

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

Please refer to the [Disclaimer](#) published on the Compliance Program website.

ACTION PLAN

IFAC Member:	The Polish Chamber of Statutory Auditors (PIBR)
Approved by Governing Body:	The National Council of Statutory Auditors (Council = KRBR)
Date Approved:	September 8, 2015
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¹ *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

² *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

GLOSSARY

AAP	Accountants Association in Poland (SKwP)
Act	Act of May 7, 2009 on Statutory Auditors, Their Self-Governing Organization, Entities Authorized to Audit Financial Statements and on Public Oversight
AOC	Polish Audit Oversight Commission (KNA), public oversight body in Poland
Council	National Council of Statutory Auditors (KRBR), PIBR constituent body
EC	European Commission
EU	European Union
IES	International Education Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISQC 1	International Standard on Quality Control 1
MF	Ministry of Finance
NDC	National Disciplinary Court (KSD), PIBR constituent body
NDP	National Disciplinary Prosecutor (KRD), PIBR constituent body
NSC	National Supervisory Commission (KKN), PIBR constituent body
SMO	Statements of Membership Obligations

INTRODUCTION:

Please note that as at the end of November 2016, the Directive 2014/56/EU has not yet been implemented in Poland. The Regulation 537/2014 is applied starting from June 17, 2016.

The Act of May 7, 2009 on *Statutory Auditors, Their Self-Governing Organization, Entities Authorized to Audit Financial Statements and on Public Oversight* (the Act) came into force on 6 June 2009. This Act implemented (with one-year delay) provisions of the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (called commonly the 43rd Directive) and replaced the previously binding Act of 13 October 1994 on *Statutory Auditors and Their Self-Governing Organization* (Dz. U. of 2001 No 31, item 359 with further amendments).

The Act has diametrically changed the way of performing the audit profession and has, among others:

- Established the Polish Audit Oversight Commission (AOC) which constitutes the public oversight body over performance of audit profession, activities of entities authorized to audit financial statements and activities of Polish Chamber of Statutory Auditors (PIBR),
- Defined „audit activities” which shall be understood as audits, reviews of financial statements or other assurance services referred to in separate provisions or auditing standards,
- Defined “public interest entities” which among others include:
 - Issuers of securities admitted to trading at a regulated market of an EU Member State which have their registered offices in the territory of the Republic of Poland excluding local government units,
 - Domestic banks, divisions of credit institutions and branches of foreign banks,
 - Credit unions,
 - Insurance companies and major divisions of insurance companies and reinsurance companies,
 - Electronic money institutions,
 - Open pension funds and general pension societies,
 - Open investment funds,
 - Some entities conducting brokerage activity.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Further Develop PIBR’s Quality Assurance Control System in Line with SMO 1 Requirements

Background:

Further development of the existing Quality Assurance Review System in Poland to ensure it addresses all SMO 1 requirements.

In accordance with the Act, among others:

- (art. 21 paragraph 2 point 3 b) the competences of the National Council of Statutory Auditors shall encompass among others adoption in the form of resolution of internal quality control principles of an entity authorized to audit financial statements,
- (art. 26 paragraph 2-13):

The tasks of the NSC shall encompass control over compliance with provisions and procedures related to performance of audit activities by statutory auditors and operation of entities authorized to audit financial statements, including control over:

1. An internal quality control system in an entity authorized to audit financial statements;
2. Compliance of operation of an entity authorized to audit financial statements with legal provisions;
3. Audit documentation regarding the performed financial oversight activities, including compliance with the binding auditing standards and requirements regarding independence;
4. Quantity and quality of human resources used;
5. Remuneration calculated for audit activities.

3.The control referred to in par. 2 shall be conducted:

- In entities authorized to audit financial statements which perform audit activities in public interest entities – not less frequently than once in three years;
- In other entities authorized to audit financial statements – not less frequently than once in six years.

4. The controls referred to in par. 3 shall be conducted by inspectors employed in the PIBR; whereas controls referred to in par. 3 point 2 can also be performed on the basis of a civil law contract by controllers who are statutory auditors.

5. Candidates for inspectors, prior to their employment, and controllers designated for individual controls referred to in par. 3 point 1 shall be approved by the AOC.

6. Upon the application of the AOC, controls referred to in par. 3 may be attended by employees of an organizational unit of an office servicing the Minister of Finance responsible for accounting and audit. These employees shall participate as observers with a right to access any documents.

7. The AOC may issue recommendations and instructions regarding the conduct of control referred to in par. 3 for the NSC.
 8. The NSC shall prepare annual control plans referred to in par. 3. The annual control plan referred to in par. 3 point 1 shall be submitted to the AOC for the purpose of approval.
 9. The annual control plans shall be published at the website of the PIBR immediately after their approval by the AOC.
 10. The NSC may commission extra controls from inspectors and controllers. The scope of extra controls may encompass all or selected issues listed in par. 2.
 11. The NSC shall maintain a list of entities authorized to audit financial statements performing, at least once every three years, audit activities in public interest entities.
 12. The list referred to in par. 11 shall be subject to publication at the website of the PIBR.
- (art. 27 paragraph 1-4, 6 and 9-12).
1. After signing a control report, depending on the type and scope of irregularities ascertained by the NSC, the NSC, subject to par. 2 and 3, shall immediately:
 - 1) Furnish the entity authorized to audit financial statements with recommendations, along with specification of the deadline for removal of such irregularities;
 - 2) File an application to the NDS about initiation of disciplinary proceedings against a statutory auditor;
 - 3) Submit an application to the Council to:
 - a) Impose a financial penalty on the entity authorized to audit financial statements in an amount not exceeding 10% of revenues obtained in the previous financial year from performance of audit activities and not higher than PLN 250,000;
 - b) Issue a ban on performance of audit activities by an entity authorized to audit financial statements in a period ranging from 6 months to 3 years;
 - c) Remove an entity authorized to audit financial statements from the list of entities authorized to audit financial statements;
 - d) Publicly announce information about ascertained irregularities and penalties imposed on the entity authorized to audit financial statements as additional penalty.
 2. The NSC shall furnish the AOC with a control report taking control minutes conducted by the controllers into account, along with post-control conclusions containing the standpoint of the NSC with respect to the submitted reservations.
 3. The control report regarding entities authorized to audit financial statements, referred to in art. 26 par. 3 point 1, shall be subject to approval by the AOC. Prior to approval of the report, the AOC shall have a right to access the control files, demand explanations and introduce changes in the content of the report. After approval of the control report, the NSC may undertake activities referred to in par. 1 point 3.

4. In the case referred to in par. 1 point 1 after the expiry of the specified deadline, the inspectors and controllers shall control the implementation of recommendations. If recommendations are not implemented, provisions of par. 1 point 2 or par. 1 point 3 shall be applied.

6. The NSC shall prepare an annual report on execution of control plans, referred to in art. 26 par. 8. The report shall be submitted to the AOC by March 31 of the following year.

9. The NSC shall determine, in the form of resolutions approved by the AOC:

- 1) The manner of selection of inspectors and controllers;
- 2) The principles of professional improvement of inspectors and controllers;
- 3) A sample of a report on controls performed by inspectors and controllers.

10. Inspectors and controllers shall be employed or appointed among persons, who:

- Have Polish citizenship;
- Enjoy full civil rights;
- Completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the Republic of Poland;
- Have impeccable opinion;
- Possess authority, knowledge and experience which provide guarantee for correct course of control;
- Were not sentenced by a legally valid verdict for a purposefully committed crime or a fiscal crime;

11. Inspectors and controllers, prior to commencing control, shall file a declaration that within a period of 2 years before the commencement of control they were not and are not employed or related in another manner to the controlled entity authorized to audit financial statements under pain of penal liability for making false declarations. Information about submission of the declaration shall be provided to the AOC.

12. Submission of a false declaration by an inspector or controller or withholding information shall constitute a basis for termination of employment contract with the controller by the PIBR without notice or termination of the civil law contract with the controller.

The new Auditing Act, implementing the Directive 2014/56/EU, to regulate activities of audit firms and statutory auditors' work, has not been adopted so far. Therefore final solutions on the quality assurance system are still not established.

On February 10, 2015 the Council adopted provisions of ISQC 1 as internal quality control principles (Resolution no. 2784/52/2015). According to the resolution, audit firms performing audits or reviews of financial statements of PIEs prepared for periods ending between 31 December 2016 and 31 December 2017, are obliged to adapt their activities to the above mentioned resolution by 1 January 2016, and other audit firms – by 1 January 2017.

At the same time, ISAs were adopted to be applied as National Standards on Auditing.

Moreover, NSC carries out many activities aimed at fulfilling tasks relating to the quality assurance system.

Furthermore, there were developed control procedures on requirements covered by ISQC 1. Those procedures have not yet been formally approved by NSC. Quality inspections on adoption and effectiveness of applying ISQC 1 have not been carried out so far. There are still works in progress on other control procedures relating to new auditing standards.

The National Chamber of Statutory Auditors (NSCA) has developed some activities to assist audit firms with the implementation of the quality control standards, such as the development of Continuing Professional Development (CPD) courses. CPD courses for 2016 and 2017 cover topics of applying ISQC 1 and quality control such as:

- “Organization of quality control system in terms of the size of the audit firm”;
- “Using internal control in the process of audits of financial statements of SMEs and provision of other assurance services”.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continuing to Develop the Quality Assurance Review System</i>					
1.	November 2008	Appoint Working Team from among members of PIBR to analyze in detail SMO 1 requirements. NSC of the new term of office (2015-2019) have collectively analyzed the revised requirements of SMO 1-Quality Assurance, which are effective since January 2014, and undertaken activities to meet them in the scope relating directly to this body of PIBR. However the resolution approved by the Council on applying ISQC 1 is based on the version of ISQC 1 issued by IAASB in April 2009.	January 2009 Completed	President of the Council	Council
2.	January 2009	Develop a list of necessary changes by the Working Team.	March 2009 Completed	Head of the Working Team	Members of Working Team, staff of PIBR
3.	March 2009	Ask for proposals from PIBR Regional Branches and experts on modernization of the Quality Assurance System.	March 2009 Completed	Head of the Working Team	Members of Working Team, staff of PIBR
4.	March 2009	Collect proposals from PIBR Regional Branches and experts.	May 2009 Completed	Head of the Working Team	Members of Working Team, staff of PIBR
5.	May 2009	Work on collected proposals for change in the currently binding regulations on Quality Assurance and on the possibility of their realization.	August 2009 Completed	Head of the Working Team	Members of Working Team, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	August 2009	Development by the Committee on Auditing Standards and Professional Norms of a draft resolution on principles of internal quality control of an entity authorized to audit financial statements ³ .	October 2009 Completed	Chair of the Committee on Auditing Standards and Professional Norms	Committee on Auditing Standards and Professional Norms, staff of PIBR
7.	October 2009	Attain approval by the Council a resolution on principles of internal quality control of an entity authorized to audit financial statements.	October 2009 Completed	Council	Council
8.	November 2009	Deliver the resolution on principles of internal quality control of an entity authorized to audit financial statements to AOC.	November 2009 Completed	President of the Council	Staff of PIBR
9.	November 2009	Attain approval of the resolution on principles of internal quality control of an entity authorized to audit financial statements by AOC.	November 2009 Completed	AOC	Staff of AOC
10.	November 2009	Publish the resolution on principles of internal quality control of an entity authorized to audit financial statements on PIBR website.	November 2009 Completed	President of the Council	Staff of PIBR
11.	June 2009	Obtain control over compliance with provisions and procedures related to performance of audit activities by statutory auditors and operation of entities authorized to audit financial statements performed by inspectors (in case of entities carrying out audit activities in public interest entities) and by controllers (in case of other authorized entities) – in accordance with the Act.	Ongoing	Chair of NSC	NCS, inspectors, controllers, staff of PIBR
12.	May 2011	Present a draft resolution on principles of internal quality control of an entity authorized to audit financial statements ⁴ by the Committee on Auditing Standards ⁵ to the Council.	May 2011 Completed	Chair of the Committee on Auditing Standards	Committee on Auditing Standards, staff of PIBR

³ Principles of the internal quality control of an entity authorised to audit financial statements have been based on ISQC 1. Additionally, the principles include a provision that “in case of non-regulated and questionable matters, the entitled entity shall apply provisions of the International Standard on Quality Control 1 for firms that perform audits and reviews of financial statements and other assurance and related services engagements, published by IFAC, and the International Standard on Auditing 220, Quality control for audits of historical financial information”.

⁴ The resolution implementing ISQC 1.

⁵ Former Committee on Auditing Standards and Professional Norms.

#	Start Date	Actions	Completion Date	Responsibility	Resource
13.	June 2011	Attain approval of the resolution on principles of internal quality control of an entity authorized to audit financial statements by the Council.	June 2011 Completed	Council	Council
14.	June 2011	Deliver the resolution on principles of internal quality control of an entity authorized to audit financial statements to AOC.	June 2011 Completed	President of the Council	Staff of PIBR
15.	July 2011	Refusal of approving the resolution on principles of internal quality control of an entity authorized to audit financial statements by AOC.	July 2011 Completed	AOC	Staff of AOC
16.	August 2011	Repeal of the resolution on principles of internal quality control of an entity authorized to audit financial statements by the Council.	August 2011 Completed	Council	Council
17.	October 2012	Develop and attain approval by NSC of: <ul style="list-style-type: none"> • procedures on performing inspections planned and unplanned, • procedures on controlling the execution of recommendations. 	December 2012 Completed	Chairman of NSC	NSC, PIBR inspectors
18.	December 2012	Develop and attain approval by NSC of a resolution on adoption of a model control report for quality control conducted by inspectors and controllers.	December 2012 Completed	Chairman of NSC	NSC, PIBR inspectors
19.	2012	Develop and present the amended draft resolution on principles of internal quality control in an entity authorized to audit financial statements (together with guidelines – constituting appendix hereto – on using internal quality control principles in entities authorized to audit financial statements which indicate the auditor’s procedures in compliance with legal regulations and quality control principles) by the Committee on standardization of services performed by statutory auditors ⁶ to the Council for its approval.	March 2013 Completed	Chair of the Committee on standardization of services performed by statutory auditors	Committee on standardization of services performed by statutory auditors, staff of PIBR
20.	2012	Publish a series of books entitled: “Selected problems of professional ethics principles for Statutory Auditors and ISQC 1” as part of the CPD program for 2013-2014.	2013 – 2014 Completed	Chair of the Council’s Professional Training Committee	Council’s Professional Training Committee, staff of PIBR
21.	January 2013	Approval by NSC of the resolution amending the resolution on the NSC By-laws.	January 2013 Completed	NSC	NSC

⁶ Former Committee on Auditing Standards.

#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	February 2013	Repeal by NSC of the resolution on adoption of a model control report for quality control conducted by inspectors and controllers.	February 2013 Completed	NSC	NSC, staff of PIBR
23.	March 2013	Repeal by NSC of the resolution amending the resolution on the NSC By-laws.	March 2013 Completed	NSC	NSC, staff of PIBR
24.	April 2013	Attain approval of the resolution on principles of internal quality control in an entity authorized to audit financial statements by the Council.	April 2013 Completed	Council	Council
25.	April 2013	Deliver the resolution on principles of internal quality control in an entity authorized to audit financial statements to AOC.	April 2013 Completed	President of the Council	Staff of PIBR
26.	April 2013	Approval by NSC of the resolution amending the resolution on the NSC By-laws.	April 2013 Completed	NSC	NSC, staff of PIBR
27.	May 2013	Attain approval of the resolution on principles of internal quality control in an entity authorized to audit financial statements by AOC.	May 2013 Completed	AOC	Staff of AOC
28.	June 2013	Publish the resolution on principles of internal quality control in an entity authorized to audit financial statements on PIBR website.	June 2013 Completed	President of the Council	Staff of PIBR
29.	February 2014	Development and adoption by NSC of the NSC working plan for 2014.	February 2014 Completed	NSC	NSC
30.	March 2014	Development and adoption by NSC of the 2014 training plan for inspectors.	March 2014 Completed	NSC	NSC, inspectors
31.	March 2014	Adoption by NSC of the resolution on determining a model control report for quality control conducted by inspectors and controllers.	March 2014 Completed	NSC	NSC, inspectors
32.	March 2014	Development and adoption by NSC of the quality control procedures.	March 2014 Completed	NSC	NSC, inspectors
33.	June 2014	Repeal by NSC of the resolution on determining a model control report for quality control conducted by inspectors and controllers.	June 2014 Completed	NSC	NSC, staff of PIBR
34.	June 2014	Adoption by NSC of the resolution on determining a model control report for quality control conducted by inspectors and controllers.	June 2014 Completed	NSC	NSC, inspectors

#	Start Date	Actions	Completion Date	Responsibility	Resource
35.	November 2014	Adoption by NSC of the resolution on organisational and administrative procedures for quality control.	November 2014 Completed	NSC	NSC, inspectors
36.	December 2014	Repeal by NSC of the resolution determining a model control report for quality control conducted by inspectors and controllers.	December 2014 Completed	NSC	NSC, staff of PIBR
37.	December 2014	Attain approval by NSC of the resolution on determining a model report on planned controls conducted by inspectors and controllers.	December 2014 Completed	NSC	NSC, inspectors
38.	December 2014	Attain approval by AOC of the resolution on determining a model report on planned controls conducted by inspectors and controllers.	December 2014 Completed	AOC	Staff of AOC
<i>Maintaining Ongoing Processes</i>					
39.	Ongoing	Continue to ensure that PIBR's QA system is operating effectively and continues to be in line with SMO 1 requirements. This includes periodic review of the operation of the QA system and updating the Action Plan for future activities where necessary.	Ongoing	Chair of NSC	NSC, inspectors, staff of PIBR
40.	December 2015	Update and amendments to the quality control procedures (collective consultations of NSC. Implementation works took place from January until April of 2016).	March-April 2016 Completed	Chair of NSC	NSC, inspectors, staff of PIBR
41.	Ongoing	Provide training for inspectors and controllers on the correctness of controls being provided.	Ongoing	Chair of NSC	NSC, staff of PIBR
42.	Ongoing	Maintain activities of the Council Committees which support statutory auditors and entities authorized to audit financial statements in case of their concerns relating to particular situations.	Ongoing	Chairmen of the Council Committees	Council Committees, staff of PIBR
43.	April 2010	AOC publishes annual report including comprehensive information about the operation of the QA system (30 April each year), the outcome of disciplinary proceedings against statutory auditors and penalties imposed on entities authorized to audit financial statements, including information on the public oversight activities planned for the next year (publication on the Ministry of Finance's (MF's) website).	Ongoing	Chair of NSC	Staff of AOC

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of PIBR's Compliance Information</i>					
44.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 1 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the System 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	X			
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	X			
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	X			Audit firms performing audits or reviews of financial statements of PIEs prepared for periods ending between 31 December 2016 and 31 December 2017, are obliged to adapt their activities to the above mentioned resolution by 1 January 2016, and other audit firms – by 1 January 2017.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	X			Hot line, training courses, alert letters distributed to CPA and published on the PIBR website.

Requirements	Y	N	Partially	Comments
Review Cycle				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	X			
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	X			
QA Review Team				
7. Independence of the QA Team is assessed and documented.	X			Every time the QA review team, before commencing an inspection/control enclose (in the QA documentation) statements on independence from the audit firm which is subject to quality control.
8. QA Team possesses appropriate levels of expertise.	X			Limitation on practical experience in audits of financial sector entities.
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	X			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			
Corrective and Disciplinary Actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			
12. QA review system is linked to the Investigation and Discipline system.	X			

Requirements	Y	N	Partially	Comments
<p>Consideration of Public Oversight</p> <p>13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.</p>	X			<p>The NSC cooperates with the Audit Oversight Commission (public oversight body in Poland) on an ongoing basis on matters resulting from the current Auditing Act and it has also actively participated in commenting and presenting proposals to the new draft audit law.</p> <p>The exchange of information is on an ongoing basis as well as in forms of NSC and AOC annual reports, where details are covered.</p>
<p>Regular Review of Implementation and Effectiveness</p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	X			<p>There is continuous monitoring in place over control mechanisms and procedures adopted by NSC and – towards PIEs – by AOC. AOC has the right to issue binding recommendations.</p>

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective: Review and Implementation of IES 8 – Competence Requirements for Audit Professionals
Review and Implementation of IES 7 – Continuing Professional Development: a Program of Lifelong Learning and Continuing Development of Professional Competence

Implementation of IES 8

Background:

In accordance with the Act, among others:

➤ (art. 5 par. 2-4):

2. A natural person complying with the following requirements can be entered in the register of statutory auditors, hereinafter referred to as the “register”:

- 1) Enjoys full civil rights and has full legal capacity to act;
- 2) Has impeccable opinion and by hitherto conduct provides guarantee of proper practice of the profession of a statutory auditor;
- 3) Was not sentenced by a legally valid verdict for purposefully committed crime or fiscal crime;
- 4) Completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the Republic of Poland and is fluent in the Polish language in speech and writing;
- 5) Completed:
 - a) a one-year work experience in accounting in a European Union Member State or at least a two-year internship in an entity authorized to audit financial statements registered in a EU Member State, under the oversight of a statutory auditor or under the oversight of a statutory auditor registered in a EU Member State; or
 - b) a three-year internship in an entity authorized to audit financial statements registered in a EU Member State, under the oversight of a statutory auditor or under the oversight of a statutory auditor registered in a EU Member State - whereas compliance with these requirements has been ascertained by the Examination Board, hereinafter referred to as the “Board”;
- 6) Passed the examinations for candidates for statutory auditors with respect to the theoretical knowledge from the scope referred to in art. 9 par. 1 and art. 9 par. 2 before the Board;
- 7) Passed a final diploma examination verifying the skills of practical application of the theoretical knowledge before the Board;
- 8) Took an oath before the President of the National Council of Statutory Auditors or another authorized member of the National Council of Statutory Auditors.

2a. A natural person who:

- has a 15-year professional experience in accounting, law and finance;
- met requirements referred to in par. 2 points 1-4 and 6-8;
- may also be entered in the register of statutory auditors.

3. A natural person who is authorized to practice the profession of a statutory auditor in another European Union Member State may also be entered in the register after passing the examination in the Polish language before the Board with respect to economic law binding in the territory of the Republic of Poland within the scope necessary for performance of audit activities.

4. A natural person who is authorized to practice the profession of a statutory auditor in a third country may also be entered in the register upon the principle of reciprocity on the condition of compliance with requirements regarding professional qualifications in line with the conditions determined in the Act or equivalent conditions and after passing the examination in the Polish language before the Board on economic law binding in the Republic of Poland within a scope necessary for performance of audit activities.

4a. The Board shall determine the content of the examination in economic law referred to in par. 3 and par. 4, taking into account differences between provisions of the economic law binding in the Republic of Poland which are substantial for audits of financial statements and qualifications acquired in the existing qualification process or professional experience by an individual who applies for entering in the register.

➤ (art. 9 par. 1-3 and par. 5-9):

1. The theoretical knowledge examinations shall comprise test questions and case studies encompassing 10 examination subjects within the scope of:

- 1) accounting theory and principles;
- 2) principles of preparing financial statements, including consolidated financial statements;
- 3) international financial reporting standards;
- 4) financial analysis;
- 5) cost and management accounting;
- 6) risk management and internal control;
- 7) auditing;
- 8) auditing standards;
- 9) professional ethics and independence of a statutory auditor;
- 10) legal requirements regarding audits of financial statements and statutory auditors and entities authorised to audit financial statements.

2. In the course of examinations, referred to in par. 1, knowledge indispensable in audits within the scope of:

- 1) company law and corporate governance;
- 2) law on bankruptcy proceedings and recovery proceedings;
- 3) tax law;
- 4) civil law;
- 5) labour law and social insurance law;
- 6) banking law;
- 7) insurance law;
- 8) IT technologies and computer systems;

- 9) microeconomics and macroeconomics;
- 10) mathematics and statistics.
- 11) basic principles of financial management in economic units;
- 12) shall also be verified.

3.A candidate for a statutory auditor shall take a diploma examination conducted by the Board after:

- 1) *(repealed)*
- 2) Passing the examinations referred to in par. 1 and 2;
- 3) Acknowledgment by the Board of:
 - a) Completion of a one-year work experience in accounting in a European Union Member State or at least a two-year internship in an entity authorized to audit financial statements registered in a EU Member State, under the oversight of a statutory auditor or under the oversight of a statutory auditor registered in a EU Member State, or
 - b) Completion of a three-year internship in an entity authorized to audit financial statements registered in a EU Member State, under the oversight of a statutory auditor or under the oversight of a statutory auditor registered in a EU Member State, or
 - c) Fulfilment of the condition referred to in art. 5, par. 2a, point 1.

3a. The diploma examination shall consist in verifying the skills of practical application of the theoretical knowledge for the performance of the audit profession independently and properly, especially in audits of annual financial statements and annual consolidated financial statements.

5. The Board gives credit to a candidate for the profession of statutory auditor, upon the candidate's application, for particular theoretical knowledge examinations if the candidate had passed university or equivalent examinations within this scope.

5a. The Board gives credit to a candidate for the profession of statutory auditor, upon the candidate's application, for all the theoretical knowledge examinations if the candidate had completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the Republic of Poland in the field about which the Examinations Board states, under art. 7, point 1b that the qualification content covers theoretical knowledge within the scope referred to in art. 9, par 1 and 2.

5b The list of the higher studies fields, referred to in par. 5a, is published for information on the website of the National Chamber of Statutory Auditors.

5c. The Board gives credit to a candidate for the profession of statutory auditor, upon the candidate's application, for particular theoretical knowledge examinations if the candidate had passed examinations within the Qualification Process conducted by a body authorised to license statutory auditors in another EU Member State and the Examinations Board states that the qualification content covers theoretical knowledge within the scope referred to in art. 9, par 1 and 2.

5d. Credit for theoretical knowledge examinations is given provided:

- 1) university examinations or other deemed equivalent as referred to in par. 5,
- 2) higher studies examinations, referred to in par. 5a, within the scope referred to in art. 9, par. 1 and 2,
- 3) examinations within the Qualification Process referred to in par. 5c

- are conducted in writing and not more than three years have elapsed since the date of completing higher studies, the Qualification Process or passing examinations within the Qualification Process.

6. The Board gives credit to a candidate for the profession of statutory auditor who have authorizations of a fiscal control inspector or a tax advisor, upon the candidate's application, for examination in tax law.

7. The Board gives credit to a candidate for the profession of statutory auditor upon the candidate's application, for the work experience in accounting and internship referred to in par. 3 point 3a if a candidate for the profession of statutory auditor:

1) Was employed by an entity authorized to audit financial statements or remained in employment relation on an independent position in financial and accounting units for at least 3 years, or;

2) Holds authorization of a fiscal control inspector, or;

3) Holds an accounting certificate authorizing to keep accounting books or a certificate of competency authorizing to keep accounting books, issued by the Minister competent for the issues of public finance.

8. The Minister competent for the issues of public finance shall determine, in the form of a regulation:

1) Conditions for applying for qualification proceedings;

2) Procedures and manner of conducting examinations;

3) Procedures and deadline for filing appeals regarding results of examinations;

4) Principles and scope of completing the work experience in accounting and the internship and ascertaining the compliance with a condition referred to in art. 5, par. 2a, point 1;

5) Procedures of passing examinations referred to in par. 5, 5a, 5c and 6;

6) Procedures of ascertaining the compliance with conditions referred to in par. 7

- taking into account the necessity of objective verification of theoretical and practical preparation of candidates for the statutory auditors, proper conduct of examinations and the necessity of ensuring the effective operation of the Board.

9. The National Council of Statutory Auditors shall determine, in consultation with the Board, in the form of resolutions approved by the Audit Oversight Commission:

1) A framework schedule for conducting qualification proceedings, determining the place and the date of examinations for candidates for statutory auditors, as well as examination on economic law for persons referred to in art. 5 par. 3 and 4;

2) A detailed thematic scope of examinations, taking into account the areas referred to in par. 1 and 2;

2a) A list of issues relevant for audits of financial statements which the examination in economic law consists of, referred to in art. 5 par. 3 and 4;

3) Amount of fees for individual examinations and amount of remuneration for members of the Board;

4) Manner of appointing examiners and the amount of their remuneration;

5) *(repealed)*;

5a) Programmes of the work experience in accounting and internship;

6) Principles for documenting the work experience in accounting and internship and fulfilling the requirement referred to in art. 5 par. 2a point 1;

7) Scope, manner and principles of other tasks indispensable for correct operation of the Board and qualification proceedings for candidates for statutory auditors.

Moreover, in accordance with par. 10 of the National Auditing Standard no 1: „While undertaking an audit, a statutory auditor must be aware of a necessity of having good knowledge on specialized issues, specific or particularly significant in activities and financial reporting of financial sector entities. It may for example concern:

- Financial instruments, including derivatives,
- Risk management,
- Investment policy,
- Methodology of credit portfolio valuation,
- Principles of provisioning.

A statutory auditor should not undertake an audit of financial statements of financial sector entities if it would violate the principle of professional competences determined in the manner stipulated in art. 21, par. 2 point 3 c) of the Act on statutory auditors.”

Implementation of IES 7 (CPD):

Background:

In accordance with the Act, among others:

- (art. 4 par. 1 point 2): In particular, a statutory auditor shall be required to constantly raise professional qualifications, including participation in CPD courses in each calendar year.

- (art. 4 par. 2):

2. The Continuing Professional Development referred to in par. 1 point 2 shall consist in participation in a relevant training the programme of which aims at improvement of audit profession knowledge and skills, especially in accounting and auditing.

2a. A statutory auditor is obliged to document their completion of CPD.

2b. A statutory auditor may complete the part of CPD in a form of self-education. A statutory auditor shall confirm the completion of self-education by submitting a statement.

2c. The obligation of a statutory auditor's participation in CPD arises on the first day of a calendar year following the year in which the statutory auditor was entered into the Register.

2d. A statutory auditor shall retain documents confirming the CPD completion for 6 years starting from the end of a calendar year in which they completed it.

2e. A statutory auditor, at the request of the National Council of Statutory Auditors, submits documents confirming the CPD completion within the period of 30 days from the date of receiving the request.

2f. At the documented request of a statutory auditor, the National Council of Statutory Auditors may allow, under justified circumstances, the completion of CPD at a later date however no longer than two years from the required date.

- (art. 4 par. 3):

3. The National Council of Statutory Auditors shall determine, in the form of a resolution approved by the Audit Oversight Commission:

- 1) The CPD scope of subjects, excluding the self-education part, referred to in par. 2b;
- 2) The CPD rolling period and minimum number of hours, including the acceptable number of hours of self-education for statutory auditors in practice and for non-practitioners.

- (art. 4 par.4):

The CPD courses are conducted by:

- 1) The National Council of Statutory Auditors; and
- 2) Authorized entity.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The PIBR has reviewed the revised International Education Standards (IES) issued by the International Accounting Education Standards Board (IAESB) in 2014 and 2015 and undertaken specific activities to further ensure that the national requirements are set in line with the revised IES.</p> <p>Amendments to the IES 7 have been addressed in PIBR Educational Requirements (fully compliant).</p> <p><i>Further Developing PIBR Educational Requirements to be in line with the IES 8 Requirements (the work in progress).</i></p>					
45.	2012	Become acquainted with a Polish translation of the revised version of IES 8, <i>Competence Requirements for Audit Professionals</i> .	2013 Completed	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
46.	2015	Analyze differences between this document and requirements for Polish statutory auditors on the basis of a revised version of IES 8 (effective since 1 July 2016) translated into Polish. The translation was formally proceeded by SKwP (Association of Accountants in Poland).	Completed in 2016	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
47.	2015	Prepare information brochure/comments on the revised version of IES 8.	Completed in February 2016	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
48.	2016	Publish the revised version of IES 8 together with the information brochure/comments on the PIBR website in order to draw attention to the most important issues.	Completed in November 2016	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
49.	2015	Implement necessary - and in line with revised version of IES 8 - new requirements into PIBR regulations.	To be implemented in 2017-2018	Council	Staff of PIBR
50.	2016	Organize a meeting/conference with PIBR Regional Branches devoted to regulations of the revised version of IES 8. The conference agenda also covered the implication as of the IES 8 revised and effective as of 1 July 2016.	Completed in February 2016	Council, Chair of the Council's Professional Training Committee, Chairmen of PIBR Regional Branches	Council, Council's Professional Training Committee, Chairmen of PIBR Regional Branches, staff of PIBR Regional Branches
<i>Further Development of PIBR CPD Requirements in line with the IES 7 Requirements, That Is Minimum 120 hours in a Three-year Rolling Period with a Minimum of 24 hours Each Year</i>					
51.	December 2014	Prepare, by the Council's Professional Training Committee, a draft resolution on the CPD rolling period and minimum number of hours for statutory auditors.	Ongoing	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
52.	January 2015	Attain approval, by the Council, the resolution on the CPD rolling period and minimum number of hours for statutory auditors. ⁷	Ongoing	Council	Council

⁷ The resolution no. 2751/51a/2015 of the Council dated 28 January 2015 on the CPD rolling period and minimum number of hours for statutory auditors implemented a three-year rolling period, determined the minimum number of hours to be completed by a statutory auditors each calendar year (in accordance with IES 7). The number of CPD hours is the same for statutory auditors in practice and non-practitioners and it is 40 hours per year, which gives in total 120 hours within three years. A statutory auditor is obliged to complete minimum 24 CPD hours each calendar year within the rolling period.

#	Start Date	Actions	Completion Date	Responsibility	Resource
53.	February 2015	Deliver the resolution on the CPD rolling period and minimum number of hours for statutory auditors to AOC.	Ongoing	President of the Council	Staff of PIBR
54.	March 2015	Attain approval, by AOC, of the resolution on the CPD rolling period and minimum number of hours for statutory auditors.	Completed in March 2015	AOC	AOC
55.	March 2015	Publish the resolution on the CPD rolling period and minimum number of hours for statutory auditors on PIBR website.	Completed in March 2015	President of the Council	Staff of PIBR
56.	December 2014	Preparation, by the Council's Professional Training Committee, a draft resolution on the CPD subject scope for statutory auditors in 2015 ⁸ .	Ongoing	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
57.	January 2015	Attain approval, by the Council, the resolution on the CPD subject scope for statutory auditors in 2015.	Ongoing	Council	Council
58.	January 2015	Deliver the resolution on the CPD subject scope for statutory auditors in 2015 to AOC.	Ongoing	President of the Council	Staff of PIBR
59.	February 2015	Attain approval, by AOC, the resolution on the CPD subject scope for statutory auditors in 2015.	Completed in February 2015	AOC	AOC
60.	February 2015	Publish the resolution on the CPD subject scope for statutory auditors in 2015 on PIBR website.	Ongoing	President of the Council	Staff of PIBR
61.	2009	Address the requirement of professional skills necessary for proper and efficient application of professional knowledge, developed through workshops and seminars within the CPD for statutory auditors.	Ongoing	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee
62.	Ongoing	Development by the Council of the CPD topics for the next calendar years.	Ongoing	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee

⁸ Each year the NCSA Council approves a resolution on the CPD subject scope for statutory auditors.

#	Start Date	Actions	Completion Date	Responsibility	Resource
63.	2015	Publish the list of entities authorized to provide CPD training for statutory auditors on PIBR website.	Ongoing	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee
64.	2015	Include training on <i>The risks specific for selected sectors</i> into the CPD for statutory auditors in 2015.	Continued in 2016	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee
65.	2015	Include training on <i>The procedures for the assessment of compliance of IT financial and accounting software with legal requirements</i> into the CPD for statutory auditors in 2016.	Completed in 2016 and continued in 2017	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee
<i>Maintaining Ongoing Processes</i>					
66.	Ongoing	Maintain activities of the Council Committees which support statutory auditors and entities authorized to audit financial statements in case of their concerns relating to particular situations.	Ongoing	Chairmen of the Council's Committees	Council's Committees, staff of PIBR
67.	Ongoing	Continue to use best endeavors to ensure PIBR education requirements continue to incorporate all IES requirements. This includes ongoing review of the existing requirements and preparation of the Action Plan for the future activities where necessary.	Ongoing	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee
<i>Review of PIBR's Compliance Information</i>					
68.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 2 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Continue Maintaining Ongoing Process to Translate IAASB Pronouncements, Documentation and Public Disclosure of any Divergences Between National Auditing Standards and International Standards on Auditing (ISAs), Including Presentation of Reasons for those Divergences, Continue to Develop Education Activities and Curricula in Order to Ensure Effective Adoption and Implementation of ISAs and Other IAASB Pronouncements

Background:

In accordance with the Act, among others:

- (art. 21 par. 2 point 3a): The competences of the National Council of Statutory Auditors shall encompass, in particular, adoption in the form of resolutions of national auditing standards,
- (art. 120): Until the moment the International Standards of Auditing announced in the form of resolutions of the European Commission enter into force, the auditing standards shall be understood as domestic standards determined by the National Council of Statutory Auditors, approved by the Audit Oversight Commission.

In the current legal situation PIBR is not able to accelerate the adoption of ISAs by the European Commission (EC) in the form of EC resolutions.

On April 1, 2015, AOC approved the PIBR resolution of 10 February 2015 on the implementation of the Clarified ISAs and International Standards on Review Engagements (ISRE). In accordance with this resolution, PIBR adopted national auditing standards based on the ISAs in the version of 2009. PIBR is in the process of translating amendments in the ISAs and new versions of ISAs. When the process is finished, new standards translated into Polish will be adopted. PIBR will adopt new resolutions modifying the national standards.

ISAs as national standards are formally implemented into Polish law in two ways:

- in case of audit firms which audit or review PIEs financial statements, ISAs are applicable for audits and reviews of financial statements for periods ending on or after December 31, 2016,
- in case of audit firms which audit or review non-PIEs financial statements, ISAs are applicable for audits and reviews of financial statements for periods ending on or after December 31, 2017.

As a support in the process of ISAs implementation, the PIBR:

- publishes alerts on ISAs on the PIBR website (brief summary of the content of each standards) and Statements (formal guidelines),
- provides technical advice – NSCA helpline,
- carries out series of training courses (ISAs in practice).

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption of National Auditing Standards</i>					
69.	July 2009	Prepare, by the Council's Committee on Auditing Standards and Professional Norms, a draft resolution on the National Auditing Standards ⁹ .	February 2010 Completed	Chair of the Council's Committee on Auditing Standards and Professional Norms	Committee on Auditing Standards and Professional Norms, staff of PIBR
70.	February 2010	Attain approval, by the Council, the resolution on the National Auditing Standards.	February 2010 Completed	Council	Council
71.	February 2010	Deliver the resolution on the National Auditing Standards to AOC.	February 2010 Completed	President of the Council	Staff of PIBR
72.	March 2010	Attain approval, by AOC, the resolution on the National Auditing Standards.	March 2010 Completed	AOC	AOC
73.	April 2010	Publish the resolution on the National Auditing Standards on PIBR website.	April 2010 Completed	President of the Council	Staff of PIBR
74.	December 2009	Prepare, by the Council's Committee on Auditing Standards and Professional Norms, a draft communiqué on other assurance engagements included in the scope of audit activities ¹⁰ .	February 2010 Completed	Chair of the Council's Committee on Auditing Standards and Professional Norms	Committee on Auditing Standards and Professional Norms, staff of PIBR
75.	January 2010	Attain approval, by the Council, the communiqué on other assurance engagements included in the scope of audit activities.	January 2010 Completed	Council	Council

⁹ The National Auditing Standards have been based on ISAs. Moreover, they include a provision that a statutory auditor:

a) in case of non-regulated matters by the National Auditing Standards, while developing a detailed methodology of planning and performing an audit of financial statements, in questionable matters - shall apply ISAs provisions.

¹⁰ The communiqué has included the explanation on a definition of audit activities.

#	Start Date	Actions	Completion Date	Responsibility	Resource
76.	January 2010	Publish the communiqué on other assurance engagements included in the scope of audit activities on PIBR website.	January 2010 Completed	President of the Council	Staff of PIBR
77.	May 2009	Sign a contract with AAP on translation and publication (in hard copy) of Clarified ISAs.	May 2009 Completed	President of the Council	President of the Council
78.	May 2009	Translate and publish particular volumes (three) of ISAs.	June 2010 Completed	President of the Council	Staff of AAP
79.	February 2011	Take a decision on commencing arrangements process with IFAC on publication of all three volumes of translated ISAs on PIBR website.	June 2011 Completed	President of the Council	Council
80.	IV quarter of 2011	Publish the translated ISAs on PIBR website.	IV quarter of 2011 Completed	President of the Council	Staff of PIBR
81.	May 2011	Prepare, by the Council's Committee on Auditing Standards, a draft resolution on the National Auditing Standards ¹¹ .	June 2011 Completed	Chair of the Council's Committee on Auditing Standards	Council's Committee on Auditing Standards, staff of PIBR
82.	June 2011	Attain approval, by the Council, the resolution on the National Auditing Standards.	June 2011 Completed	Council	Council
83.	June 2011	Deliver the resolution on the National Auditing Standards to AOC.	June 2011 Completed	President of the Council	Staff of PIBR
84.	July 2011	Refusal, by AOC, of approving the resolution on the National Auditing Standards.	July 2011	AOC	AOC
85.	August 2011	Repeal, by the Council, of the resolution on the National Auditing Standards.	August 2011 Completed	Council	Council
86.	2012	Translate the Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities (2 Volumes).	Volume 1 – April 2013, Volume 2 – June 2013 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR

¹¹ Implementation of all Clarified ISAs into Polish regulations.

#	Start Date	Actions	Completion Date	Responsibility	Resource
87.	2014	Publish the Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities (2 Volumes) in hard copy.	Volumes 1 and 2 – 2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR
88.	2014	Publish the Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities (2 Volumes) on PIBR website.	2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR
89.	2012	Translate the <i>Guide to Quality Control for Small- and Medium-Sized Practices</i> .	2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR
90.	2014	Publish the Guide to Quality Control for Small- and Medium-Sized Practices on PIBR website.	2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR
91.	2012	Translate the <i>Guide to Practice Management for Small- and Medium-Sized Practices</i> .	2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR
92.	2014	Publish the <i>Guide to Practice Management for Small- and Medium-Sized Practices</i> on PIBR website.	2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	President of the Council, staff of PIBR
93.	2013	Translate the International Auditing Practice Note (IAPN) 1000, <i>Special Considerations in Auditing Financial Instruments</i> .	2015 Completed	Chair of the Council's Committee on standardization of services	President of the Council, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
				performed by statutory auditors	
94.	2015	Publish the International Auditing Practice Note (IAPN) 1000, <i>Special Considerations in Auditing Financial Instruments</i> on PIBR website.	2015 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	President of the Council, staff of PIBR
95.	2014	Translate the <i>Guide to Review Engagements</i> .	2015 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	President of the Council, staff of PIBR
96.	2016	Publish the <i>Guide to Review Engagements</i> on PIBR website.	2016 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	President of the Council, staff of PIBR
97.	2015	Translate <i>A Framework for Audit Quality: Key Elements that Create an Environment for Audit Quality</i> .	In progress	Chair of the Council's Committee on standardization of services performed by statutory auditors	President of the Council, staff of PIBR
98.	2015	Translate the <i>Guide to Compilation Engagements</i> .	In progress	Chair of the Council's Committee on standardization of services performed by statutory auditors	President of the Council, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
99.	2016	Translate the <i>Tips for Cost-Effective ISQC 1 Application</i> .	In progress	President of the Council, staff of PIBR	President of the Council, staff of PIBR
100.	2016	Translate the <i>Tips for Cost-Effective ISA Application</i> .	In progress	President of the Council, staff of PIBR	President of the Council, staff of PIBR
101.	October 2011	Development by the Committee on standardization of services performed by statutory auditors of a document including a list of divergences between ISAs and Polish legal provisions and indication of instructions for statutory auditors and entities authorized to audit financial statements to be followed, and also develop a document suggesting simplifications in audits of financial statements of SMEs ensuring proportional application of ISAs in audits of financial statements of various sized entities.	2012 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
102.	February 2012	Attain approval, by the Council, a communiqué on audit engagements' contracts devoted to correct formulation of contracts in the context of possible preparation of an independent auditor's position instead of an auditor's opinion.	February 2012 Completed	Council	Council
103.	February 2012	Publish the communiqué on audit engagements' contracts on PIBR website.	February 2012 Completed	President of the Council	Staff of PIBR
104.	September 2012	Prepare, by the Council's Committee on standardization of services performed by statutory auditors a draft resolution amending the resolution on the National Auditing Standards (aimed at adapting the National Auditing Standards to changes resulting from the liquidation of the Polish Monitor „B”).	September 2012 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
105.	October 2012	Attain approval, by the Council, the resolution amending the resolution on the National Auditing Standards.	October 2012 Completed	Council	Council
106.	October 2012	Deliver the resolution amending the resolution on the National Auditing Standards to AOC.	October 2012 Completed	President of the Council	Staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
107.	November 2012	Refusal, by AOC, of approving the resolution amending the resolution on the National Auditing Standards.	November 2012	AOC	AOC
108.	December 2012	Repeal, by the Council, of the resolution amending the resolution on the National Auditing Standards.	December 2012 Completed	Council	Council
109.	November 2012	Prepare, by the Council's Committee on standardization of services performed by statutory auditors a new draft resolution amending the resolution on the National Auditing Standards (taking the AOC objections into consideration).	December 2012 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
110.	December 2012	Attain approval, by the Council, the resolution amending the resolution on the National Auditing Standards (this resolution adapted the National Auditing Standards to changes resulting from the liquidation of the Polish Monitor „B”).	December 2012 Completed	Council	Council
111.	January 2013	Attain approval, by AOC, the resolution amending the resolution on the National Auditing Standards.	January 2013 Completed	AOC	AOC
112.	January 2013	Publish the resolution amending the resolution on the National Auditing Standards on PIBR website.	January 2013 Completed	President of the Council	Staff of PIBR
113.	September 2014	Prepare, by the Council's Committee on standardization of services performed by statutory auditors a new draft resolution amending the resolution on the National Auditing Standards (taking the AOC objections into consideration) and the resolution on the internal quality control principles in an entity authorized to audit financial statements.	September 2014 Completed	President of the Council	Council's Committee on standardization of services performed by statutory auditors
114.	February 2015	Attain approval, by the Council, the resolution amending the resolution on the National Auditing Standards; the resolution on the internal quality control principles in an entity authorized to audit financial statements.	February 2015 Completed	President of the Council	Council
115.	April 2015	Attain approval, by AOC, the resolution amending the resolution on the National Auditing Standards and the resolution on the internal quality control principles in an entity authorized to audit financial statements.	April 2015 Completed	President of the Council	AOC

#	Start Date	Actions	Completion Date	Responsibility	Resource
116.	April 2015	Publish the resolution amending the resolution on the National Auditing Standards and the resolution on the internal quality control principles in an entity authorized to audit financial statements on PIBR website.	April 2015 Completed	President of the Council	Staff of PIBR
117.	2012	Prepare, by the Council's Committee on standardization of services performed by statutory auditors, an amended draft resolution on the National Auditing Standards ¹² , together with guidelines on using National Auditing Standards indicating the auditor's procedures in compliance with legal regulations and National Auditing Standards – which constitute appendix hereto (the resolution's subject-matter covers the implementation of ISAs and International Standards relating to reviews of financial statements and other assurance engagements).	March 2013 Completed	Chair of the Council's Committee on standardization of services performed by statutory auditors	Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
118.	2012	Start the procedure to obtain IFAC permission to translate ISAs into Polish and publish translated International Standards (covered by the draft resolution on National Auditing Standards) on PIBR website.	2013 Completed	President of the Council	Council, staff of PIBR
119.	2012	Translate ISAs.	2013 Completed	President of the Council	Staff of PIBR
120.	March 2013	Obtain IFAC permission to translate ISAs into Polish and publish translated International Standards on PIBR website.	March 2013 Completed	President of the Council	Council, staff of PIBR
121.	April 2013	Attain approval, by the Council, the resolution on the National Auditing Standards.	February 2015 Completed	Council	Council
122.	April 2013	Deliver the resolution on the National Auditing Standards to AOC.	February 2015 Completed	President of the Council	Staff of PIBR
123.	May 2013	Attain approval, by AOC, the resolution on the National Auditing Standards.	April 2015 Completed	AOC	AOC
124.	June 2013	Publish the resolution on the National Auditing Standards on PIBR website.	April 2015 Completed	President of the Council	Staff of PIBR

¹² A draft resolution assuming the implementation of ISAs and other International Standards such as ISRE 2400, ISRE 2410, ISAE 3000, ISAE 3400.

#	Start Date	Actions	Completion Date	Responsibility	Resource
125.	2012	Prepare statutory auditors to apply IAASB Pronouncements (including ISAs) once they are implemented into Polish regulations.	Ongoing	Council, Chair of the Council's Committee on standardization of services performed by statutory auditors	Council, Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
126.	2013	Initiate the update procedure at PIBR regarding International Standards published on PIBR website following to IAASB decisions.	Ongoing	President of the Council	Council, Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
127.	2013	Publish translations of revised International Standards on PIBR website.	Ongoing	President of the Council	Council, Council's Committee on standardization of services performed by statutory auditors, staff of PIBR
<i>Maintaining Ongoing Processes</i>					
128.	Ongoing	Continue to support ongoing convergence of national standards with IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	President of the Council	Staff of PIBR
129.	Ongoing	Include ISAs issues in each year CPD training for statutory auditors.	Ongoing	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
130.	Ongoing	Maintain activities of the Council Committees which support statutory auditors and entities authorized to audit financial statements in case of their concerns relating to particular situations.	Ongoing	Chairmen of the Council's Committees	Council's Committees, staff of PIBR
131.	Ongoing	Cooperation of PIBR with the Polish Association of Listed Companies, ACCA and other professional bodies/institutes in order to promote audit services.	Ongoing	Council	Council Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
132.	October 2001	Participation of a PIBR representative in the works of the FEE (Federation of European Accountants) Auditing Working Party / Auditing and Assurance Policy Group.	Ongoing	Council	A nominated PIBR delegate
133.	2008	Participation of a PIBR representative in the works of the FEE (Federation of European Accountants) SME/SMP Working Party / SMP Forum.	Ongoing	Council	A nominated PIBR delegate
<i>Review of PIBR's Compliance Information</i>					
134.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants

Action Plan Objective: Ensure Effective Implementation of the Revised IESBA Code of Ethics for Professional Accountants through Assuring that Statutory Auditors are Aware of the Revised Requirements. Expansion of the Education and CPD Program for Statutory Auditors to Include Courses on the Revised IESBA Code of Ethics

Background:

Popularize principles of professional ethics for statutory auditors covered by the revised IESBA Code of Ethics for Professional Accountants within the CPD program and conferences devoted to this subject-matter.

In accordance with the Act, among others:

(art. 21 par. 2 point 3c)): The competences of the National Council of Statutory Auditors shall encompass, in particular, adoption in the form of resolutions of principles of professional ethics for statutory auditors.

On June 13, 2011 the National Council of Statutory Auditors approved a resolution no. 4249/60/2011 on principles of professional ethics for statutory auditors implementing the IESBA Code of Ethics for Professional Accountants, in the version applicable since 2009 (the version updated in July 2009). The Code became effective on January 1, 2012. Principles of professional ethics for statutory auditors – the IESBA Code of Ethics for Professional Accountants dated July 2009 was published by PIBR and is made available on the PIBR website.

The resolution no. 206/6/2015 of the National Council of Statutory Auditors of 3 November 2015, amending the resolution on principles of professional ethics for statutory auditors, adopted changes to the IESBA Code of Ethics for Professional Accountants valid since 2014. Those changes became effective on 11 February 2016.

According to the Act (O.J., item 1000 of 2016) , a statutory auditor is obliged to observe principles of professional ethics for statutory auditors, including, in particular, integrity, objectivity, professional competence, due care and confidentiality (art. 56). Further, provisions of the art. 56, par. 3 of the Act describe circumstances when independence and impartiality of a statutory auditor are not observed.

It is considered that provisions on independence and impartiality of a statutory auditor / audit firm covered by art. 56, par. 3 of the Act, except for a provision on proportion of annual revenue from services rendered to the audited entity in relation to audits generally (art. 56, par. 3, point 4 of the Act), are more stringent than the rules of the IESBA Code of Ethics. Thus, the Act does not allow a statutory auditor to:

- hold stocks or shares in an audited entity,
- have served in the last 3 years as a legal representative (proxy), member of supervisory bodies, managing bodies, administration bodies or employee of an unit where audit activities are performed or were performed or a unit related to it,
- have participated in the last 3 years in maintenance of accounting books or preparation of financial statements of the entity where audit activities were performed,
- be a spouse, a relative or a direct kin (up to second degree) or be related on account of custody, adoption or guardianship with a person who is a member of supervisory bodies, managing bodies or administration bodies of an entity where audit activities are performed or who employs such persons for performance of audit activities,
- participate in making decisions by an entity where audit activities are performed within a scope related to the provided services,

- perform audit services due to other reasons, if after performance of activities leading to eliminate threats, they cannot prepare an objective and independent opinion or report.

In relation to revenues, the Act states that independence and impartiality are not observed when a statutory auditor or an audit firm “obtained in at least one year, in the course of the last 5 years, at least 40% of annual revenue from performance of services to the entity where audit activities were performed or an entity related to it; this provision does not refer to the first year of operation of a statutory auditor.”

In relation to the issue mentioned above, the IESBA Code of Ethics states that “When the total fees from an audit client represent a large proportion of the total fees of the firm expressing the audit opinion, the dependence on that client and concern about losing the client creates a self-interest or intimidation threat”. In accordance with this provision, an audit firm should apply safeguards against loss of independence. In relation to an audit client, which “is a public interest entity and, for two consecutive years, the total fees from the client and its related entities (subject to the considerations in paragraph 290.27) represent more than 15% of the total fees received by the firm expressing the opinion on the financial statements of the client, the firm shall disclose to those charged with governance of the audit client the fact that the total of such fees represents more than 15% of the total fees received by the firm, and discuss which of the safeguards below it will apply to reduce the threat to an acceptable level.”

The Act, similarly as the IESBA Code of Ethics:

- does not allow to establish contingent fees (which depend on the result of audit services),
- determines general requirements for developing the fees policy, indicating that the fees level should reflect a real labour-consumption and complexity of works and required qualifications,
- pays a great attention to:
 - professional competence of a statutory auditor,
 - integrity,
 - quality of services rendered,
 - confidentiality of statutory auditors and employees of audit firms – a notification on suspicion of committing a crime and providing information or transmission of documents in the cases specified in the Act or in separate regulations do not violate the obligation of professional confidentiality.

The IESBA Code of Ethics in the version of 2009 and its amendments in 2014 have been adopted as principles of professional ethics for statutory auditors by way of resolutions of the National Council of Statutory Auditors in accordance with delegation included in the Act. The IESBA Code of Ethics and its amendments have been translated into Polish in compliance with IFAC procedures.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adopting the Principles of Professional Ethics for Statutory Auditors.</i>					
<i>Assisting the NSCA Members with the Implementation of the IESBA Code of Ethics.</i>					
135.	2011	Organize a series of seminars on professional ethics for statutory auditors.	2014 Completed	President of the Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee, staff of PIBR
136.	February 2012	Implement into the CPD program for 2013 a training course entitled „Selected problems of professional ethics for statutory auditors and ISQC 1”.	2013-2014 Completed	Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee, staff of PIBR
137.	2012	Organize at PIBR Regional Branches a series of meetings devoted to IESBA Code of Ethics, including practical problems on the observance of professional ethics principles, in order to ensure that PIBR's members are aware of the revised requirements.	2012 – 2014 Completed	President of the Council, Chair of the Council's Professional Training Committee, Chair of the Council's Ethics Committee, Chairmen of PIBR Regional Branches	Council, Council's Professional Training Committee, Council's Ethics Committee, staff of PIBR and staff of PIBR Regional Branches
138.	2011	Organize a series of seminars on ethical problems of statutory auditors.	2013 – 2015 Completed	President of the Council, Chair of the Council's Ethics Committee	Council, Council's Ethics Committee, staff of PIBR
139.	Ongoing	NSCA carries out activities aimed at popularization of standards of ethical conduct, resulting from the IESBA Code of Ethics, by: <ul style="list-style-type: none"> • provision of courses on professional ethics within CPD in 2010-2014, • responses of the Ethics Committee to statutory auditors' questions on impartiality and independence, • responses provided by PIBR experts within helpline, • making attempts to implement rules for setting fees policy for audit activities. 	Ongoing	President of the Council, Chair of the Council's Ethics Committee	Council, Council's Ethics Committee, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
140.	2012	Organize in cooperation with Wolters Kluwer Polska a series of seminars devoted to ISAs and ISQC 1 in connection with appropriate ethics requirements.	2012 Completed	President of the Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee, staff of PIBR
141.	2010	Sign a contract with AAP on translation and publication (in electronic version) of the IESBA Code of Ethics for Professional Accountants.	2010 Completed	President of the Council	President of the Council
142.	2010	Translate the IESBA Code of Ethics for Professional Accountants. <i>The IESBA Code of Ethics was translated in accordance with the IFAC Translation Policy.</i>	I quarter of 2011 Completed	President of the Council	Staff of AAP
143.	II quarter of 2011	Publish the translated IESBA Code of Ethics for Professional Accountants on PIBR website.	II quarter of 2011 Completed	President of the Council	Staff of PIBR
144.	July 2009	Prepare, by the Council's Ethics Committee, a draft resolution on principles of professional ethics for statutory auditors ¹³ .	February 2010 Completed	Chair of the Council's Ethics Committee	Council's Ethics Committee, staff of PIBR
145.	June 2011	Attain approval, by the Council, the resolution on principles of professional ethics for statutory auditors.	June 2011 Completed	Council	Council
146.	June 2011	Deliver the resolution on principles of professional ethics for statutory auditors to AOC.	June 2011 Completed	President of the Council	Staff of PIBR
147.	July 2011	Attain approval, by AOC, the resolution on principles of professional ethics for statutory auditors.	July 2011 Completed	AOC	AOC
148.	July 2011	Publish the resolution on principles of professional ethics for statutory auditors on PIBR website.	July 2011 Completed	President of the Council	Staff of PIBR

¹³ The resolution implementing the IESBA Code of Ethics for Professional Accountants into Polish regulations. However, the resolution states that in case of non-regulated matters or matters regulated differently than in the Act, one shall apply provisions of the Act (a superiority of the Act over the rules of lower importance as principles of ethics are regarded).

#	Start Date	Actions	Completion Date	Responsibility	Resource
149.	November 2014	Hold the conference on the theme <i>Ethics in processes of management, financial reporting and auditing</i> . The conference was addressed to entrepreneurs and statutory auditors.	November 2014 Completed	Chair of the Council's Ethics Committee	Council's Ethics Committee, staff of PIBR
150.	2013	Translate the amendments to the IESBA Code of Ethics for Professional Accountants. Amendments to the IESBA Code of Ethics effective since 31 December 2014 have been translated into Polish in accordance with IFAC procedures and are compliant with the IESBA Code of Ethics. Amendments were adopted by way of the resolution no. 206/6/2015 of the National Council of Statutory Auditors dated 3 November 2015 amending the resolution on professional ethics for statutory auditors. Changes of the IESBA Code of Ethics became effective on 11 February 2016.	2015 Completed	Chair of the Council's Ethics Committee	Council's Ethics Committee, staff of PIBR
151.	November 2015	Attain approval, by the Council, the resolution no. 206/6/2015 of the National Council of Statutory Auditors dated 3 November 2015 amending the resolution on professional ethics for statutory auditors (adoption of the amendments to the IESBA Code of Ethics).	November 2015 Completed	Council	Council
152.	November 2015	Deliver the resolution no. 206/6/2015 of the National Council of Statutory Auditors dated 3 November 2015 amending the resolution on professional ethics for statutory auditors to AOC.	November 2015 Completed	President of the Council	Staff of PIBR
153.	February 2016	Attain approval, by AOC, the resolution no. 206/6/2015 of the National Council of Statutory Auditors dated 3 November 2015 amending the resolution on professional ethics for statutory auditors.	February 2016 Completed	AOC	AOC
154.	February 2016	Publish the resolution no. 206/6/2015 of the National Council of Statutory Auditors dated 3 November 2015 amending the resolution on professional ethics for statutory auditors on PIBR website.	February 2016 Completed	President of the Council	Staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
155.	February 2016	Amendments to the Code of Ethics become effective.	February 2016 Completed		
<i>Maintaining Ongoing Processes</i>					
156.	Ongoing	Provide statutory auditors with explanations on ethical problems on a current basis by Council's Ethics Committee.	Ongoing	Chair of the Council's Ethics Committee	Council's Ethics Committee, staff of PIBR
157.	Ongoing	Publish responses of the Council's Ethics Committee to statutory auditors' questions on ethical problems on PIBR website.	2013 and ongoing	Chair of the Council's Ethics Committee	Council's Ethics Committee, staff of PIBR
158.	Ongoing	<p>Continue to ongoing monitor new and revised amendments to the IESBA Code of Ethics by Council's Professional Training Committee and Ethics Committee in order to implement them into PIBR education requirements.</p> <p>Currently, the PIBR is dealing with translation of the IESBA Code of Ethics covered by the 2015 Handbook and publishing a consolidated text of the Code. These works are expected to be terminated by 31 December 2016. Consultations with IESBA on the translated version of the Code will be held in the first quarter of 2017. Further, the procedure of adopting the IESBA Code of Ethics as amended principles of professional ethics for statutory auditors will start. The procedure will cover:</p> <ul style="list-style-type: none"> – adoption of the Council's resolution, and – approval of the resolution by AOC. <p>It is estimated that the amended Code of Ethics (in relation to the 2015 Handbook) shall enter into force by 30 June 2017.</p> <p>At the same time, translation of the IESBA Code of Ethics included in the 2016 Handbook will start in 2017. Currently, there are works on:</p>	Ongoing	Chair of the Council's Professional Training Committee, Chair of the Council's Ethics Committee	Council's Professional Training Committee, Council's Ethics Committee, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> a) including selected ethical issues in audit related training publications for 2017, b) holding consultation meetings with statutory auditors on application of the Code of Ethics in 2017-2019, c) developing an agenda for series of training courses on professional ethics for statutory auditors for 2018, d) preparing reminders on main problems related to independence and impartiality in a form of leaflets/ electronic version. 			
159.	Ongoing	Maintain activities of the Council's Committees which support statutory auditors and entities authorized to audit financial statements in case of their concerns relating to particular situations.	Ongoing	Chairmen of the Council's Committees	Council's Committees, staff of PIBR
160.	Ongoing	Cooperation of PIBR with the Polish Association of Listed Companies, ACCA and other professional bodies/institutes in order to promote principles of professional ethics.	Ongoing	Council	Council Members
161.	October 2001	Participation of a PIBR representative in the works of the FEE (Federation of European Accountants) Ethics Working Party / Professional Ethics and Competences Working Party.	Ongoing	Council	A nominated PIBR delegate
162.	Ongoing	Perform periodic review of the implementation of the Action Plan to date and updating the Action Plan for future activities.	Ongoing	President of the Council	Staff of PIBR
<i>Review of PIBR's Compliance Information</i>					
163.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue Activities and Use Best Endeavors to Promote the Use of IPSAS by the Public Sector in Poland

Background:					
PIBR has no legal power to develop International Public Sector Accounting Standards; therefore PIBR activities are limited to promoting the use of International Public Sector Accounting Standards (IPSAS) by the public sector in Poland.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continuing to Promote the Use of IPSASs by the Public Sector in Poland</i>					
164.	2009	Continue activities and use best endeavors to promote the use of IPSAS by the public sector in Poland.	2017	President of the Council	Council, Council's Committees, staff of PIBR
165.	2009	Assist with implementation of IPSAS by organization/participation in training courses, conferences promoting the use of IPSAS by the public sector in Poland.	2017	President of the Council, Chair of the Council's Professional Training Committee, Chair of the Council's International Cooperation Committee	Council, Council's Professional Training Committee, Council's International Cooperation Committee, staff of PIBR
<i>Maintaining Ongoing Processes</i>					
166.	Ongoing	Co-operate with the Ministry of Finance that oversees the public sector (e.g. by giving opinions on draft legal acts on public sector accounting in Poland).	Ongoing	President of the Council, Chair of the Council's Committee on commenting legal acts	Council, Council's Committee on commenting legal acts, staff of PIBR, staff of Ministry of Finance
167.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist MF with implementation of IPSAS. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	President of the Council	Council, staff of PIBR
168.	Ongoing	Continue activities of the Council's Committees which support statutory auditors and entities authorized to audit financial statements in case of their concerns relating to particular situations.	Ongoing	Chairmen of the Council's Committees	Council's Committees, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
169.	2008	Participation of a PIBR representative in the works of the FEE (Federation of European Accountants) Public Sector Policy Group.	Ongoing	Council	A nominated PIBR delegate
<i>Review of PIBR's Compliance Information</i>					
170.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Continue to Use Best Endeavors to Maintain an Investigation and Disciplinary Mechanism that Addresses all SMO 6 Requirements

Background:					
Composition of disciplinary tribunal.					
A procedure for nomination of both the National Disciplinary Prosecutor (NDP) and the composition of the National Disciplinary Court (NDC) is regulated by the Act. According to the binding Polish Auditing Act there is no possibility to sit on in the composition of PIBR's disciplinary tribunal for anyone who is not a statutory auditor. The Act also states that the defendant may appoint defenders not only from among members of PIBR, but also from among attorneys-at-law or legal counsels.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Creating and Publishing a Resolution on Disciplinary Proceedings</i>					
171.	II quarter 2009	Preparation, by the National Disciplinary Prosecutor (NDP) and NDP Deputies and Members of the National Disciplinary Court (NDC) in cooperation with legal adviser of PIBR, of a draft resolution on regulations on disciplinary proceedings against statutory auditors ¹⁴ .	February 2010 Completed	NDP, Chair of NDC, legal adviser of PIBR	NDP and NDP Deputies, NDC, legal adviser of PIBR, staff of PIBR
172.	February 2010	Attain approval, by the Council, the resolution on regulations on disciplinary proceedings against statutory auditors.	February 2010 Completed	Council	Council
173.	February 2010	Deliver the resolution on regulations on disciplinary proceedings against statutory auditors to AOC.	February 2010 Completed	President of the Council	Staff of PIBR
174.	March 2010	Attain approval, by AOC, the resolution on regulations on disciplinary proceedings against statutory auditors.	March 2010 Completed	AOC	AOC
175.	April 2010	Publish the resolution on regulations on disciplinary proceedings against statutory auditors on PIBR website.	April 2010 Completed	President of the Council	Staff of PIBR

¹⁴ The regulations on disciplinary proceedings are based on SMO 6 requirements. However, according to the Act the appeal from the verdicts of NDC shall be lodged to the competent (with respect to the place of residence of the defendant) district court, labour and social insurance court as the court of first instance (this is not a court within the NCSA structure). NCSA is not able to change this provision.

#	Start Date	Actions	Completion Date	Responsibility	Resource
176.	2013	Develop amendments to regulations on disciplinary proceedings against statutory auditors – changes are necessary due to experiences up to date, implementation of the IESBA Code of Ethics for Professional Accountants and requirements resulting from the revised SMO 6 as well as responsibilities towards AOC.	Ongoing	NDP and NDP Deputies, NDC	NDP and NDP Deputies, NDC, legal adviser of PIBR, staff of PIBR
177.	2014	Publish the resolution on regulations on disciplinary proceedings against statutory auditors on PIBR website.	Ongoing	President of the Council	Staff of PIBR
178.	2010	Publish the list of the Council's defenders ex officio on PIBR website.	Ongoing	Chair of NDC	Staff of PIBR
179.	2013-2014	Development of amendments to regulations on disciplinary proceedings against statutory auditors resulted in the approval of the resolution by the Council.	Ongoing	NDP and NDP Deputies, NDC	NDP and NDP Deputies, NDC, legal adviser of PIBR, staff of PIBR
180.	2014	The resolution amending the regulations on disciplinary proceedings against statutory auditors was not published on PIBR website due to formal and legal notice given by AOC and expected implementation of the Directive 2014/56/EU of the European Parliament and of the Council and of the Regulation (EU) No 537/2014 of the European Parliament and of the Council in 2016.	Ongoing	President of the Council	Staff of PIBR
181.	2015	Develop amendments to regulations on disciplinary proceedings against statutory auditors while considering the AOC notice and European regulations referred to in point 159 (above) as well as amendments to the IESBA Code of Ethics and requirements of the SMO 6.	Works postponed until the adoption date of the new Auditing Act, probably by the end of 2016	NDP and NDP Deputies, NDC	NDP and NDP Deputies, NDC, legal department, staff of PIBR
182.	2014	Update of the list of defenders ex officio.	Ongoing	Chair of NDC	Staff of PIBR
183.	2013	Update of the list of experts/assessors appointed on disciplinary matters.	Ongoing	NDC, NDP	Staff of PIBR, NDC, NDP,

#	Start Date	Actions	Completion Date	Responsibility	Resource
184.	2015	Update of the list of defenders ex officio and the list of experts/assessors appointed on disciplinary matters.	2016 2017	Chair of NDC, NDP	Staff of PIBR, NDC, NDP
185.	2015	Take measures to establish a list of a defense counsel.	2016 2017	Chair of NDC, NDP	Staff of PIBR, NDC, NDP
186.	June 2016	Training courses for defenders ex officio with participation of NDP, NDP Deputies and NDC Members.	June 2016 Completed	Chair of NDC, NDP	Staff of PIBR, NDC, NDP
187.	2016	Update of the list of defenders ex officio and the list of a defense counsel.	November 2016 Completed	Chair of NDC, NDP	Staff of PIBR, NDC, NDP
Maintaining Ongoing Processes					
188.	Ongoing	<p>Continue to use best endeavors to ensure PIBR's investigation and disciplinary mechanisms continue to address all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary. Take action in cooperation with AOC in order to fulfill requirements covered by SMO 6, namely:</p> <ul style="list-style-type: none"> ➤ using the right of defence and complying with SMO requirements, as well as distinguishing disciplinary action based on complaints and on information, ➤ limiting disciplinary proceedings in cases which can be effectively dealt with under the regulatory rules of the member body by developing proceedings on professional negligence which are not considered as breaches of the law, ➤ review and verification of spokesmen (prosecutors)' decisions on matters not submitted to NDC, ➤ initiating action aimed at amending the Auditing Act in the area of appeals against NDC judgements, ➤ organizing a conference of NDC and NDP on changes resulting from the amendments made to the Code of Criminal Procedure in 2015-2016, provisions of which are applied – in accordance with the art. 46 of the Act – in disciplinary proceedings, accordingly. 	Ongoing	President of the Council, NDP	Staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of PIBR's Compliance Information</i>					
189.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the System				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			
Initiation of Proceedings				
3. Both a "complaints-based" and an "information-based" approach are adopted.	X			
4. Link with the results of QA reviews has been established.	X			
Investigative Process				
5. A committee or similar body exists for performing investigations.	X			
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			

Requirements	Y	N	Partially	Comments
Disciplinary Process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			
8. Members of the committee/entity include professional accountants as well as non-accountants.			X	Professional Accountants, i.e. Statutory Auditors (Members of PIBR) only.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			
Sanctions				
10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	X			
Rights of Representation and Appeal				
11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			
Administrative Processes				
12. Timeframe targets for disposal of all cases are set.	X			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			
14. Records of investigations and disciplinary processes are established.	X			
Public Interest Considerations				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	X			

Requirements	Y	N	Partially	Comments
16. A process for the independent review of complaints on which there was no follow-up is established.	X			
17. The results of the investigative and disciplinary proceedings are made available to the public.	X			
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			
Regular Review of Implementation and Effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue to Use Best Endeavors to Adopt and Implement IFRS in Poland

Background:					
<p>PIBR has no legal power to implement IFRS into Polish legislation (this is the responsibility of the Ministry of Finance in Poland), therefore, PIBR is focused on promoting activities in order to enable Polish statutory auditors become acquainted with IFRS.</p> <p>Application of IFRS in Poland is mandatory for consolidated financial statements of issuers of securities and banks.</p> <p>IFRS may be applied for individual financial statements by following entities:</p> <ul style="list-style-type: none"> • issuers of securities, issuers of securities asking for admission or intending to ask for admission to trading on regulated markets of EEA; • subsidiaries of the capital group, where the parent entity prepares consolidated financial statements in accordance with IFRS; • branches of foreign companies, if the parent company prepares financial statements in accordance with IFRS. <p>A decision on IFRS application has to be taken by the body approving financial statements (the General Meeting of Shareholders in practice).</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continuing to Promote IFRS Awareness</i>					
190.	2008	Continue to assist MF with implementation of IFRS in Poland by including training courses on IFRS Update in the CPD program.	2017-2018	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
191.	2011	"International Financial Reporting Standards" – a training course covered by the CPD program, organized under the project of the Swiss-Polish Cooperation Program: „Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level”.	2015 Completed	Chair of the Council's Professional Training Committee	Council's Professional Training Committee, staff of PIBR
192.	Ongoing	Annually, present the scope of CPD subjects for statutory auditors (covering topics on IFRS) to the Council by the Council's Professional Training Committee for approval. Then, organize training courses for statutory auditors on those subjects. Publish the scope of CPD subjects for statutory auditors on PIBR website.	Ongoing	President of the Council, Chair of the Council's Professional Training Committee	Council, Council's Professional Training Committee, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
193.	Ongoing	<p>Continue to use best endeavors by identifying opportunities to further assist the Ministry of Finance in implementation of IFRS. This includes review of the existing activities and updating the Action Plan for the future activities where necessary.</p> <p>Examples of PIBR activities:</p> <ul style="list-style-type: none"> ➤ Workshops on IFRS for candidates for statutory auditors organized within the Swiss-Polish Cooperation Programme in April-June 2016 in ten Polish cities; ➤ CPD Workshop on IFRS 16 for statutory auditors organized by KIBR, ACCA Polska and EY Academy of Business on 17 March 2016 in Warsaw; ➤ Training courses within CPD in 2017: <ul style="list-style-type: none"> • Fair value under IFRS and Polish Accounting Act; • Divisions, mergers and business combination under IFRS and Polish Accounting Act in balance and tax aspect; ➤ Training courses on IFRS 15 and IFRS 2016 within CPD to be held in 2018; ➤ Meetings of PIBR representatives with the Polish Financial Supervision Authority – promotion of such kind of meetings among statutory auditors in order to improve the quality of IFRS application; ➤ Cooperation of PIBR with the Polish Association of Listed Companies, ACCA and other professional bodies/institutes in order to promote IFRS. 	Ongoing	President of the Council	Council, staff of PIBR
194.	October 2001	Participation of a PIBR representative in the works of the FEE (Federation of European Accountants) Accounting Working Party.	October 2011	Council	A nominated PIBR delegate
195.	2016	Translate the <i>First Time Adoption of International Financial Reporting Standards - Guidance for Auditors on Reporting Issues. Questions and Answers.</i>	In progress	President of the Council	President of the Council, staff of PIBR

#	Start Date	Actions	Completion Date	Responsibility	Resource
196.	Ongoing	Continue activities of the Council's Committees which support statutory auditors and entities authorized to audit financial statements in case of their concerns relating to particular situations.	Ongoing	Chairmen of the Council's Committees	Council's Committees, staff of PIBR
<i>Review of PIBR's Compliance Information</i>					
197.	Ongoing	Perform periodic review of PIBR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President of the Council	Staff of PIBR

POLISH CHAMBER OF STATUTORY AUDITORS
THE PRESIDENT

Warsaw, 13 July 2017

Ms. Alta Prinsloo

Executive Director, Strategy and Chief Operating Officer

International Federation of Accountants

529 Fifth Avenue

New York, NY 10017 USA

Email: AltaPrinsloo@ifac.org; LeonaVerdadero@ifac.org; compliance@ifac.org,

Dear Ms. Prinsloo,

Subject: Letter to Confirm Institutional Support for the SMO Action Plan

This letter is to confirm that the leadership of the POLISH CHAMBER OF STATUTORY AUDITORS (PIBR) has reviewed the information contained in the SMO Action Plan prepared by Polish Chamber of Statutory Auditors as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Polish Chamber of Statutory Auditors, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,

Krzysztof Burnos

President

Polish Chamber of Statutory Auditors (PIBR)

Warsaw, 13 July 2017

POLISH CHAMBER OF STATUTORY AUDITORS

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