, UDVA     | SKAU     |
| <i>Design members education and training to assist with ongoing implementation of IFRS</i>  |            |   |                 |                |          |

| #  | Start Date | Actions  | Completion Date  | Responsibility | Resource |
|--|------------|--|------------------|----------------|----------|
| 50.  | ongoing    | Conduct technical conferences and trainings for SKAU members on IFRS topics.   | ongoing          | SKAU           | SKAU     |
| 51.  | ongoing    | In cooperation with KPMG Slovakia SKAU publish publication “Comparison of IFRS and Slovak Accounting Regulations 2007” which was distributed among auditors and audit firms free of charge and in 2010 prepare updated publication “Comparison of IFRS and Slovak Accounting Regulations 2009”, which will be again distributed free of charge to SKAU members | 2009 and 10/2010 | SKAU           | SKAU     |
| <i>Review of SKAU's Compliance Information</i> |            |  |                  |                |          |
| 52.  | 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 activity.  | ongoing          | SKAU           | SKAU     |