

Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

Member Name: Chamber of Hungarian Auditors
Country: Hungary
Original Published Date: February 2007
Updated Published Date: August 2008

Disclaimer: Please refer to the Disclaimer published on IFAC's website about this assessment.

Number	Question Title/Text/Help text	Answer	Comments
IFAC Part 2 SMO Self-Assessment			
1.	SMO 1		
1.1.	Quality Assurance Program		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.2.	Responsibility for Quality Assurance - Overview		
1.2.1.	<i>Responsibility for Quality Assurance</i> Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes - for all audits of financial statements	The final (indirect) responsibility resides with the Auditors' Public Oversight Committee. The Chamber of Hungarian Auditors is responsible for implementation.

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		<p>2○ Yes - for all audits except those of listed entities</p> <p>3○ Our organization shares responsibility for the quality assurance program with another body</p> <p>4○ No, responsibility for quality assurance for all audits rests with another body</p> <p>5○ Other (please describe)</p> <p>6○ Not applicable - no members of our organization perform audits of listed entities</p>	
1.2.6.	<p><i>Quality Assurance (Member Body) All Audits - Scope</i></p> <p>What types of engagements are included in the scope of the quality assurance review program? Select all the answer options that are appropriate.</p>	<p>1☑ Financial statement audit - listed entities (minimum requirement)</p> <p>2☑ Financial statement audit - audit of other than listed entities</p> <p>3☐ Other services (e.g., review, compilation)</p> <p>4☐ Insolvency</p> <p>5☐ Other (please specify)</p>	

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1.4.	Member - Benchmarking		
1.4.1.	Quality Control Standards and Guidance		
1.4.1.1.	<i>Quality Control Standards</i> Has your organization established and published quality control standards requiring firms to implement a system of quality control in accordance with International Standard on Quality Control 1?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.4.1.3.	<i>Quality Control Standards - Name</i> State the name of the relevant quality control standards.	Among the National Standards of Auditing the Standard nr 1 deals with quality control. Additionally the Quality Control Committee published a Guidebook for the auditors.	
1.4.1.4.	<i>Other Quality Control Guidance</i> Has your organization established and published other quality control guidance to assist your members to understand the objectives of quality control and to implement and maintain appropriate systems of quality control?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.4.1.5.	<i>Other Quality Control Guidance - Name</i> State the name of the other quality control guidance.	Self quality control guidance is available on our home-page. So is the questionnaire.	

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1.4.2.3.	<p><i>Partner</i></p> <p>As a partner is the subject of the quality assurance review program, the quality assurance program should be designed, as required by SMO1, to obtain reasonable assurance that:</p> <ul style="list-style-type: none"> - The partner is subject to an adequate system of quality control relating to audits of financial statements of listed entities (and of other entities or engagements that are included within the scope of the review). - The partner complies with that system. - The partner has adhered to professional standards and regulatory and legal requirements in performing audits of financial statements selected for review. <p>Does the quality assurance review program contain all three of these elements?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
1.4.2.5.	<p><i>Publication of Scope</i></p> <p>Does your organization publish a description of the scope and design of its quality assurance review program?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
1.4.2.7.	<p><i>Name of Documents</i></p> <p>Please name the published document(s) that describe the scope and design of the quality assurance review program.</p>	<p>Regulation of quality control, questionnaire of quality control, self control guidance, quality control methodology,</p>	

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		interpretation guidance, rating guidance	
1.4.2.8.	<i>Location of Documents</i> Please indicate where the document(s) that include details on the scope and design of the quality assurance program can be located (e.g., provide internet address or indicate that documents are available from your organization).	www.mkvk.hu and at our organization as well.	
1.4.3.	Review Cycle		
1.4.3.1.	<i>Selection Approach</i> Please select the approach used to select subjects for quality assurance review. Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Cycle approach</p> <p>2 <input type="checkbox"/> Risk-based approach</p>	Accidentally, but those who did not fulfill the quality control requirements will be controlled next year as well. Public interest companies must go under quality control examination in every 3 years, non public interest companies in every 6 years.
1.4.3.2.	<i>Cycle Approach - Firm</i> As the audit firm is the subject of the review, please indicate the maximum number of years in the review cycle:	<p>1 <input type="radio"/> 1 year</p> <p>2 <input type="radio"/> 2 years</p> <p>3 <input checked="" type="radio"/> 3 years</p> <p>4 <input type="radio"/> 4 years</p> <p>5 <input type="radio"/> 5 years</p> <p>6 <input type="radio"/> 6 or more years</p>	Auditors of public interest companies must undergo quality control review every 3 years. All other companies – every 6 years.

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1.4.3.3.	<p><i>Cycle Approach - Partner</i> As the partner is the subject of the review, please indicate the maximum number of years in the review cycle:</p>	<p>1○ 1 year</p> <p>2○ 2 years</p> <p>3⊙ 3 years</p> <p>4○ 4 years</p> <p>5○ 5 years</p> <p>6○ 6 years</p> <p>7○ 7 years</p> <p>8○ 8 years</p> <p>9○ 9 or more years</p>	<p>Auditors of public interest companies must undergo quality control review every 3 years. All other companies – every 6 years.</p> <p>In Hungary those companies, whose turnover is more than 100 mHUF (cca Euro 400,000) must be audited. Though the affected customer base is wide, but of small importance, so 6 years appears to be sufficient for the quality control review (in case of public interest companies it is 3 years)</p>
1.4.3.5.	<p><i>Cycle - Partner</i> Please describe how your organization evaluates the quality and effectiveness of the internal inspection program of a partner's firm when determining the cycle for review.</p>	<p>As we will start the internal inspection program in 2009, we have no experience yet.</p>	

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1.4.4.	Implementation of the Quality Assurance Program		
1.4.4.1.	<i>Date of Implementation</i> On what date did the quality assurance review program commence? (provide month/year)	1/1/2003	
1.4.4.2.	<i>Number of Reviews - 2005</i> How many quality assurance reviews were completed during the year ended December 31, 2005 (or other 12 month period ending in 2005)?	566	
1.4.4.3.	<i>Number of Reviews - 2004</i> How many quality assurance reviews were completed during the year ended December 31, 2004 (or other 12 month period ending in 2004)?	419	
1.4.4.4.	<i>Number of Reviews - 2003</i> How many quality assurance reviews were completed during the year ended December 31, 2003 (or other 12 month period ending in 2003)?	715	
1.4.5.	Quality Assurance Review Team Procedures		
1.4.5.1.	<i>Publication of Review Guidelines</i> Does your organization publish guidelines for procedures to be followed by quality assurance review teams?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	

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1.4.5.2.	<p><i>Name of Guidelines</i> State the name of the published document(s) that include the procedures required to be followed by quality assurance review teams.</p>	<p>The study aid of the 2-day-long CPD program, and the references of the methodology.</p>	
1.4.5.4.	<p><i>Location of Guidelines</i> How can the document(s) that include the procedures required to be followed by quality assurance review teams be located (e.g., provide internet address or indicate that documents are available from your organization)?</p>	<p>www.mkvk.hu</p>	<p>The study aid is provided for the members within the CPD program.</p>
1.4.5.5.	<p><i>Content of Guidelines</i> SMO 1 requires that the procedures to be performed during the quality assurance review include: a. An assessment of the system of quality control relating to audits of financial statements of listed entities (minimum requirement) b. Sufficient review of the quality control policies and procedures and reviews of engagement working papers to evaluate: - The functioning of that system of quality control, and compliance with it; and - The compliance with professional standards and regulatory and legal requirements in respect of audits of financial statements c. Review of engagement working papers d. Specific requirements regarding documentation of the review</p>	<p>1 <input checked="" type="radio"/> Yes</p>	

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	Does your quality assurance review program include requirements for all of these procedures?	2○ No	
1.4.5.7.	<p><i>Review of Engagement Working Papers</i> SMO 1 requires procedures to be performed for the review of engagement working papers, including the evaluation of:</p> <ul style="list-style-type: none"> - The existence and effectiveness of the system of quality control implemented by the subject of the review; - Compliance with professional standards and regulatory and legal requirements in performing the engagement; - The sufficiency and appropriateness of evidence documented in the working papers; and - Whether the auditor's reports are appropriate in the circumstances. <p>Does your quality assurance review program include requirements for all of these procedures?</p>	1⊙ Yes	
1.4.5.9.	<p><i>Documentation</i> Do the procedures to be performed by the quality assurance review team require documentation:</p> <ul style="list-style-type: none"> - of evidence supporting the quality assurance review report; and 	1⊙ Yes	

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	<p>- that establishes that the quality assurance review was carried out in accordance with the established guidelines.</p> <p>Are both of these requirements included in the quality assurance review program?</p>	2 <input type="radio"/> No	
1.4.6.	The Quality Assurance Review Team		
1.4.6.1.	<p><i>Skills and Competence</i></p> <p>Members of the quality assurance review team should have the necessary competencies to perform expected work. As required by SMO 1, these competencies should include:</p> <ul style="list-style-type: none"> - Appropriate professional education - Relevant professional experience - Specific training on performing quality assurance reviews <p>Does the quality assurance review program require members of the quality assurance review team to have all three of these competencies?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.6.3.	<p><i>Certification/Credentials</i></p> <p>Are members of the quality assurance review team required to possess certification or credentials issued by your organization to be eligible to serve as team members?</p>	1 Yes	They have an authorization and a letter of credence.
		2 No	

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1.4.6.5.	<i>Quality Assurance Review Team Leader</i> Where more than one reviewer is used to conduct a review, is a quality assurance review team leader assigned for each quality assurance review assignment?	1 <input type="radio"/> Yes 2 <input type="radio"/> No	
1.4.6.7.	<i>QA Review Team Leader - Responsibilities</i> As required by SMO 1, the responsibilities of the quality assurance review team leader should include: - Supervision of the quality assurance review. - Communication of the quality assurance review team's conclusions to the subject of the review. - Preparation of the quality assurance review report. Does the quality assurance program place all these responsibilities on the review team leader?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.4.6.9.	<i>Size of Quality Assurance Review Team</i> Please estimate the average number of reviewers included on a review team.	2	
1.4.7.	Quality Assurance Confidentiality - QA Review Team		
1.4.7.1.	<i>Exemption for QA Reviewers</i> Does your organization exempt members from professional client confidentiality	1 <input checked="" type="radio"/> Yes	Not our organization but the Act exempt members from professional client

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	requirements concerning audit engagement working papers for the purpose of quality assurance reviews?	2○ No	confidentiality requirements
1.4.7.3.	<i>Confidentiality Requirements</i> Is the quality assurance review team required to follow professional confidentiality requirements similar to those established for professional accountants performing audits of financial statements?	1⊙ Yes	
		2○ No	
1.4.8.	Ethical Requirements and QA Review Team		
1.4.8.1.	<i>Fundamental Principles</i> Are the fundamental principles set out in the IFAC Code of Ethics (relevant national ethical requirements) considered in relation to the quality assurance review team's conduct of a review?	1⊙ Yes	
		2○ No	
1.4.8.3.	<i>Consideration of Independence</i> Quality assurance review team members are expected to be independent of the member (i.e., the accountant or firm being reviewed) and the member's clients selected for review. Do those who select and approve a review team determine whether the independence of the quality assurance review team leader and each member of the quality assurance review team has been reasonably assured?	1⊙ Yes	

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		2○ No	
1.4.8.5.	<i>Reciprocal Reviews</i> Where the review is performed by team members from a single firm (e.g., a "peer review"), please indicate whether firms are permitted to perform reciprocal quality assurance reviews.	1○ Yes, reciprocal reviews are permitted 2⊙ No, reciprocal reviews are not permitted 3○ Not applicable - peer review is not used	
1.4.9.	Reporting		
1.4.9.1.	<i>Quality Assurance Review Report</i> Is the quality assurance review team leader required to issue a written quality assurance review report to the reviewed firm or partner upon completion of each quality assurance review assignment?	1⊙ Yes 2○ No	
1.4.9.3.	<i>Contents of Report</i> As required by SMO 1, the quality assurance review report should include the following elements: - The review guidelines (referred to in Question 1.4.5.1) utilized by the quality assurance review team. - Recommendations for areas of improvement at both firm wide and engagement level.	1⊙ Yes	

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	<p>Does the quality assurance program require both of these elements to be included in the report?</p>	<p>2 <input type="radio"/> No</p>	
<p>1.4.9.5.</p>	<p><i>Contents of Report - Firm</i> As required by SMO 1, the quality assurance review report should include the following conclusions:</p> <ul style="list-style-type: none"> - Whether the firm's system of quality control has been designed to meet the requirements of the applicable quality control standards; - Whether the firm has complied with its system of quality control during the period under review; and - Reasons for reaching negative conclusions on either or both of the above. <p>Does the quality assurance program require all of these elements to be included in the report?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
<p>1.4.9.6.</p>	<p><i>Contents of Report - Partner</i> As required by SMO 1, the quality assurance review report should include the following conclusions:</p> <ul style="list-style-type: none"> - Whether the partner has been subject to a system of quality control designed to meet the requirements of the quality control standards; 	<p>1 <input checked="" type="radio"/> Yes</p>	

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	<p>- Whether the partner has complied with the firm's system of quality control during the period under review; and</p> <p>- Reasons for negative conclusions on either or both of the above.</p> <p>Does the quality assurance program require all of these elements to be included in the report?</p>	2 <input type="radio"/> No	
1.4.9.8.	<p><i>Response to Reporting</i></p> <p>Is the subject of the review required to provide a timely written response to the recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation?</p>	1 <input type="radio"/> Yes	
1.4.9.9.	<p><i>Response to Reporting Follow Up</i></p> <p>Please explain why the subject of the review is not required to provide a timely written response to the recommendations and conclusions of the quality assurance review report.</p>	2 <input checked="" type="radio"/> No	The reviewed auditor has the option to provide written comment within 15 days.
1.4.9.10.	<p><i>Reporting to the Public</i></p> <p>Does your organization prepare and make available to the public (and upon request from regulatory authorities) an annual report summarizing the results of the quality assurance review program?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	

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1.4.10.	Corrective and Disciplinary Actions		
1.4.10.1.	<i>Corrective Actions Required</i> Does your organization require each of its members to make appropriate corrections to its system of quality control, or in its compliance with policies and procedures?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.4.10.3.	<i>Disciplinary Actions</i> If one of your members subsequently fails to demonstrate compliance with professional standards and regulatory and legal requirements, do you take appropriate disciplinary action?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	If the member fails the quality control examination twice, disciplinary action may be taken based on the decision of the Quality Control Committee, but it is not automatic
1.4.10.5.	<i>Linkage with Disciplinary Actions</i> Does your organization clearly establish a link between less than satisfactory results of quality assurance reviews and the initiation of corrective and disciplinary actions under its disciplinary system?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	If the member fails the quality control examination twice, disciplinary action may be taken based on the decision of the Quality Control Committee, but it is not automatic.
1.4.10.6.	<i>Disciplinary Actions Link Follow Up</i> Please explain the reason why your organization has not clearly established a link between less than satisfactory results of quality assurance reviews and the initiation of corrective and disciplinary actions under its disciplinary system.	If the member fails the quality control examination twice, disciplinary action may be taken based on the decision of the Quality Control Committee, but it is not automatic.	

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2.	SMO 2		
2.1.	<i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.	<input checked="" type="checkbox"/> Complete a program of professional accountancy education <input checked="" type="checkbox"/> Complete a practical experience requirement <input checked="" type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies <input type="checkbox"/> None of the above	
2.2.	<i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?	<input checked="" type="radio"/> Yes <input type="radio"/> No	
2.3.	Professional Accountancy Education		
2.3.1.	<i>Professional Accountancy Education Program</i> Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.	<input checked="" type="checkbox"/> Our organization <input type="checkbox"/> Another IFAC member body <input type="checkbox"/> Universities	

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		4 <input type="checkbox"/> Approved training institutions 5 <input type="checkbox"/> Government bodies 6 <input checked="" type="checkbox"/> Other organizations	
2.7.	IES 1 Entry Requirements		
2.7.1.	<p><i>Entry Requirements and Equivalency</i> Section 2.7 deals with the entry requirements to the professional accountancy education program delivered by your organization.</p> <p>Are the entry requirements to the program equivalent to admissions requirements for a recognized university degree program (or its equivalent)?</p>	1 <input type="radio"/> Entry requirements are at least equivalent to that for admission into a recognized university degree program (or its equivalent) 2 <input checked="" type="radio"/> Entry requirements are not equivalent to that for admissions into a recognized university degree program (or its equivalent)	<p>Our Chamber requires to satisfy the following conditions at the same time:</p> <ol style="list-style-type: none"> 1. a higher education degree or equivalent / with special qualifications (must have degree in economics) / 2. chartered accountant or equivalent professional pre-qualification 3. one year professional practice on finance, accounting or public sector audit areas 4. no prior criminal record 5. due payment of the administrative service fee as prescribed.
2.7.2.	<p><i>Entry Requirements Follow Up</i> Please describe in general terms the experience and / or knowledge required to enter into the professional accountancy education program. For example, whether the individual must have secondary education (e.g. high school diploma) or the</p>	<p>Our Chamber requires to satisfy the following conditions at the same time:</p> <ol style="list-style-type: none"> 1. a higher education degree or equivalent / with special qualifications (must have degree in economics) / 2. chartered accountant or equivalent professional pre-qualification 3. one year professional practice on finance, accounting or public sector audit areas 	

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	type and number of years of work experience that is recognized.	4. no prior criminal record 5. due payment of the administrative service fee as prescribed.	
2.8.	IES 2 Content of Professional Accounting Education Program		
2.8.1.	<p><i>Gaining Accountancy Knowledge</i> Section 2.8 deals with the general content of the professional accountancy education program delivered by your organization.</p> <p>What forms of pre-qualification, professional accountancy knowledge are recognized by your organization? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Post-secondary accounting degree</p> <p>2 <input type="checkbox"/> Post-secondary business or finance degree</p> <p>3 <input type="checkbox"/> Post-secondary degree in another subject matter</p> <p>4 <input type="checkbox"/> Qualification offered by another IFAC member body</p> <p>5 <input type="checkbox"/> Relevant work experience</p> <p>6 <input checked="" type="checkbox"/> Other</p>	see the remark of 2.7.1
2.8.5.	<p><i>Describe Other</i> Describe the other ways professional accountancy knowledge may be gained that are recognized by your organization.</p>	There are universities degrees or other training certificates which are accepted by our organization. According to the recognition there may be exemptions from certain	

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		<p>examinations. The following general conditions are to become member: Individuals must meet the entry requirements Must fulfill 3 years of studying at our Chamber and Must spend another 3 years in the mentoring system to get the professional practice.</p>	
2.8.6.	<p><i>Pre-Qualification for Professional Knowledge</i> What is the length of the professional accountancy knowledge component of pre-qualification education? Select the answer option that is the most appropriate.</p>	<p>1○ Two years of full-time study or part-time equivalent 2○ Less than two years of full-time study or part-time equivalent 3⊙ More than two years of full-time study or part-time equivalent study</p>	
2.8.7.	<p><i>Length Follow Up</i> Please describe the extent of professional accountancy knowledge that is required as part of the pre-qualification education component. Include in your description factors that were relevant in selecting the extent of knowledge required.</p>	<p>At least three years of studying (it should be BSc/BA or MSc/MA).</p>	

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2.8.8.	Pre-Qualification Content		
2.8.8.1.	<p><i>Accounting and Finance</i> Section 2.8.8.1 deals with the specific content of the professional accountancy education program delivered by your organization.</p> <p>Which of the following accounting, finance, and related knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> Financial accounting and reporting</p> <p>2<input checked="" type="checkbox"/> Management accounting and control</p> <p>3<input checked="" type="checkbox"/> Control</p> <p>4<input checked="" type="checkbox"/> Taxation</p> <p>5<input checked="" type="checkbox"/> Business and commercial law</p> <p>6<input checked="" type="checkbox"/> Audit and assurance</p> <p>7<input checked="" type="checkbox"/> Finance and financial management</p> <p>8<input checked="" type="checkbox"/> Professional values and ethics</p> <p>9<input type="checkbox"/> None of the above</p>	
2.8.8.3.	<p><i>Organizational and Business Knowledge</i> Which of the following organizational and business knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> Economics</p> <p>2<input checked="" type="checkbox"/> Business environment</p> <p>3<input checked="" type="checkbox"/> Corporate governance</p> <p>4<input checked="" type="checkbox"/> Business ethics</p>	

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		5 <input checked="" type="checkbox"/> 6 <input checked="" type="checkbox"/> 7 <input checked="" type="checkbox"/> 8 <input checked="" type="checkbox"/> 9 <input checked="" type="checkbox"/> 10 <input type="checkbox"/> 11 <input type="checkbox"/>	Financial markets Quantitative methods Organizational behavior Management and strategic decision making Marketing International business and globalization None of the above
2.8.8.5.	<i>Information Technology</i> Which of the following information technology (IT) subject areas and competences are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> 2 <input checked="" type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/>	General knowledge of IT IT control knowledge IT control competences IT user competences One of, or a mixture of, the competences of, the roles of manager, evaluator or designer of information systems None of the above
2.8.8.7.	<i>Additional Content by Requirement</i> Are there additional content requirements specified by law or regulation, or your organization?	1 <input type="checkbox"/> 2 <input type="checkbox"/>	Yes, as required by law or regulation Yes, as determined to be necessary by our organization

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		3 <input checked="" type="checkbox"/> No	
2.9.	IES 3 Professional Skills		
2.9.1.	<p><i>Development of Intellectual Skills</i> Section 2.9 deals with the professional skills required by the professional accountancy education program delivered by your organization.</p> <p>At what points in the professional accountancy education program are intellectual skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 14.</p>	<p>1 <input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.2.	<p><i>Intellectual Skills</i> Describe the specific intellectual skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	No specific intellectual skills required/measured.	
2.9.3.	<p><i>Development of Technical and Functional Skills</i> At what points in the professional accountancy education program are technical and functional skills developed? Select all the answer options that are</p>	1 <input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education	

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	appropriate. In responding to this question refer to IES 3 paragraphs 13 and 15.	<p>program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3<input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4<input type="checkbox"/> Other (please describe)</p>	
2.9.4.	<p><i>Technical and Functional Skills</i></p> <p>Describe the specific technical and functional skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	No specific technical or functional skills required/measured	
2.9.5.	<p><i>Development of Personal Skills</i></p> <p>At what points in the professional accountancy education program are personal skills developed? Select all the answer options that are appropriate. In responding to this question IES 3 paragraphs 13 and 16.</p>	<p>1<input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3<input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4<input type="checkbox"/> Other (please describe)</p>	
2.9.6.	<p><i>Personal Skills</i></p> <p>Describe the specific personal skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	No specific personal skills are required besides strict professional skills.	

Number	Question Title/Text/Help text	Answer	Comments
2.9.7.	<p><i>Dev of Interpersonal and Communication Skills</i> At what points in the professional accountancy education program are interpersonal and communication skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 17.</p>	<p>1 <input checked="" type="checkbox"/></p> <p>2 <input checked="" type="checkbox"/></p> <p>3 <input checked="" type="checkbox"/></p> <p>4 <input type="checkbox"/></p>	<p>As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>Through specific professional accountancy education course content</p> <p>Through practical experience requirement</p> <p>Other (please describe)</p>
2.9.8.	<p><i>Interpersonal and Communication Skills</i> Describe the specific interpersonal and communication skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>No specific interpersonal or communication skills required/measured</p>	
2.9.9.	<p><i>Dev of Organizational and Business Mngt Skills</i> At what points in the professional accountancy education program are organizational and business management skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 18.</p>	<p>1 <input type="checkbox"/></p>	<p>As part of general education and / or as part of the professional accountancy education program entry requirements</p>

Number	Question Title/Text/Help text	Answer	Comments
		2 <input checked="" type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/>	Through specific professional accountancy education course content Through practical experience requirement Other (please describe)
2.9.10.	<i>Organizational and Business Management Skills</i> Describe the specific organizational and business management skills candidates are required to have at the point of qualification and how these skills are assessed.		No specific organizational and business management skills are previously required. But within the educational system there is a subject called Organization and Management where individual can gain these skills.
2.10.	IES 4 Professional Values, Ethics and Attitudes		
2.10.1.	<i>Content for Values, Ethics and Attitudes</i> Section 2.10 deals with professional ethics, values, and attitude content and requirements of the professional accountancy education program delivered by your organization. Does the professional accountancy education program include coverage of values, ethics and attitudes?	1 <input checked="" type="radio"/> 2 <input type="radio"/>	Yes No

Number	Question Title/Text/Help text	Answer	Comments
2.10.2.	Values, Ethics and Attitudes in Content		
2.10.2.1.	<p><i>Program Content for Values, Ethics and Attitudes</i></p> <p>Which of the following are included in the program content? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> The nature of ethics</p> <p>2 <input checked="" type="checkbox"/> Differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks</p> <p>3 <input checked="" type="checkbox"/> Compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality</p> <p>4 <input checked="" type="checkbox"/> Professional behavior and compliance with technical standards</p> <p>5 <input checked="" type="checkbox"/> Concepts of independence, skepticism, accountability and public expectations</p> <p>6 <input checked="" type="checkbox"/> Ethics and the profession: social responsibility</p> <p>7 <input checked="" type="checkbox"/> Ethics and law, including the relationship between</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>laws, regulations and the public interest</p> <p>8 <input checked="" type="checkbox"/> Consequences of unethical behavior to the individual, to the profession and to society at large</p> <p>9 <input checked="" type="checkbox"/> Ethics in relation to business and good governance</p> <p>10 <input checked="" type="checkbox"/> Ethics and the individual professional accountant: whistle blowing, conflicts of interest, ethical dilemmas and their resolution.</p> <p>11 <input type="checkbox"/> None of the above</p>	
2.10.2.3.	<p><i>IFAC Code of Ethics</i></p> <p>Is the program content based on the relevant sections of the IFAC Code of Ethics?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	<p>IFAC Code of Ethics is being translated into Hungarian. The changes are regularly and continuously adopted in our Code of Ethics</p>
2.10.2.4.	<p><i>Workplace Learning Development</i></p> <p>At what points in the professional accountancy education program are values, ethics, attitudes and adherence to them developed? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> As part of general education and / or as part of the program entry requirements</p> <p>2 <input checked="" type="checkbox"/> Through specific program course content</p>	

Number	Question Title/Text/Help text	Answer	Comments
		3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe)	
2.11.	IES 5 Practical Experience Requirement		
2.11.1.	<i>Approved Provider</i> Section 2.11 deals with the practical experience requirement established by your organization. Does the practical experience requirement have to be obtained with approved providers or employers?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.11.2.	<i>Provider Characteristics</i> Please describe the characteristics set by your organization for recognizing approved providers.	Full active member of our organization (Chamber) who has: At least 5 year continuous membership At least 3 statutory audit contracts signed and under performing No prior criminal record He or she is no under disciplinary proceedings of our Chamber He or she has met quality control requirements He or she signed the mentorship agreement.	

Number	Question Title/Text/Help text	Answer	Comments
2.11.4.	<i>Length of Practical Experience</i> What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Three years 2 <input type="radio"/> Less than three years 3 <input type="radio"/> More than three years	
2.11.6.	Practical Application SMO 2		
2.11.6.1.	<i>Practical Application</i> Where relevant graduate (beyond undergraduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to the practical experience requirement?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.11.6.2.	<i>Practical Application Recognized</i> How many months of the practical accounting component may be contributed towards the practical experience requirement?	1 <input type="radio"/> One to twelve months 2 <input type="radio"/> Thirteen or more months 3 <input checked="" type="radio"/> Other	Practical experience is not measured in time but in educational experience.
2.11.6.3.	<i>Practical Application Period</i> State the number of months of relevant graduate (beyond undergraduate, e.g., masters) professional education that may be contributed towards the practical experience requirement.	N/A	
2.11.6.4.	<i>Practical Application Follow Up</i> What factors or conditions were relevant in establishing the number of months that may	N/A	

Number	Question Title/Text/Help text	Answer	Comments
	be contributed towards the practical experience requirement?		
2.11.7.	Timing of Experience		
2.11.7.1.	<i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate):	<input type="checkbox"/> Before the professional accountancy education program of study <input type="checkbox"/> At the same time as the professional accountancy education program of study <input checked="" type="checkbox"/> After the professional accountancy education program of study	
2.11.7.2.	<i>Describe Pre or Post Experience</i> Describe the length of practical experience that may be obtained pre-qualification and / or post-qualification.	3 years.	
2.12.	IES 5 Monitoring of Practical Experience Requirement		
2.12.1.	<i>Monitoring of Practical Experience</i> Is the period of practical experience monitored?	<input checked="" type="radio"/> Yes <input type="radio"/> No	
2.12.3.	<i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and assessed? Select all the answer options that are appropriate.	<input checked="" type="checkbox"/> Mentoring system	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> 6	<p>Approved training employers and organizations</p> <p>Self-declaration required from the candidate</p> <p>Record of the practical experience is kept and submitted to the member body when applying for membership</p> <p>An assessment is made by the mentor or employer</p> <p>Other (please describe)</p>
2.13.	IES 6 Assessment of Prof Capabilities and Competence		
2.13.1.	<p><i>Assessment by IFAC Body or Other</i></p> <p>Section 2.13 deals with the final assessment requirements established by your organization.</p> <p>Select all the organizations involved in conducting the final assessment.</p> <p>If the final assessment is conducted jointly between various organizations, select all those that have some responsibility for conducting the final assessment and in the Comment Box, describe the nature of their respective roles and responsibilities.</p>	<input checked="" type="checkbox"/> 1	<p>Our organization (including training entities that are affiliated with our organization or a subsidiary of our organization).</p>

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> Another IFAC member body <input type="checkbox"/> Government or regulatory body <input type="checkbox"/> Other	
2.13.4.	<i>Characteristics of Assessment</i> Which of the following characteristics are applicable to the final assessment process? Select all the answer options that are appropriate.	<input checked="" type="checkbox"/> Uniform for all students <input type="checkbox"/> Given simultaneously where it is being held in more than once location in the country <input checked="" type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals <input type="checkbox"/> None of the above	
2.13.5.	<i>Qualifying for Final Assessment</i> What requirements must the candidate satisfy to take the final assessment? Select all the answer options that are appropriate.	<input checked="" type="checkbox"/> Specified pre-qualification requirements relating to professional knowledge, professional skills, and professional values, ethics, and attitudes <input checked="" type="checkbox"/> Specified practical experience requirements <input type="checkbox"/> Other (please describe) <input type="checkbox"/> None of the above	3 years of practical experience are required.

Number	Question Title/Text/Help text	Answer	Comments
2.13.6.	<p><i>Timing Considerations for Final Assessment</i> Is there a requirement or restriction for completing the final assessment? For example, some organization may require the candidate to take the final examination within a specified number of years of meeting the pre-assessment requirements.</p>	<p>1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No</p>	
2.13.8.	<p><i>Assess Professional Knowledge</i> Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc) is assessed during the final assessment.</p>		<p>The final assessment consists of 2 parts: a written part and an oral part. For the written part, the candidates have to prepare a thesis, in which they discuss a real life audit process in a way that they prove their professional knowledge (explaining the relevant standards and other rules, discussing different solution possibilities, the chosen solution...) and their ability to work as an auditor. If it was found eligible, then the candidates have to present their thesis on the oral part of the exam, and answer the thesis-related or other professional questions of the examiners.</p>
2.13.9.	<p><i>Assess Professional Skills</i> Describe in general terms how required professional skills (e.g. ability to solve problems, make decisions, exercise judgment, personal skills, interpersonal and communication skills, organizational and business management skills etc) are assessed during the final assessment.</p>	see the answer 2.13.8	
2.13.10.	<p><i>Assess Professional Values, Ethics, Attitudes</i> Describe in general terms how required professional values, ethics, and attitudes are assessed during the final assessment.</p>	see the answer of 2.13.8	

Number	Question Title/Text/Help text	Answer	Comments
2.13.11.	<i>Recorded or Oral Format</i> Is the final assessment conducted through:	<p>1 <input type="radio"/> Recorded format with recorded (e.g. written) response required</p> <p>2 <input type="radio"/> Oral format with oral responses</p> <p>3 <input checked="" type="radio"/> Both recorded and oral response formats</p>	see the answer of 2.13.8
2.13.12.	<i>Recorded Proportion</i> Approximately what proportion of the final assessment requires candidates' responses to be in recorded form?	<p>1 <input type="radio"/> Less than 25%</p> <p>2 <input type="radio"/> 25%</p> <p>3 <input checked="" type="radio"/> 50%</p> <p>4 <input type="radio"/> 75%</p> <p>5 <input type="radio"/> 100%</p>	
2.13.13.	<i>Assessment Formats</i> What formats are used in conducting the final assessment (select all the answer options that are appropriate)?	<p>1 <input type="checkbox"/> Multiple choice questions</p> <p>2 <input type="checkbox"/> Case studies</p> <p>3 <input checked="" type="checkbox"/> Technical questions</p> <p>4 <input type="checkbox"/> Thesis</p> <p>5 <input type="checkbox"/> Other (please describe)</p> <p>6 <input type="checkbox"/> None of the above</p>	
2.13.14.	<i>Reliability and Validity</i> Describe in general terms the procedures in place to ensure the final assessments are reliable and valid. Include a description of how the assessment questions are set and by	The thesis is evaluated by 2 active and qualified auditors with educational experience. First they give an opinion about the work of the candidate. If it was found eligible, then an Assessment Committee comes together for the oral part of the competence test. This Committee consists of a qualified president and	

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="checkbox"/> Law and / or regulation (state the name of the law / regulation)	
		4 <input type="checkbox"/> Other (please describe)	
2.14.2.	<i>CPD and Professional Accountants</i> Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> All our qualified members	
		2 <input type="checkbox"/> Qualified members who perform audits of listed entities	
		3 <input type="checkbox"/> Qualified members who perform audits of entities other than listed entities	
		4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public	
		5 <input type="checkbox"/> Qualified members who are employed in business	
		6 <input type="checkbox"/> Other (please describe)	
2.14.3.	Requirement - CPD		
2.14.3.1.	<i>Type of CPD Requirement</i> Which of the following answer options describes the way the continuous professional development is structured? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years	
		2 <input checked="" type="checkbox"/> All members are to satisfy specified content	

Number	Question Title/Text/Help text	Answer	Comments
		<p>requirements (e.g. specified courses or knowledge content)</p> <p>3 <input checked="" type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>4 <input type="checkbox"/> Other</p>	
2.14.3.3.	<p><i>Hours of Continuous Professional Development</i></p> <p>Which one of the following answer options best describes the continuous professional development hours required?</p>	<p>1 <input type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</p> <p>2 <input checked="" type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in each year</p> <p>3 <input type="radio"/> Other</p>	They must complete 24 hours or equivalent learning units
2.14.3.5.	<p><i>Describe Content Requirement</i></p> <p>Describe the content requirement applicable to all members.</p>	Risk management, auditing standards, especially the newly adopted ISAs, actual news of the Chamber, quality control,	

Number	Question Title/Text/Help text	Answer	Comments
		independent audits of special entities, actual questions of accountancy profession	
2.14.3.6.	<i>Content - Specialist / High Risk Areas</i> Which of the following have specific content requirements with regards to professional development? Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Specialist areas (describe the specializations)</p> <p>2 <input type="checkbox"/> High risk areas (describe the risk factors or characteristics)</p>	<ul style="list-style-type: none"> - financial institutional - insurance - public sector - investment sector - fund
2.14.3.8.	<i>Monitoring of CPD</i> Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements?	<p>1 <input checked="" type="radio"/> Yes, there is a monitoring process for CPD requirements</p> <p>2 <input type="radio"/> No, there is no monitoring process for CPD requirements</p>	
2.14.4.	Monitoring of CPD Requirement		
2.14.4.1.	<i>Monitoring Process SMO 2</i> Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Professional accountants are required to submit a declaration</p> <p>2 <input checked="" type="checkbox"/> Professional accountants are required to submit evidence</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> 3 Our organization audits a sample of professional accountants to check compliance <input type="checkbox"/> 4 Compliance is monitored through firm quality control standards <input checked="" type="checkbox"/> 5 Compliance is monitored through a quality assurance review program <input type="checkbox"/> 6 Other (please describe) <input type="checkbox"/> 7 None of the above	
2.14.4.2.	<i>Declaration and CPD SMO 2</i> Describe the matters addressed in the declaration (select all that apply):	<input type="checkbox"/> 1 Professional accountant's obligation to meet ethical obligations <input type="checkbox"/> 2 Professional accountant's obligation to maintain knowledge <input type="checkbox"/> 3 Professional accountant's obligation to maintain skills to perform competently <input type="checkbox"/> 4 Compliance with CPD requirement <input checked="" type="checkbox"/> 5 Other (please describe)	The institute which organized the CPD gives a recognizing certificate to the member.
2.14.4.3.	<i>Sanctions SMO 2</i> Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the	<input checked="" type="radio"/> 1 Yes, sanctions or actions for non-compliance are imposed	

Number	Question Title/Text/Help text	Answer	Comments
	<p>professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed?</p>	<p>2 <input type="radio"/> No, sanctions or other non-compliance actions are not imposed</p>	
<p>2.14.4.4.</p>	<p><i>Sanction Types and CPD</i> Describe the nature and extent of the sanction, expulsions or denial of the right to practice.</p>	<p>This negligence of obligation initiates a disciplinary process, and according to the type and gravity of the infringement the sanction can be as described in 6.5.2. (a reprimand, a fine, a restriction of practice rights, a loss of professional title or exclusion from membership).</p>	
<p>2.15.</p>	<p><i>Activities to Promote IESs SMO 2</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.</p>	<p>All ISA standards are translated into Hungarian and are adopted by the Presidential Board and taught in CPD Program</p>	
<p>3.</p>	<p>SMO 3</p>		
<p>3.1.</p>	<p><i>Auditing Standards in Law/Regulation</i> Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Yes for audits of listed entities</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>2 <input checked="" type="checkbox"/></p> <p>3 <input type="checkbox"/></p> <p>4 <input type="checkbox"/></p>	<p>Yes for audits of non-listed entities</p> <p>No for audits of listed entities</p> <p>No for audits of non-listed entities</p>
3.8.	Law/Reg and Auditing Standards		
3.8.1.	<p><i>Law/Reg Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/></p> <p>2 <input type="radio"/></p>	<p>The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>The auditing standards for listed entities and non-listed entities are not the same set of standards</p>

Number	Question Title/Text/Help text	Answer	Comments
3.8.2.	<p><i>Auditing Standards for Private Sector</i> Does the law/regulation require the use of IAASB pronouncements? Select the answer option that is most appropriate.</p>	<p>1 <input type="radio"/> The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements)</p> <p>2 <input checked="" type="radio"/> The law/regulation contains the full text of each IAASB pronouncement</p> <p>3 <input type="radio"/> The law/regulation contains the basic principles and essential procedures of the IAASB pronouncement</p> <p>4 <input type="radio"/> The law / regulation has a requirement to use IAASB pronouncements using another approach (please describe)</p> <p>5 <input type="radio"/> The law / regulation requires the use of national standards with no reference to IAASB pronouncements</p>	

Number	Question Title/Text/Help text	Answer	Comments
3.8.9.	<p><i>MB Responsibilities and IAASB SMO 3</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input checked="" type="checkbox"/> Promulgate the IAASB pronouncements established by law / regulation (e.g. by publishing or communicating the standards to the public)</p> <p>3 <input type="checkbox"/> Other (please describe)</p> <p>4 <input type="checkbox"/> None of the above</p>	<p>The final (indirect) responsibility resides with the Auditors' Public Oversight Committee. The Chamber of Hungarian Auditors is responsible for implementation.</p>
3.8.11.	<p><i>Describe Activities and Law/Reg SMO 3</i> Describe your organization's activities for promulgating and / or implementing the standards.</p>	<p>Our Chamber has a special team, they are working on the translation of the standards into Hungarian language. We managed to publish the new set of standards to all Hungarian auditors for free at the beginning of 2006. As well we have professional newspaper where all pronouncements are available for the profession.</p>	

Number	Question Title/Text/Help text	Answer	Comments
3.9.	Law / Reg and MB Responsibilities SMO 3		
3.9.1.	<p><i>Incorporation into Law/Reg SMO 3</i></p> <p>Is information publicly available about the IAASB pronouncements that have been established into law/regulation, including:</p> <p>The IAASB pronouncements that have been established into law / regulation; Whether the IAASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IAASB pronouncement; The differences between the IAASB pronouncement and what was established into law / regulation; and The reasons for the differences?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
3.9.2.	<p><i>Incorporation Description - Law/Reg SMO 3</i></p> <p>If information about IAASB pronouncements that have been established into law / regulation is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, refer to the SMO 3 Comparison with</p>	1 <input type="radio"/> Yes, information is available and in English and will be submitted to Compliance Staff	

Number	Question Title/Text/Help text	Answer	Comments
	<p>IAASB Pronouncements.doc">SMO 3: Comparison with IAASB Pronouncements report by clicking on the link and complete it to the extent your organization is able to and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p>	<p>2○</p> <p>3⊙</p>	<p>No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 3: Comparison with IAASB Pronouncements" report and submit it to Compliance Staff</p> <p>No, information is not available</p>
3.10.	Translation SMO 3		
3.10.1.	<p><i>Translation of IAASB Pronouncements</i></p> <p>Are the IAASB pronouncements translated into a national language?</p>	<p>1○</p> <p>2⊙</p>	<p>No as English is the national language or a widely spoken language</p> <p>Yes, the IAASB pronouncements are translated</p>

Number	Question Title/Text/Help text	Answer	Comments
		3○ No and English is not an official language or is not widely spoken	
3.10.2.	<i>IFAC Translation Policy SMO 3</i> Is the IFAC Translation Policy followed?	1⊙ Yes 2○ No	
3.10.3.	<i>Principal Translator SMO 3</i> Who is the principal translator? Select the answer option that is most appropriate.	1⊙ Our organization is the principal translator 2○ The government or another organization is the principal translator 3○ Our organization and the government or another organization are the principal translators	
3.10.4.	<i>Key Words SMO 3</i> Does the translation process include a list of key words?	1⊙ Yes 2○ No	
3.10.5.	<i>Faithful Translation SMO 3</i> What processes are in place to ensure a faithful translation of the IAASB pronouncements?	Professional translators are working on the translations, actually all of them are statutory auditors. The Experts' Committee of the Chamber of Hungarian Auditors revises the translation.	

Number	Question Title/Text/Help text	Answer	Comments
3.11.	<p><i>Activities to Promote IAASB Pronouncements</i></p> <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.</p>	<p>As being a member of IFAC, we are trying to be-up-to-date with all the changes at the organisation, and we communicate it directly to the profession by using internet, taking part in conferences. In addition, in case of standards, implementation of a new or amended standard is promoted by development of methodological guidance and obligatory trainings</p>	
4.	SMO 4		
4.1.	Responsibility and National Ethical Requirements		
4.1.1.	<p><i>IFAC MB and Ethical Requirements</i></p> <p>Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p>Help text: In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p>	<p>1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements</p> <p>2 <input type="radio"/> No, our organization does not establish ethical requirements</p>	<p>We have "Rules for Auditors' ethical behaviour and Disciplinary Processes".</p>

Number	Question Title/Text/Help text	Answer	Comments
4.1.2.	<p><i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>	<p>1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No</p>	
4.1.9.	<p><i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p> <p>For the purposes of the Part 2 SMO 4 module, modifications include: Deletion/omission of concepts, principles, or guidance that are established in the IFAC Code; Inclusion of concepts, principles, or guidance that are not in the IFAC Code; Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p>	<p>1 <input type="radio"/> Our organization adopted the IFAC Code as issued without modifications</p> <p>2 <input type="radio"/> Our organization adopted the IFAC Code but with modifications</p> <p>3 <input checked="" type="radio"/> Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p>	

Number	Question Title/Text/Help text	Answer	Comments
		4○	Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics
4.1.10.	<i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.		The process is being studied at present. In accordance with the result we will redraft our Code of Ethics.
4.2.	MB and Version of IFAC Code		
4.2.1.	<i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?	1○ 2○ 3⊙	The IFAC Code currently in effect, revised and issued in June 2004 A version issued prior to 2004 The revised IFAC Code issued and in effect June 30, 2006
4.3.	<i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?	1⊙ 2○	Yes No

Number	Question Title/Text/Help text	Answer	Comments
4.4.	Gov / Reg Bodies and Ethical Requirements		
4.4.1.	<i>Gov/Reg Bodies - Ethical Requirements</i> Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/></p> <p>2 <input checked="" type="checkbox"/></p> <p>3 <input checked="" type="checkbox"/></p> <p>4 <input checked="" type="checkbox"/></p> <p>5 <input checked="" type="checkbox"/></p> <p>6 <input type="checkbox"/></p>	<p>There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants</p> <p>There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities</p> <p>There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit entities other than listed entities</p> <p>There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>There is a law / regulation that sets out ethical requirements for professional accountants employed in business</p> <p>None of the above</p>
4.4.3.	<i>Describe Law / Reg - Prof Accountants</i> Regarding your response to question 4.4.1 and the law / regulation for professional accountants, please: State the law / regulation's name; Provide a general description of the law / regulation;	<ul style="list-style-type: none"> - Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors - The purpose of this Act is to define the requirements for the activities of statutory auditors. It intends to ensure all the circumstances / the professional standard of conducting audit services in Hungary - This Act shall apply: 	

Number	Question Title/Text/Help text	Answer	Comments
	Describe how the law / regulation sets out the scope of professional accountants that it applies to.	a) to the Chamber of Hungarian Auditors (hereinafter referred to as “Chamber”); b) to registered statutory auditors; c) to audit firms; d) to third-country auditors and third-country audit entities admitted into the Chamber’s register; e) to persons attending training of chartered certified auditors; f) to apprentice auditors; g) to auditors authorized in another country, if wishing to engage in carrying out statutory audits in Hungary required by law; and h) to the Public Oversight Authority for Auditors	
4.4.4.	<i>Describe Law / Reg - Audit</i> Regarding your response to question 4.4.1 and professional accountants who audit listed entities and / or other entities, please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.	see Answer 4.4.3	
4.4.5.	<i>Describe Law / Reg - Other Services</i> Regarding your response to question 4.4.1 and professional accountants who provide services to the public (other than as auditors or listed or other entities) please: State the law / regulation's name; Provide a general description of the law / regulation;	see answer 4.4.3	

Number	Question Title/Text/Help text	Answer	Comments
	Describe how the law / regulation sets out the scope of professional accountants that it applies to.		
4.4.6.	<p><i>Describe Law / Reg - Employed</i> Regarding your response to question 4.4.1 and professional accountants who are employed in business, please: State the law / regulation's name; Provide a general description of the law / regulation Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>	see answer 4.4.3	
4.4.7.	<p><i>Gov/Reg and Convergence</i> Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p>		<p>Since the new Act on Chamber (Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors) was launched this year (accepted by the government on 16th Jun, 2007) the chamber played outstanding role forming the regulation. Our new Act adopts the rules of professional ethics, taking into consideration the Code of Ethics of IFAC for Chamber members and audit firms, and monitors their conduct with a view to compliance with such rules.</p>
4.5.	<p><i>Comparison of Requirements SMO 4</i> Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p>	1 <input checked="" type="radio"/>	Yes, our organization has this information and it will be submitted

Number	Question Title/Text/Help text	Answer	Comments
	<p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>2 <input type="radio"/></p> <p>3 <input type="radio"/></p>	<p>This information will be submitted by another IFAC member body</p> <p>No, the information is not available</p>
4.11.	<p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/></p> <p>2 <input checked="" type="checkbox"/></p>	<p>No, as English is an official language or widely spoken language</p> <p>Yes, our organization has translated the IFAC Code</p>

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> 3 Yes, a government, regulatory, or other body has translated the IFAC Code <input type="checkbox"/> 4 No, the IFAC Code has not been translated and English is not an official language or widely spoken language	
4.14.	IFAC Code Translated SMO 4		
4.14.1.	<i>IFAC Translation Policy SMO 4</i> Was the IFAC Translation Policy followed?	<input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No <input type="radio"/> 3 It was translated by a government or regulatory body and the information is not available	
4.14.2.	<i>Principal Translator SMO 4</i> Who was the principal translator? Select the answer option that is the most appropriate.	<input type="radio"/> 1 Our organization is the principal translator <input type="radio"/> 2 The government or another organization is the principal translator <input checked="" type="radio"/> 3 Our organization and the government or another organization are the principal translators	The translation is done by the Ministry of Finance and the Foundation for the Development of Hungarian Accountancy. Auditors take part in the activity of the latter.

Number	Question Title/Text/Help text	Answer	Comments
		4○ It was translated by a government or regulatory body and the information is not available	
4.14.3.	<i>Key Words SMO 4</i> Does the translation process include a list of key words including terms defined within the IFAC Code?	1⊙ Yes 2○ No 3○ It was translated by a government or regulatory body and the information is not available	
4.14.4.	<i>Faithful Translation SMO 4</i> What processes are in place to ensure a faithful translation of the IFAC Code? If it was translated by a government or regulatory body and the information is not available, please state this in the response.	The translation is done by the Ministry of Finance and the Foundation for the Development of Hungarian Accountancy. Auditors take part in the activity of the latter.	
4.15.	<i>Activities to Promote IFAC Code of Ethics</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.	In the framework of compulsory training of auditors the chairman of CHA's Disciplinary Committee will deliver a lecture. CHA members receive ongoing information about issues regarding ethics.	

Number	Question Title/Text/Help text	Answer	Comments
			We publish information about IESBA's activity and expectable changes in international ethical rules in our professional journal.
5.	SMO 5		
5.1.	<p><i>Public Sector Accounting Standards - Objective</i></p> <p>Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?</p>	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p> <p>3 <input type="radio"/> Information is not available or not known</p>	
5.2.	IPSASs Convergence Follow Up		
5.4.	<p><i>Activities to Promote IPSASB Pronouncements</i></p> <p>Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.</p>		Regulating the public sector accounting lie within the competence of the government, and they don't plan to implement the IPSASs. The government intends to change his approach only if a decision by the European Commission occurs. Despite, CHA informs the relevant ministry about the work of the International Public Sector Accounting Standards Board and standards they produce.

Number	Question Title/Text/Help text	Answer	Comments
6.	SMO 6		
6.1.	<i>Investigation and Discipline Program</i> In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.3.	Responsibility for Investigation and Discipline		
6.3.1.	<i>Body Responsible for Investigation and Discipline</i> Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes, our organization has this responsibility 2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body 3 <input type="radio"/> Our organization shares responsibility for investigation and discipline with an external body 4 <input type="radio"/> Other	The final (indirect) responsibility resides with the Auditors' Public Oversight Committee. CHA is responsible for implementation.

Number	Question Title/Text/Help text	Answer	Comments
6.5.	SMO 6 - Detailed Assessment		
6.5.1.	Rules and Procedures for Investigation and Discipline		
6.5.1.1.	<i>Rules and Procedures</i> Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.1.3.	<i>Misconduct</i> In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Criminal activity 2 <input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute 3 <input checked="" type="checkbox"/> Breaches of professional standards 4 <input checked="" type="checkbox"/> Breaches of ethical requirements 5 <input checked="" type="checkbox"/> Gross professional negligence 6 <input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights 7 <input checked="" type="checkbox"/> Unsatisfactory work 8 <input type="checkbox"/> Other (please describe)	

Number	Question Title/Text/Help text	Answer	Comments
6.5.2.	<p><i>Types of Sanctions</i></p> <p>Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Reprimand</p> <p>2 <input checked="" type="checkbox"/> Loss or restriction of practice rights</p> <p>3 <input checked="" type="checkbox"/> Fine/payment of costs</p> <p>4 <input checked="" type="checkbox"/> Loss of professional title (designation)</p> <p>5 <input checked="" type="checkbox"/> Exclusion from membership</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	
6.5.3.	<p>Provision of Information and Guidance to Members</p>		
6.5.3.1.	<p><i>Information and Guidance</i></p> <p>Does your organization make each member fully aware of:</p> <p>- All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and</p> <p>- Consequences of non-compliance?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
6.5.3.2.	<p><i>Information and Guidance Description</i></p> <p>Provide a brief description of how your organization meets this requirement of SMO 6.</p>	<p>The Act on auditing and all the rules of the CHA are available on the website of the CHA. The</p>	

Number	Question Title/Text/Help text	Answer	Comments
			Disciplinary Committee publishes its observations on a yearly basis.
6.5.4.	Obligations to Report to Outside Bodies		
6.5.4.1.	<i>Reporting to Outside Bodies</i> Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.5.	<i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Information-based 2 <input checked="" type="checkbox"/> Complaints-based 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
6.5.6.	Investigative Powers and Processes		
6.5.6.1.	<i>Powers</i> Does your organization have all required powers so that authorized personnel can carry out an effective investigation?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.6.3.	<i>Cooperation of Members</i> Do the powers to carry out an effective investigation include:	1 <input checked="" type="checkbox"/> A requirement for members (and member	

Number	Question Title/Text/Help text	Answer	Comments
	Select all the answer options that are appropriate.	<p>firms) to co-operate in the investigation of complaints and to respond promptly to all communications from the member body</p> <p>2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply</p> <p>3 <input type="checkbox"/> None of the above</p>	
6.5.6.6.	<p><i>Expertise and Resource</i></p> <p>Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?</p>	<p>1 <input checked="" type="radio"/> Yes (please describe)</p> <p>2 <input type="radio"/> No</p>	From its revenues CHA secures the necessary financial resources to a smooth operation of the Disciplinary Committee.
6.5.6.8.	<p><i>Independence and Subject of Investigation</i></p> <p>Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p>Help text: If a conflict exists at the start of an investigation, or arises during the investigation, the chosen individual should immediately withdraw. Similar</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	

Number	Question Title/Text/Help text	Answer	Comments
	considerations apply equally to anyone else connected with the investigation and hearing of cases.		
6.5.6.10.	<i>Infrastructure</i> Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.	<input checked="" type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3	One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action A single committee/panel to conduct the investigation and administer disciplinary action. Other
6.5.6.12.	<i>Independent Review</i> Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing?	<input checked="" type="radio"/> 1 <input type="radio"/> 2	Yes No
6.5.7.	The Disciplinary Process		
6.5.7.1.	<i>Composition of Tribunal</i> Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment	<input type="radio"/> 1	Yes (please describe)

Number	Question Title/Text/Help text	Answer	Comments
	(e.g., composed of accountants and non-accountants)?	2 <input type="radio"/> No	
6.5.7.2.	<i>Composition of Tribunal Follow Up</i> Please explain why the tribunal responsible for the disciplinary hearing does not contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	Our Act (Act LXXV of 2007) doesn't make it possible.	According to Hungarian law in the tasks of the responsible authority only its own members may take part. The Disciplinary Committee grants witnesses, requests experts; of course the legal representative of the member who is subject to a procedure allowed to take part in the hearing.
6.5.7.3.	<i>Conflicts</i> Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?	1 <input type="radio"/> Yes 2 <input type="radio"/> No	
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.	If someone is attached by a case he/her makes a prejudice statement and will not take part in the whole process.	
6.5.7.6.	<i>Appeals Process</i> Does your organization's rules: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her	

Number	Question Title/Text/Help text	Answer	Comments
		<p>throughout the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that appeal</p> <p>4 <input checked="" type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input checked="" type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p>	
6.5.8.	Administrative Processes		
6.5.8.1.	<i>Elements of Administrative Processes</i> As a part of Investigation and Discipline administrative processes does your organization:	<p>1 <input checked="" type="checkbox"/> Establish time limits for disposal (completion) of all cases</p>	

Number	Question Title/Text/Help text	Answer	Comments
	Select all the answer options that are appropriate.	<p>2<input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p> <p>3<input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p>4<input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence</p>	

Number	Question Title/Text/Help text	Answer	Comments
		5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings	
		6 <input type="checkbox"/> None of the above	
6.5.8.3.	Case Numbers		
6.5.8.3.1.	<i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005.	40	
6.5.8.3.2.	<i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004.	58	
6.5.8.3.3.	<i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003.	189	
6.5.8.3.4.	<i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005.	40	
6.5.8.3.5.	<i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004.	58	
6.5.8.3.6.	<i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.	189	
6.5.8.3.7.	<i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.	3	1 to 3 months.

Number	Question Title/Text/Help text	Answer	Comments
7.	SMO 7		
7.1.	<p><i>Accounting Standards in Law/Regulation</i></p> <p>Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p>	<p>1 <input checked="" type="checkbox"/></p> <p>2 <input checked="" type="checkbox"/></p> <p>3 <input type="checkbox"/></p>	<p>Yes, for financial statements of listed entities</p> <p>Yes, for financial statements of non-listed entities</p> <p>No, for financial statements of listed entities</p>

Number	Question Title/Text/Help text	Answer	Comments
		4 <input type="checkbox"/>	No, for financial statements of non-listed entities
7.8.	Law/Reg and Accounting Standards		
7.8.1.	<i>Law/Reg Accounting Standards - Private Sector</i> Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?	1 <input type="radio"/> 2 <input checked="" type="radio"/>	The accounting standards for listed entities and non-listed entities are the same set of standards The accounting standards for listed entities and non-listed entities are not the same set of standards
7.8.3.	<i>Accounting Standards for Listed</i> Does the law/regulation require the use of International Financial Reporting Standards issued by the International Accounting Standards Board for preparation of financial statements of listed entities? Select the answer option that is most appropriate.	1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/>	The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs) For listed entities, the law/regulation contains the full text of each IFRS For listed entities, the law/regulation contains the main principles of the IFRSs

The application of IFRSs as adopted by EU is required only for consolidated financial statements of listed entities (the national GAAP applies for separate financial statements)

Number	Question Title/Text/Help text	Answer	Comments
		<p>4○ For listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5○ For listed entities, the law / regulation requires the use of national standards with no reference to IFRSs</p>	
7.8.4.	<p><i>Accounting Standards for Non-Listed</i> Does the law/regulation require the use of International Financial Reporting Standards issued by the International Accounting Standards Board for preparation of financial statements of non-listed entities? Select the answer option that is most appropriate.</p>	<p>1○ The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2○ For non-listed entities, the law/regulation contains the full text of each IFRS</p> <p>3○ For non-listed entities, the law/regulation contains the main principles of the IFRSs</p> <p>4○ For non-listed entities, the law / regulation has a requirement to use IFRSs</p>	<p>However, IFRSs as adopted by EU might be applied optionally for the consolidated financial statements of non-listed entities.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>using another approach (please describe)</p> <p>5 <input checked="" type="radio"/> For non-listed entities, the law / regulation requires the use of national standards with no reference to IFRSs</p>	
7.8.7.	<p><i>National Accounting Standards - Non-Listed</i> Provide the name of the national accounting standards for non-listed entities and other authoritative pronouncements established by law/regulation.</p>	<p>The Act on Accounting - National standards are based on EU 4th and 7th Directives developed by the Ministry of Finance / Hungarian Accounting Standards Board</p>	
7.8.8.	<p><i>MB Responsibilities National Standards SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Develop or assist in developing the proposed standards as law / regulation</p> <p>2 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>3 <input type="checkbox"/> Promulgate the accounting standards (e.g. by publishing or communicating the standards to the public)</p> <p>4 <input type="checkbox"/> Other (please describe)</p> <p>5 <input checked="" type="checkbox"/> None of the above</p>	

Number	Question Title/Text/Help text	Answer	Comments
7.8.9.	<i>MB Responsibilities and IASB SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	<input type="checkbox"/> Develop other authoritative pronouncements <input type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public) <input type="checkbox"/> Other (please describe) <input checked="" type="checkbox"/> None of the above	
7.8.12.	<i>Other Organization SMO 7</i> Do any of the following organizations have responsibility for developing or implementing the accounting standards established in law / regulation?	<input type="radio"/> Another IFAC member body(ies) <input checked="" type="radio"/> Government or regulatory body <input type="radio"/> Non-IFAC professional body <input type="radio"/> Other organization	National standards are based on EU 4th and 7th Directives developed by the Ministry of Finance / Hungarian Accounting Standards Board
7.8.13.	<i>National Standards and Convergence SMO 7</i> Please describe the activities your organization has undertaken to promote IFRSs and other IASB pronouncements to the relevant government or regulatory body that sets national standards. Include in your explanation descriptions of any specific activities and the outcome.	Representatives of CHA are involved in the work of the Hungarian Accounting Standards Board	

Number	Question Title/Text/Help text	Answer	Comments
7.9.	Law/Reg and IASB Pronouncements		
7.9.1.	<p><i>Incorporation into Law/Reg SMO 7</i></p> <p>Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p>IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
7.9.2.	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 7 Comparison with IASB</p>	<p>1 <input type="radio"/> Yes, information is available and in English and will be submitted to Compliance Staff</p>	IFRS are adopted by the EU Regulation

Number	Question Title/Text/Help text	Answer	Comments
	<p>Pronouncements.doc">SMO 7: Comparison with IASB Pronouncements report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p>	<p>2 <input type="radio"/></p> <p>3 <input checked="" type="radio"/></p>	<p>No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff</p> <p>No, information is not available</p>
7.10.	Translation SMO 7		
7.10.1.	<p><i>Translation of IFRSs</i></p> <p>Are the IFRSs and other IASB pronouncements translated into national language?</p>	<p>1 <input type="radio"/></p> <p>2 <input checked="" type="radio"/></p> <p>3 <input type="radio"/></p>	<p>No, as English is an official language or widely spoken language</p> <p>Yes, the IFRSs are translated</p> <p>No and English is not an official language or is not widely spoken</p>

Number	Question Title/Text/Help text	Answer	Comments
7.10.4.	<i>Translation coordinator SMO 7</i> Who is the translation coordinator? Select the answer option that is most appropriate.	<input type="radio"/> 1 Our organization is the translation coordinator <input checked="" type="radio"/> 2 The government or another organization is the translation coordinator <input type="radio"/> 3 Our organization and the government or another organization are the translation coordinators	EU in cooperation with IASCF coordinates the translations of IFRSs as adopted by EU into all official languages of the EU.
7.10.5.	<i>Key Terms SMO 7</i> Does the translation process include a list of key terms?	<input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No	
7.10.6.	<i>Faithful Translation SMO 7</i> What processes are in place to ensure a faithful translation of the IFRSs?	The translation is done by the Ministry of Finance and the Foundation for the Development of Hungarian Accountancy. Auditors take part in the activity of the latter.	
7.11.	<i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.	Delegates of CHA take part in the work of the Hungarian Accounting Standard Board, in the modification of the law, and in the process of creating the standards. There is a continuous	

Number	Question Title/Text/Help text	Answer	Comments
			effort towards using IFRS. This effort is supported by the CHA.
8.	Certification of Chief Executive		
8.1.	<p><i>Complete Certification</i></p> <p>Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click Part 2 SMO Self Assessment Certification.doc to download a copy of the Certification form.</p>	<p>1 <input checked="" type="checkbox"/></p> <p>2 <input type="checkbox"/></p>	<p>Yes, the Certification of Chief Executive has been submitted</p>