

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 Associate:	Russian Union of Auditors (RUA)
Approved by Governing Body:	RUA Managing Board
Date Approved:	December 2017
Date Published:	December 2018

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

ACCA	Association of Certified Accountants (Great Britain)	IPSAS	International Public Sector Accounting Standards
SRO RUA	Self-Regulatory Organization of Auditors 'Russian Union of Auditors' (Association)	IPSASB	International Public Sector Accounting Standards Board
AICPA	American Institute of Certified Public Accountants	ISA	International Standards on Auditing
CAP/CIPA	Certified Practicing Accountant, Certified International Professional Accountant	ISQC	International Standards on Quality Control
CGA	Association of Certified General Accountants of Canada	ISAE	International Standards of Assurance Engagements
SMO	Statement on Members Obligations	ISRE	International Standards of Review Engagements
EC	Ethics Code	ISRS	International Standards of Related Services
CPD	Constant Professional Development	ISE	International Standards of Education
CPE	Committee on Professional Education	MF RF	Ministry of Finance of Russian Federation
ECCAA	Eurasian Council of Certified Accountants and Auditors	QA	Quality Assurance
I&D	Investigation and Discipline	QC	Quality Control
IAASB	International Audit and Assurance Standard Board	RF	Russian Federation
IAAS	International Audit and Assurance Standards	SMEs	Small and Medium Sized Enterprises
IAESB	International Accountant Education Standards Board	SMAO	Small and Medium Sized Audit Organizations
IASB	International Accounting Standard Board	SRO	Self-Regulatory Organization
IES	International Education Standards	SRAO	Self-Regulatory Auditors Organization
IESBA	International Accountants Standards Board	CAA	Council on Auditors Activities under Ministry of Finance of RF
IFAC	International Federation of Accountants	RC	Resource Center
CCIA	Committee on Clarification of International Accountability	WG	Workgroup
ISFA	International Standards of Financial Accounting	Law 307-FZ	Federal law of 30.12.2008 N 307-FZ 'On Auditors Activity'
IMA	Institute of Management and Accounting	Law 402- FZ	Federal law of 06.12.2011 N 402-FZ 'On Accounting'
		FSRAA	Federal Standard Regulation on Auditing Activities
		RF	Russian Federation

GENERAL INFORMATION

IFAC Member: Self-Regulatory Organization 'Russian Union of Auditors' (Association), abbreviated SRO RUA.

Before remaining – Self-Regulatory Organization of Auditors, Non-Commercial Partnership 'Moscow Audit Chamber', established in compliance to the legislation of Russian Federation on October 15, 1992.

Moscow Audit Chamber was renamed to RUU SRO on August 11, 2016 due to the increase of staff in order to meet the requirements of the Federal Law No. 403-FZ of 01.12.2014 and confirm the SRO status.

State control (superintendence) over the activity of the self-regulatory organizations of auditors is implemented by the authorized federal body (Ministry of Finance of RF) in compliance to the Federal law on 30.12.2008 N 307-FZ 'On auditors' activity'.

Action Plan Subject: SMO 1-Quality Assurance
Action Plan Objective: Increase in SRO RUA activity concerning implementation of SMO 1 requirements in Russia

Current status:

In accordance with RF legislation, external quality control is performed by SRO. The function of external quality control over audit organizations on the part of the audit activity state regulator is performed by the state control authority – the Federal Treasury. The Council for organization of external quality control over the work of audit organizations of the Federal Treasury has been established to coordinate the activities in the field of external quality control performed by SRO and the Federal Treasury. It includes representatives of SRO RUA.

Amendments were introduced to the Law 307-FZ, effective from the beginning of 2009, that are related to the introduction of the category of organizations, during the audit in which particular requirements are specified for the procedure for performing audits and for auditors' qualifications. In this regard, the responsibility of audit organizations regarding organization and operation of the system of internal control over compliance with professional standards and legislation governing the audit activity in the Russian Federation has increased.

During 2016, the Quality Control Committee of SRO RUA performed the work provided by the Committee Work Plan for 2016 and aimed at ensuring the timely and high-quality performance of quality control audits of audit organizations and individual auditors. During the year, the Committee held 59 meetings, and participation of the Committee members living outside Moscow in the work was provided by videoconferences and the specialized Internet forum organized for the Committee members on the website of the SRO RUA RC "Intercon-Intellect".

Work on creation of the external quality control database in RUA, on document management processes automation is performed.

RUA actively participates in the work of the Work Group on harmonization of the requirements and the procedure of the external quality control performed by the self-regulatory organizations of auditors in RF.

In order to unify the approach to classification of the violations, discovered during the quality control of audit organizations and individual auditors, CAA has authorized the Classifier of Violations and Drawbacks that were discovered during the exterior quality control of audit organizations and individual auditors. Representatives of SRO RUA have taken part in the work of the Classifier.

In 2016, the results of 522 scheduled quality control checks of work of audit organizations and individual entrepreneurs were reviewed.

During 2016, consultations were held for audit organizations, individual auditors regarding preparation for external quality control over audit activity in the form of individual consultations, seminars, conferences and webinars.

The Quality Control Committee together with the Department of Methodology and Standardization held conferences on quality control issues during 2016 in Russian regions.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Establishing/Supporting the Establishment of QA review system</i>					
1.	March 2015	Analyse and obtain detailed understanding of the requirements provided by SMO 1.	Done	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	March 2015	Draw up an action plan based on the requirements providers by the revised SMO 1.	Done	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
3.	March 2015	Organise and hold the events on integrating and fulfilling the tasks aiming at following the IFAC requirements.	Ongoing	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
4.	March 2015	a) Obtain detailed understanding of the requirements and the events to provide quality for the support of quality revision program. <ul style="list-style-type: none"> • Translate SMO 1 into Russian (or improve the existing translation); • Study the experience of the IFAC members in order to understand how Quality provision programs are developed and introduced. b) Follow the requirements of the international standards in the field of quality control to ensure transparency of the quality control in practical activities, work on the matters of the risk management during the audit planning and inclusion of the entities of the obligatory external quality control into the lists of the reviews; control of the following as well: <ul style="list-style-type: none"> • The results of publicly valued economic entities audits; • Meeting the requirements of the Russian legislation when revising the accompanying services. 	Done Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department Members of the SRO RUA Quality Control Committee	
<i>Support Implementation of Quality Assurance review system</i>					
5.	January 2016	External verification of the RUA member auditors.	Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee, Authorized SRO RUA quality control experts

*Action Plan Developed by the
Self-Regulatory Organization 'Russian Union of Auditors' (Association)*

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	January 2016	Development of methodological materials for audit activity.	Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
7.	January 2016	Regular updating of the SRO RUA website in part of QA review. http://org-rsa.ru/eqa/proverki/ Including: <ul style="list-style-type: none">• Regulatory documents• QA review plan• QA review results	Permanently	Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
8.	January 2016	Consulting of SRO RUA members concerning the control over quality of audit activity based on the SRO RUA members requests.	Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
9.	January 2016	Elaboration of proposals intended to improve regulatory framework for audit activity in the field of quality control, including: Direct cooperation with the regulatory bodies (Ministry of Finance, Federal Treasury) in the matters of developing suggestions on amending the law No. 307-FZ, and other regulatory enactments in the field of auditors activity.	Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
10.	January 2016	Work in the auditors' activities board and working body of the auditors' activities board under the Ministry of Finance of Russian Federation in compliance to the work plan. The work plan is available on: https://www.minfin.ru/ru/perfomance/audit/council/plan_report/	In accordance with the Council, performing body work plan	Chairman of the SRO RUA Quality Control Committee, SRO RUA board members	Members of the SRO RUA Quality Control Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
11.	January 2016	<p>Cooperation with the Federal Treasury on the QA matter, including:</p> <ul style="list-style-type: none"> • Work in the Council on external quality control reviews organisation for the audit organizations of Federal Treasury; • Development of the Classificatory of the violation and drawbacks revealed during the external quality control of the audit organisations and auditors; • Work in that Control committee of the Federal Treasury on examining the appeals of the QA reviews results of the SRO RUA members, held by the Federal Treasury. <p>The work plan is available on: http://roskazna.ru/kontrol/sovet-po-organizatsii-vneshnego-kontrolya-kachestva-raboty-auditorskiy-organizatsii/</p>	In accordance with the Council work plan	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
12.	January 2016	<p>Preparation of the project of the new version of the SRO RUA external quality control.</p> <p>The rules are developed, used during the external quality control reviews, periodically revised (the last revision was in 2017), can be available on: http://org-rsa.ru/upload/iblock/8cd/8cd4032e39a1b09ca2ed4950379bec76.pdf</p>	Done	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
13.	January 2016	Processing of complaints and appeals received by SRO RUA against its members.	Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
14.	January 2016	Planning of QA review for 2017 using the risk oriented approach.	till 31.12.2017, then annually reviewed	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
Support Members with the Implementation of Quality Control Standards					
15.	January 2016	Perform the professional development of the Federal Treasury specialists in the field of audit organisations QA at the request of the Federal Treasury head.	Done	Chairman of the SRO RUA Quality Control Committee,	
16.	January 2016	<p>Develop and organise the studies of IQCS 1 for the SRO RUA members in the regions through SRO RUA 'Interkon-Intellect' RC.</p> <p>The developed study programmes:</p> <p>PK-7-003-2010 'Educating the SRO RUA quality controllers' 40 academic hours.</p> <p>PK-36-003-2010 'Organisation of internal quality control walk in the audit organisation. Preparing it for the external quality-control' 40 academic hours.</p> <p>PK-50-003-2015 'Audit practice: meeting the requirements of the auditor activities standards' 40 academic hours.</p> <p>PK-56-00-2015 'Audit practice. Complicated matters of the using separate audit standards' 20 academic hours.</p> <p>http://org-rsa.ru/upload/ProgramPK-2017-2.pdf</p>	Done Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
17.	January 2016	<p>Annual publishing of the external quality control work in SRO RUA.</p> <p>The 2016 report was created on 31.03.2017 and is available at:</p> <p>http://org-rsa.ru/upload/iblock/cd5/cd5883a11a4017bdf462eb81e567f665.pdf</p>	Annually	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
18.	January 2016	Perfect the rules of the external quality control in order to bring them closer to the ISQC 1 provisions. Complete. See i.12	2017	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Participating in International Standard Setting of Quality Control Standards</i>					
19.	January 2016	Execution of recommendations and instructions given by the CAA concerning QA issues. Individual programs are being developed based on each CAA protocol. The program is approved by the SRO RUA board decisions. The decisions protocols are available on: http://org-rsa.ru/controls/pravlenie/resheniyas.php	Permanently	Chairman of the SRO RUA Quality Control Committee, Director of the SRO RUA Quality Control Department	Members of the SRO RUA Quality Control Committee
20.	Permanently	Maintaining the work process and making efforts for the further integration of the international standards of quality control, further revision of the action plan and questionnaire on the IFAC website if necessary.	Permanently	Chairman of the SRO RUA Quality Control Committee,	
<i>Perform periodic review of NP</i>					
21.	Permanently	Periodical revision of the SMO Action Plan and duly informing the IFAC staff about it.	Permanently	Chairman of the SRO RUA Quality Control Committee,	

Self-assessment against the Main Requirements of SMO 1 (2017)

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	In compliance to the FSRAA 34 requirements (since 01.01.2017 - IQCS 1), the reviews (general reviews) before issuing of audit reports have to be done only in regard of audits of financial statements of listed entities, as well as in regard of other organizations, which is set by the audit organization itself. The reviews are not mandatory in regard of other audit engagements. The exterior quality control of the SRO RUA members work is held in regard of all the members of SRO RUA based on the periodicity established by the rules of the organization and existing external quality control of the SRO RUA members work.
Quality Control Standards and Other Quality Control Guidance 2. Enterprises are required to implement the quality control system in accordance with the quality control standards.	X			In compliance to the FSRAA 34 requirements (since 01.01.2017 - IQCS 1).
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	X			In compliance to the orders of the Ministry of Finance of Russian Federation No. 192n of 14.10.2016 and No. 207n of 09.11.2016, the International standards of auditing, including IQCS 1 were endorsed on the territory of Russian Federation starting from 01.01.2017.
4. SRO members assist companies in understanding of the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	X			SRO RUA annually approves and distributes methodical recommendations of the audit activities – including quality control – among its members by uploading them to their websites and messaging it directly. The relevant methodical recommendations for the quality controllers, holding the external quality control of the SRO RUA members work are also being approved and can be accessed by the SRO RUA members.
Review cycle 5. A cycle-based (e.g. once in three years), risk-based, or a mixed approach for			X	SRO RUA uses the cycle-based approach, however they also use the capability provided by the Federal Law 307-FZ 'On audit activity' – a different periodicity of checks is set for different

Requirements	Y	N	Partially	Comments
selecting firms for QA review is used.				<p>groups of QA review. At that, the risk-oriented approach is used in order to determine such periodicity.</p> <p>The audit plan is drawn based on the cycle approach. At that, different periodicity for different QA entity has been determined the following way:</p> <p>The QA review plan includes audit organizations, individual auditors whose term of the last external quality control term is expiring. Maximum term was determined separately for each of the different QA entities group:</p> <ul style="list-style-type: none"> • For newly created audit organizations and individual auditors – starting from the moment of establishment until the end of the calendar year preceding the one that the audit is planned for; • For the audit organizations and individual auditors that transferred from other self-regulatory auditor organizations, that submitted the orderly drawn-up document of the established order confirming that they had passed the audit in a different self-regulatory auditor organization – 3 or 5 calendar years (depending on the category of the QA entity), starting from the calendar year supervening the year of a previous audit; • For the audit organizations and individual auditors that transferred from other self-regulatory auditor organizations, that failed to submit the orderly drawn-up document of the established order confirming that they had passed the audit in a different self-regulatory auditor organization – 3 or 5 calendar years (depending on the category of the QA entity), starting from the calendar year preceding the year of a previous audit; • For the audit organizations and individual auditors – members of SRO RUA, that received provision of the disciplinary committee on a repeated external audit – in compliance with provision of the disciplinary committee;

Requirements	Y	N	Partially	Comments
				<ul style="list-style-type: none"> • For individual auditors that applied for a change of status for the status of an auditor (private entity) due to ceasing their activity as an individual entrepreneur performing the audit activities – the period – within which they performed the auditor activities as an individual auditor – that passed since the previous check; • For the audit organizations and individual auditors that receive a Disciplinary committee provision on passing the audit due to evasion from the external audit during a previous year – the period, within which the audit has been evaded. <p>At that, the following factors are considered for determining the maximum audit period:</p> <ul style="list-style-type: none"> - Risk that the audited entity might have QA reviews of the entities, p.3 i.5 of the Law 307-FZ; - Risk of a QA reviewed entity that was not checked by the quality control bodies of a SRO, transferring from another SRO; - Risk that SRO RUA will be joined by a QA reviewed entity that had never passed any QA reviews; - Risk of receiving negative results during the QA review during the preceding period and a necessity of following the Disciplinary committee provision on fixing the revealed violations.
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			The external quality control review on behalf of SRO RUA has to take place at least every three years for the audit organizations that perform the audits of the publicly valued organizations, and at least every five years for the audit organizations that do not perform the audits of the publicly valued organizations, as well as individual auditors.
QA Review Team 7. Independence of the QA Team is assessed and documented.	X			In order to oversee that the authorized expert follows the requirements of independence until the moment of his appointment for a specific quality control review, the authorized expert shall draw up a Checklist of a controller's independence

Requirements	Y	N	Partially	Comments
				<p>(the form is approved by the Quality Control Committee). The data shown on the Checklist of the controller's independence is checked by the director of the Quality Control Department and the relevant note is being made in the Checklist of the controller's independence.</p> <p>Moreover, annually, before December, 15, the Authorized expert shall submit a written statement (the form is approved by the Quality Control Committee) on the SRO RUA members whose independence was restricted. The director of the Department shall compile the data provided in the statement with the Register of the auditors and the audit organizations of SRO RUA. All the data changes occurring with a year shall be reported to the Department in writing by the authorized expert within 5 work days.</p> <p>If the authorized expert duly reports to the Department that after an external review, an entity loses its independence, the Department transfers this information to the Committee, which excludes the authorized expert from the list of the controllers for a specific external audit.</p>
8. QA Team possesses appropriate levels of expertise.	X			<p>The quality control team is comprised of authorized quality control experts. In compliance to the Provision on the authorized external quality control review experts for the SRO RUA members' performance quality, before enlisting in the list of experts, each authorized expert has to pass a 40-hours long professional development, approved by SRO RUA Board. The training should be performed in an educational organization from SRO RUA's list of educational organizations. A qualification test shall be held after the training. SRO RUA Quality Control Committee form a qualification board that assesses the qualification works of the Candidates and presents the results to the Committee for approval within two weeks from the qualification test. In future the authorized expert has to pass the annual professional developments as a qualified SRO RUA quality-control expert of at least 10 hours' education.</p>

Requirements	Y	N	Partially	Comments
Reporting 9. Documentation of evidence supporting the quality control review report is required.	X			After each review a quality control report is being formed (review report). The form of the report is set by the rules of the organisation and the rules of the SRO RUA members' external quality control. The filled-in review program as well as the evidence form the review file on the external quality-control.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			The order and terms of the audit organisation (individual auditor) review reports submission are set and by the rules of the organisation and the rules of the SRO RUA members' external quality control. The report is signed by the head of the audited organisation (individual auditor) that proves the fact the review report has been received.
Corrective and disciplinary actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			In compliance to the rules of the organisation and the rules of the SRO RUA members' external quality control, the reviewed audit organizations (individual auditors) have to submit a letter on the measures taken to amend the revealed violations to the Quality Control Committee within the terms set by the Rules (45 days).
12. QA review system is linked to the Investigation and Discipline system.	X			In compliance to the rules of the organisation and the rules of the SRO RUA members' external quality control, the Quality Control Committee sends the Disciplinary committee of SRO RUA the information on the external quality control reviews, which revealed significant violations of the requirements of the Law 307-FZ 'and/or Standards of auditors activity and/or Code of professional ethics of auditors and/or the Rules of the auditors and audit organisations independence.
Consideration of Public Oversight 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.	X			The regulator of auditors' activity (the Ministry of Finance) performs the review of the external quality control system efficiency in an orderly manner. Information on the quality control system functioning and the results of the reviews as well as the charts and plans of the reviews are uploaded to the SRO RUA website.

Requirements	Y	N	Partially	Comments
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	X			SRO RUA members' external quality control is subject to systematic monitoring. The monitoring is performed annually by the Quality Control Committee not later than 1 of March of the year following the one which the monitoring covers. The monitoring is performed in the form of finished reviews files inspections on a sample basis. The reports with the revealed drawbacks are drawn up after the inspection. The report is sent to the authorised experts of SRO RUA. The Quality Control Committee summarises the QA results in the yearly reports on 1 March of the year following the tax year at the latest. The report includes statistic data on the external reviews and the list of typical violations revealed during the external reviews. The yearly report of the Committee is submitted to the Board for approval. The approved yearly report is published on the SRO RUA official website on 31 March of the year following the tax year.

Action Plan Subject:	SMO 2—International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective:	RUA Educational System development according to the SMO 2 requirements

Current status:

The general requirements for the auditors of Russia set by the Law 307-FZ imply that the auditor has to have the highest profile education, work experience in the speciality, certificate of passing the qualification test in the courses close to ISE 8.

Moreover, the permanent annual professional development is provided for. It should be held in the RC for at least 40 academic hours.

Thought the international standards of the education are not approved by the law on the territory of RF, there is no official translation, their requirements and provisions are considered when the programs of professional auditors' education are being developed in Russia.

The Attestation and Professional development Committee is the permanently active body of SRO RUA in the field of auditors' professional development. Its main goal is perfection of systems of preparation, accreditation and professional development of the auditors. The Committee takes part in developing of the education programs of the professional preparation and professional development of the auditors, participates in creation of the system of education quality control and professional development of the auditors. The activity of the SRO RUA Attestation and Professional development Committee are regulated by the SRO RUA's provision on Attestation and Professional development Committee.

Today, 26 educational organizations presented in the majority of Russian Federal Districts are included into the SRO RUA Register of educational organizations. This provides continuous professional development.

To ensure the detailed control over the educational organizations, SRO RUA has given two RCs from the Register of education centers, the status of Authorized centers in 2017. The SRO RUA authorized centers' field of activity is the control over the activities of educational organizations in part of auditor members of SRO RUA professional development on the territory of Russian Federation stipulated by the Provision on the authorized center of self-regulatory auditor organization 'Russian Auditors Union' Protocol No. 298 of February 9, 2017 (revision no. 299 of February 16, 2017).

In compliance to the Order of admission, the auditor members of the Self-regulatory auditors' organization 'Russian Auditors' Union' (Association) attend the obligatory education professional development programs (Approved by the MoAP board decision, protocol No. 139 of December 2, 2009 (revision No. 175 of June 20, 2012), Approved by the SRO RUA board decision of February 9, 2009, protocol No. 298). The annual professional development on CPD:

- at least 40 CPD hours – units should be gathered per year;
- at least 120 CPD hours – units should be gathered within three years.

As of 2017, following the recommendations of the Council on Auditors' Activity of MF RF (protocol No. 26 of 22.09.2016), the Attestation and Professional Development Committee took part in defining the following list of priority themes:

- International Standards on Auditing;
- International Financial Reporting Standards;
- New types of services provided by audit organizations;
- Features of audit service responsibilities to the credit and non-credit financial organizations;

- Advanced technologies and methods of audit services responsibilities;
- Organization of internal control in audit organization;
- Practice of implementation of the Code of auditor's professional ethics and Rules of independence for auditors and audit organizations.

As of 2018, the Auditors' Activity Board decision (protocol No. 36 of September 22, 2017) stipulates that following themes should be prioritized during the auditors' education and professional development programs attendance:

- Responsibilities of the audit quality;
- ISAs usage practice: Forming an Opinion;
- ISAs usage practice: identifying and assessing the auditors risks;
- ISAs usage practice: auditors' procedures in regard of accounting estimates;
- ISAs usage practice: communication with those charged with governance;
- ISAs usage practice: audit procedures in regard of financial instruments;
- ISAs usage practice: organization and implementation of internal control in the audit organization;
- ISAs usage practice: holding the general review;
- Practice of implementation of the Code of auditor's professional ethics and Rules of independence for auditors and audit organizations.
- Consideration of laws and regulations in an audit of financial statements.

The Attestation and Professional Development Committee along with SRO RUA has also taken part in developing the suggestion on amending the bill 'on amending the separate legislative enactments of Russian Federation (in the part of investing the Bank of Russia with authority in the field of audit activities)', prepared by SRO RUA and SRO AAC in order to fulfill the CAA Working Body decision of 05.09.2017.

The members of the Attestation and Professional Development Committee took part in developing the suggestions of holding the qualification test for the auditor qualification certificate. On March 23, 2017 (protocol No. 33 section VI) the Auditors' Activity Board has stipulated the field of knowledge that are based on relevant sections listed in ISEs that are going to set the framework for holding of the qualification test for the auditor qualification certificate.

In compliance to the RF legislation, SRO RUA oversees the activities of RCs, included in the SRO RUA Register of education organizations, as well as controls the holding of obligatory annual trainings in order to ensure the continuous professional development of auditor members of SRO RUA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Supporting the adoption of IES</i>					
1.	January 2016	Monitoring of changes in the International Education standards in order to check if they can be applied for the SRO RUA activity implementation.	Permanently	Chairman Committee on certification and professional development	Members of the Committee on certification and professional development

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	January 2016	Further review of International Education Standards with the following adoption of SRO RUA professional educational programs.	Permanently	Chairman Committee on certification and professional development	Members of the Committee on certification and professional development
3.	January 2016	Participation in the discussion of standards projects proposed by the Committee on International Educational Standards in Accounting.	Permanently	Chairman Committee on certification and professional development	Members of the Committee on certification and professional development
4.	January 2016	SRO RUA educational programs update in compliance to the legislation and ISEs in force.	Permanently	Chairman Committee on certification and professional development	Members of the Committee on certification and professional development
5.	January 2016	Regular supervision over compliance with the SRO RUA requirements by the educational organizations included into the Register.	Permanently	Department of Education, Information and Regional Politics	Members of inspectional commissions; Authorized representatives; Committee on certification and professional development
6.	January 2016	Regular updating of information on the SRO RUA website: list of trainings, schedule of courses, list of educational organizations. The programs are available at: http://org-rsa.ru/education/povyshenie/programm.php	Permanently	Department of Education, Information and Regional Politics	Department of Education, Information and Regional Politics

Supporting Members with the Implementation of IES Ensuring High Quality of Educational Programming

7.	March 2016	Holding of a conference with educational organizations included into the SRO RUA List of educational organizations upon aspects of high priority. Round table in 2016, Press release – http://org-rsa.ru/upload/KrugliyStol110316.pdf	March 2016	Department of Education, Information and Regional Politics	Department of Education, Information and Regional Politics
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#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	March 2016	Development and approval of the professional development program on the theme: advanced technologies and methods of audit services responsibilities. Approved by the decision of the SRO RUA Board, Protocol No. 278 of November 10, 2016.	Done	Department of Education, Information and Regional Politics	Committee on certification and professional development
9.	January 2016	Timely updating of the educational and professional development programs in part of changes in legislative and other normative acts, including ISFA. 13 professional development programs have been approved. Information is available at: http://org-rsa.ru/education/povyshenie/programm.php	Regularly	Department of Education, Information and Regional Politics	Committee on certification and professional development
10.	January 2016	Further approximation with International Education Standards by proposing to amend existing Russian Educational Audit Standards. Participation of the Department members and members of the profile Committee in the work of Attestation and Professional Development Committee working body of the auditors' activity. Discussion of a new model of qualification certificate of the auditors in compliance to ISEs along with the Unified Certification Commission.	Permanently	Committee on certification and professional development	Committee on certification and professional development
11.	01.01.2017	Introduction of amendments to the List educational organizations' responsibilities. Approved by the decision of the SRO RUA board, Protocol No. 298 of February 09. 2017, http://org-rsa.ru/news/5000/ . A new register of the educational organizations was formed (http://org-rsa.ru/education/povyshenie/)	Done	Department of Education, and Interaction with Regions	
12.	01.01.2017	Organization of scheduled and unscheduled control over observance of requirements of SRO RUA by the organization included in the Register.	Planned – Every 2 years Unscheduled – 2 times per year	Department of Education, and Interaction with Regions	

#	Start Date	Actions	Completion Date	Responsibility	Resource
13.	01.01.2017	Organization of auditors training on professional development programs dedicated to the education theme of high priority, including the International Standards on Auditing. Priority theme of the auditors education on 2018 was approved by the SRO RUA board decision of October 18, 2017, Protocol No. 317	Done	Department of Education, and Interaction with Regions	
<i>Participating in International Standard Setting</i>					
14.	January 2016	Organize the cooperation with other member organizations of IFAC on the matters of usage of the mechanisms and control the practical experience of the auditors in compliance to the requirements of the revised IES 5 standard.	Permanently	Committee on certification and professional development	
15.	January 2016	Further introduction of revisions into the Action plan sent to IFAC, if necessary.	Permanently	Committee on certification and professional development	
16.	January 2017	Informing the SRO RUA members about the Russian translation of Handbook of International Educational Pronouncements issued 2017 by International Accounting Education Standards Board (IAESB). The Handbook was issued in February 2017 and was translated into Russian by Centre for Financial Reporting Reform (CFRR) Governance Global Practice, The World Bank.	Done	Department of Education, and Interaction with Regions	
17.	January 2017	Participation in the work of the Commission on Attestation and Professional Development of the SAA Working body together with representatives of professional accounting organizations, self-regulatory organizations of auditors, professors of leading universities in discussing the issues of reforming the accounting and auditor education system in connection with the translation into Russian of the international education standards.	Done	Department of Education, and Interaction with Regions, Committee on certification and professional development	

#	Start Date	Actions	Completion Date	Responsibility	Resource
18.	January 2017	Preparation of a comparative analysis of the conditions of the International education standards published by the International Federation of Accountants and the relevant norms of the legislation of the Russian Federation within the work of the Commission on Attestation and Professional Development of the SAA Working body.	Done	Committee on certification and professional development	
19.	January 2017	<p>Participation in the work of the Commission for Attestation and Professional Development of the SAA Working body in developing a new model of the qualification exam, which is submitted for approval to the SAA Working body.</p> <p>The draft of the new model of the qualification exam is developed on the basis of the generalization, analysis and evaluation of Russian and foreign approaches to the definition of competencies, taking into account the International Standards on Audititing and International Education Standards developed by IFAC, employers' requests regarding the competence of employees in the market of audit services.</p> <p>The model was developed in response to the government's order of June 28, 2016 to improve the order of the qualifying examination for auditor.</p>	Done	Department of Education, and Interaction with Regions, Committee on certification and professional development	

Action Plan Subject:	SMO 3—International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective:	Execution of IFAC member duties by SRO RUA in response to Quality Control, Auditing, Assurance Standards and other materials published by IAASB

Current status:

Transition of the Russian audit community to the International Standards on Auditing (ISAs) since 01.01.2017 caused a lot of practical questions especially from the auditors of medium and small audit organizations, as well as auditors-individual entrepreneurs.

Adoption of international audit standards in Russian Federation is determined by the coming into force of a Federal Law No.403-FZ on December 1, 2014. The Law No. 403-FZ provides for the relevant amendments to the Law No.307-FZ. In compliance with these amendments the auditor activities shall be performed in Russia according to the International Standards on Auditing developed by IAASB. The Federal Law provides for a range of procedures required for accepting ISAs.

In November and December of 2016 the Orders No. 192n of 14.10.2016 and No. 207n of 09.11.2016 of Ministry of Finance of RF have approved the usage of all the audit standards, quality control, observation tests and other tasks, providing assurance and tasks on provision of accompanying services that are included into the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2015 edition. The Ministry of Finance of RF has adopted these standards in full without any exceptions. MF RF has established the transition period that means that the contracts for the audit, concluded in 2016, the audit can be performed in compliance to FSPAA. However, all the audit tasks stipulated by the contracts concluded after 2017 have to be performed in compliance to ISAs.

The difficulties arise from the delay arising from the procedure of the translation organization and approval for the translated standards. In 2017, for example, the revised ISA 800, 805 and 810 have to be used. They are included in the Handbook 2016th edition. However, the legislation of Russian Federation stipulates that the documents adopted by MF RF in the current year can be used only the next year. Thus, using the mentioned revised standards is possible only in the following year, which is 2018.

Another challenge arises from integrating the Conforming amendments published by IAASB. Russian legal practice stipulates that it is impossible to issue a document in the format used in the Conforming amendments. Thus, the provisions from the Conforming amendments have to be issued in the specified version of the standard in order to be introduced.

SRO RUA, however raises awareness among their members in order to provide them with data on using the most up-to-date version of ISA.

SRO RUA participates in the ISAs translation process by means of delegating their authorized members to participate in the Expert Committee of the NOFA Foundation that translates the ISAs into Russian.

SRO RUA continuously supports its members in introducing ISAs, by organizing written consultations on rendering the methodological assistance in the ISAs usage in the Russian conditions. A designated e-mail address is created for the auditors and audit organizations to address on the issues of ISAs usage. The answers are prepared by the workers of the SRO RUA Methodology and Standardization Department which involve qualified specialists – experts, members of the Standardization and Methodology Committee and Expert Board.

Monitoring amendments in the new issues of ISAs, SRO RUA takes an active part in providing all the bodies, including governmental with such information.

In order to facilitate transition of auditors of small and medium audit organizations to the ISAs, the Working Group and the Expert Council for preparation of working materials for auditing in accordance with ISAs were established in the SRO "Russian Auditors Union" (SRO RUA). The

Working Group and the Expert Council include representatives of the largest audit networks of the top ten Russian audit organizations, practitioners with extensive experience in working with ISAs.

The Working Group and the Expert Council make every effort to prepare a set of working documents necessary for the auditors – members of SRO RUA for work based on ISAs in their audit practice in accordance with the approved plan – schedule.

In 2017 the Working Group and the Expert Council SRO RUA Board have prepared a set of samples of the work documents on 25 directions to be used in the audit practice with ISAs by the RUA members. These documents are distributed among all the SRO RUA members within the framework of methodological assistance provision.

In the end of 2016 and 2017 SRO RUA of Russia hosted 13 Conferences named 'Practical application of ISAs in Russia' in all the federal regions. Auditors from all parts of Russia took part in them. This shall simplify the transfer to the International Standards on Auditing for the SRO RUA member auditors and shall make the adaptation process smoother and faster.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promote and Support Adoption of ISAs					
1.	January 2016	Within the framework of ISAs adoption on the territory of RF participation in CAA activities, the authorized entity should perform the ISAs applicability expertise.	Done	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the Standardization and Methodology Committee
Supporting Members with the Implementation of ISAs					
3.	January 2016	Holding of Conferences and roundtables for SRO RUA members on issues of ISAs application. The information and press releases are available at: http://org-rsa.ru/controls/sobranie/	Done Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the Standardization and Methodology Committee

*Action Plan Developed by the
Self-Regulatory Organization 'Russian Union of Auditors' (Association)*

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	January 2016	Development of methodological materials concerning acute issues of auditing practice taking into account introduction of ISAs on the territory of RF. Regular methodological support in developing the materials.	Done Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the Standardization and Methodology Committee, Working Group and the Expert Council
5.	January 2016	Establishment of the Working Group and the Expert Council for preparation of working materials for auditing in accordance with ISAs.	Done	Chairman of the SRO RUA Board	Members of the Standardization and Methodology Committee, Working Group and the Expert Council
6.	January 2016	Development of the set of templates of audit reports, forms of contract for audit performance and templates of auditor's working documents, including requests to the audited persons and written confirmations from them, for SRO RUA members.	Done Permanently	Chairman of the SRO RUA Board Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Working Group and the Expert Council for preparation of working materials for auditing in accordance with ISAs
7.	January 2016	Providing SRO RUA members with working documents and templates for auditing in accordance with ISAs.	Done Regularly	Chairman of the SRO RUA Board Director of the Methodology and Standardization Department	
8.	January 2016	Arrangement of answers for questions of SRO RUA members during transition to the International Standards on Auditing. The members can address using the e-mail address: sro-msa@yandex.ru	Done Permanently	Director of the Methodology and Standardization Department	Members of the Standardization and Methodology Committee, Working Group and the Expert Council
9.	January 2016	Organization of the translation preparation work of the ISAs Guide for Small and Medium Organizations.	31.12.2017	Director of the Methodology and Standardization Department	Members of the Standardization and Methodology Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	January 2016	Holding seminars in the form of webinars to compare ISA/ISRE/ISRS/ISAEs with FSPAA/ FSAs.	Regularly	Director of the Methodology and Standardization Department	Members of the attestation and professional development committee
11.	January 2016	Development of continuous education programs: PK-50-003-2015 'Audit practice: meeting the requirements of the auditor activities standards' 40 academic hours. PK-56-00-2015 'Audit practice. Complicated matters of the using separate audit standards' 20 academic hours.	Done	Director of the Methodology and Standardization Department	Members of the attestation and professional development committee
<i>Participating in International Standard Setting</i>					
12.	January 2016	Participation in IFAC meetings.	2017-2018	Chairman of the SRO RUA Board	Members of the Standardization and Methodology SRO RUA Committee
13.	January 2016	Participation in the work of the Body of the CAA, including preparation of working documents in accordance with ISAs. Participation in the work of the CAA affiliated to MF of RF.	Done 2017-2018	Chairman of the SRO RUA Board Director of the Methodology and Standardization Department	Members of the Standardization and Methodology SRO RUA Committee
14.	January 2016	Participation in the International and national events on development, application and introduction of ISAs, including those held by the state bodies and public organizations.	Done Permanently	Chairman of the SRO RUA Board Director of the Methodology and Standardization Department	Members of the Standardization and Methodology SRO RUA Committee
15.	January 2016	Maintaining the work process and making efforts for the further integration of the international standards of Quality Control, Auditing, Assurance Standards and other materials of the action plan sent to IFAC if necessary.	Regularly	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the Standardization and Methodology SRO RUA Committee

*Action Plan Developed by the
Self-Regulatory Organization 'Russian Union of Auditors' (Association)*

#	Start Date	Actions	Completion Date	Responsibility	Resource
16.	January 2016	Participation in developing and discussion of the new projects of the international standards suggested by IAASB as well as sending the commentaries and suggestions on the documents issued by IAASB.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the Standardization and Methodology SRO RUA Committee

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Execution of duties of IFAC member organization by RUA in part of compliance with Code of Professional Ethics

Current status:

National legislation of Russian Federation approved:

- Rules of auditors and audit organizations independence (approved by the Board on auditors' activity on September 20, 2012, protocol No. 6; with amendments of June 27 2013, protocol No. 9 of December 18, 2014, protocol No. 15 of June 20, 2016, protocol No. 22 and of March 21, 2017, protocol No. 32) (Rules of independence);
- Code of auditors' professional ethics (approved by the Board on auditors' activity on 22.03.2012, protocol No. 4, with amendments of June 27, 2013, protocol No. 9, and of December 10, 2014, protocol No. 15) (Code of auditors' ethics).

The ISA documents obligate following the provisions of IESBA Code or equally strict requirements of national legislation.

IAASB issued the revised version of ISA 250 and the corresponding amendments to 12 other international standard documents (IQCS 1; ISAs 210, 220, 240, 260, 450, 500; ISRE 2400; ISEA 3000, 3402, 3410; ISRS 4410), and IESBA (Ethics standards board of Accountants) has issued the amendments and supplements to the IESBA code, IESBA code in the 2016th edition comes into force starting from July 15, 2017.

The NOCLAR project for following the laws and regulatory acts has issued a wide range of documents. However, its cessation in 2016, raised an issue of bringing the national legislative regulations to compliance to the requirements of the up-to-date edition of the IESBA Code.

SRO RUA members, acting as auditors are obliged to know and meet the requirements of the Independence Rules and Auditors' Ethics Code.

Currently the IESBA Code of the 2016th edition is not translated in Russian. SRO RUA is working in cooperation with other members of the professional community and regulators on this matter.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promote and Support Adoption of IESBA Code					
1.	January 2016	Review of the up-to-date IESBA Code requirements for conformity to the regulations of national legislation.	Done	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of SRO RUA Professional and Corporate Ethics Committee
Supporting Members with the Implementation of IESBA Code					
3.	January 2016	Establishment of a special SRO RUA body - the Professional and Corporate Ethics Committee.	Done January 2017	Chairman of SRO RUA Board	Members of SRO RUA Managing Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	January 2016	Monitoring of compliance of the auditors Code of professional ethics by RUA members – monitoring of official audit organization websites, sample monitoring of competitive procedures, external quality control analysis on the matters of Ethics Code and Independence Rules.	Permanently	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of SRO RUA Professional and Corporate Ethics Committee
5.	January 2016	Processing of complaints and appeals received by RUA against its members on the issues of auditors Code of Professional Ethics – in case such complaint and appeals appear, a discussion is held in the Committee and the relevant decisions are being made.	Permanently	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of SRO RUA Professional and Corporate Ethics Committee
6.	January 2016	Consulting of SRO RUA members on the issues of the auditors professional ethics. Answers to the RUA member's questions on the matter of application of specific provisions of the Ethics Code and Independence Rules are prepared at the members' request.	Permanently	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of SRO RUA Professional and Corporate Ethics Committee
7.	January 2016	Development of methodological materials on the issues of the auditor's professional ethics. (Taking into account the methodological materials developed by MF of RF regarding particular situations). The methodical materials on applying the provisions of the Ethics Code and Independence Rules which were created with SRO RUA assistance, can be found on the official website.	Permanently	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of SRO RUA Professional and Corporate Ethics Committee
8.	January 2016	Promotion of a continuous education process by means of seminars and lectures on the Professional Ethics Code and Independence Rules in the education centers of the SRO RUA audit members. The professional development courses are annually complemented with lectures on this theme.	Regularly	Department of Education, and Interaction with Regions	Members of the Attestation and Professional Development Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
9.	January 2016	Update of the education programs and the constant professional development programs as well as qualification tests of ethics. PK-62-003-2016 Application practice of Auditors' Professional Ethics Code and Auditors and Audit Organizations Independence Rules.	Regularly	Department of Education, and Interaction with Regions	Members of the Attestation and Professional Development Committee
<i>Participating in International Standard Setting</i>					
10.	January 2016	Search for possibilities of future IESBA Code integration assistance. In 2017 the work body Council on the audit activities is planning to discuss the amendments of the Ethics Code with all the new provisions, accepted by IFAC this year.	Permanently	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of the Attestation and Professional Development Committee
11.	January 2016	Initiation and cooperation with interested parties on organizing the IESBA Code translation of the territory of RF.	31.12.2017	Chairman of SRO RUA Professional and Corporate Ethics Committee Chairman of the SRO RUA Standardization and Methodology Committee	Members of SRO RUA Professional and Corporate Ethics Committee Members of the SRO RUA Standardization and Methodology Committee
12.	January 2016	Further amending of the Action plan, sent to IFAC if necessary.	Regularly	Chairman of SRO RUA Professional and Corporate Ethics Committee	Members of SRO RUA Professional and Corporate Ethics Committee

Action Plan Subject: SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Execution of duties of IFAC member organization by RUA in part of compliance with International Public Sector Accounting Standards issued by IPSASB

Current status:

IPSASs have actually already been adopted as a basis for reforming Russian budgetary accounting, just as IPSASs are now the basis for reforming domestic accounting. A number of requirements of IPSASs are assigned by the Budget Code of the Russian Federation. For example, Article 240 of the Budget Code of the Russian Federation specifies the objects of budgetary accounting: budget revenues, sources of deficit financing, expenditures, operations performed in the course of budget execution (IPSASs 1, 2, 18, 19).

In the Russian Federation, budgetary accounting is divided into two sectors: budget execution accounting and budgetary institutions budget estimates execution accounting, and the latter contains the requirements of IPSASs 1, 2, 16, 17, 18, 19 in the norms of the Budget Code of the Russian Federation. In addition, Article 240 of the Budget Code of the Russian Federation predetermines the need for the formation of a Unified Chart of Accounts for Budget Accounting, which should reflect all accounting entities, both for budget execution and for budgetary institutions budget estimates execution (IPSASs 1, 2, 3, 6).

Objectives of the financial reporting in the public sector (IPSAS 1) are aimed to provide information for making decisions and at the obligation of reporting for the provided resources.

Application of the principles of IPSASs in the public sector is an important step in the process of building mutual trust between Russia and the international community. Increasing the corporate transparency will mean that investments will become less risky for investors, and therefore cheaper.

At the same time, transition to IPSASs is performed within the framework of considerable reformation of the Russian accounting and reporting. In the process of reforming, the environment is created that ensures the formation of useful and objective information on the financial situation and activity results.

The new federal law project on the accounting suggests the same order of regulating the accounting in the public sector. The right to set the standards in the public sector will be given to the state regulatory bodies.

Independent auditors do not perform audits of the budget organizations in Russia.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promote and Support Adoption of IPSAS					
1.	January 2016	Monitoring of amendments introduced into IPSASs. Distribution of information on International Public Sector Accounting Standards and practice of their integration. Continuation of work: determination of possibilities for further assistance in IPSASs integration.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	January 2016	Cooperation with national regulators and institutes as well as other parties of interest, involved in introducing and developing IPSASs.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
3.	January 2016	Participation in the international and national conferences, roundtables and seminars on IPSASs.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
4.	January 2016	Analysis of the IPSASs implementation in the foreign countries.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee

Supporting Members with the Implementation of IPSAS

5.	January 2016	Informing and consulting members of SRO RUA on the IPSASs contents.	Regularly	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
6.	January 2016	Development and integration of education programs with Education centers on IPSASs.	till 2019	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee

Participating in International Standard Setting

7.	January 2016	Further amending of the Action plan, sent to IFAC if necessary.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
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Action Plan Subject:	SMO 6-Investigation and Discipline
Action Plan Objective:	Improvement of SRO RUA Disciplinary Sanctions Application System

Current status:

The Committee on reviewing application of disciplinary actions towards the members of Self-Regulatory Auditors Organization 'Russian Auditors Union' (Association) (hereinafter referred to as Disciplinary Committee) has been functioning or more than seven years.

The procedure of reviewing cases on the application of disciplinary actions against SRO RUA members adopted by the General Assembly of SRO RUA members determines the goals and objectives of disciplinary actions, establishes types of violations and disciplinary actions, the procedure and grounds for their application to SRO RUA members.

This Procedure for dealing with cases is designed to ensure the following requirements:

- Federal Law of December 1, 2007 No. 315-FZ "On Self-Regulating Organizations";
- Federal Law No. 307-FZ of December 30, 2008 "On Audit Activities";
- Standards of auditing;
- Code of professional auditors ethics;
- Auditors and audit organizations independence rules;
- SRO RUA Charter;
- Provisions on The Committee on reviewing application of disciplinary actions towards the members of Self-Regulatory Auditors Organization 'Russian Auditors Union' (Association) (Disciplinary Committee);
- and other regulatory legal acts.

The main objectives and tasks of this Procedure for dealing with cases are:

- Prevention of violations;
- Determination of conditions and procedures for applying disciplinary measures;
- Timeliness and legality of bringing to disciplinary responsibility;
- Order and control of decisions execution;
- Identification of types of violations and disciplinary actions.

Compliance with this Procedure is mandatory for all SRO RUA members and other participants in the disciplinary proceedings.

During the disciplinary proceedings, it is permissible to use a temporary classifier in the classification of violations and drawbacks identified in the course of audit organizations and auditors work external quality control.

The latest edition of May 30, 2017 is posted on SRO RUA official website.

SRO RUA Disciplinary Committee is a permanent specialized body of SRO RUA. It reviews complaints about the actions of SRO RUA members, cases of violations of the requirements of the legislation of Russian Federation, audit standards, the Code of Auditors Professional Ethics and Audit Organizations Independence Rules, the membership conditions of SRO RUA and other local regulatory documents of SRO

RUA.

The disciplinary committee consists of 5 voluntary members of SRO RUA, who are elected by the Collegiate Body - the SRO RUA Board. Members of this committee are elected for one year. Meetings of the Disciplinary Committee shall be convened as soon as it receives the documents on SRO RUA members violations facts.

The work of SRO RUA Disciplinary Committee was conducted in compliance to the work plan adopted at the meeting of the Disciplinary Committee and approved at the meeting of SRO RUA Board (Protocol No. 249 of December 24, 2015).

During the reporting period, we managed to raise the activities of the Disciplinary Committee and the Department of Internal Control and Disciplinary Production of the SRO RUA to a higher and more effective level.

We consider it necessary not only to punish, but also to give the opportunity to improve. Therefore, we apply such disciplinary actions as suspension of the right to provide audit services for a certain period until the elimination of existing violations, the imposition of monetary penalties, the issuance of warnings, etc. and only after realizing that the violation was committed knowingly, or repeatedly, or that non-professionals appear among our ranks, the decision of the Disciplinary Committee was made to recommend the SRO RUA Board to exclude members of the SRO RUA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promote and Support Adoption of I&D					
1.	May 2016 2017	Publication of a new version of the case review procedures on application of disciplinary actions towards members of cases on application of disciplinary actions towards members of a self-regulatory auditor organization. Information is available at http://org-rsa.ru/upload/Poryadok_disz_utvOS2017.pdf	Done	Director of SRO RUA Internal Control and Disciplinary Proceedings Department	Members of SRO RUA Internal Control and Disciplinary Proceedings Department
2.	January 2016	Studying of legislative issues and practice existing in the RF in order to implement IFAC recommendations in the part of investigation of violations and applying the disciplinary actions towards the SRO RUA members.	Permanently	Legal Committee	Legal Committee and Disciplinary Committee
3.	January 2016	Cooperation with other SRO RUA committees on the issues of compliance by audit organizations and SRO RUA member auditors with rules of work and behavior on the audit service market.	Permanently	Chairman of the Disciplinary Committee	Members of the Disciplinary Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	April 2017	<p>Preparation of proposals on improvement of the disciplinary proceeding in SRO RUA related to the implementation of disciplinary actions regarding audit organizations, auditors that violated the set requirements, processing of complaints for actions of audit organizations, auditors.</p> <p>The information is available at: http://org-rsa.ru/upload/Poryadok_disz_utvOS2017.pdf</p>	Done	Chairman of the Disciplinary Committee, Director of SRO RUA Internal Control and Disciplinary Proceedings Department	Department personnel
5.	April 2017	<p>SRO RUA developed a procedure for audit organization or an auditor whose membership might be suspended in order to monitor their compliance to the requirements established in Parts 3 and 4 of Article 20 of the Law No. 307-FZ.</p> <p>Information is available at: http://org-rsa.ru/upload/Poriadok_priost_2017.pdf</p>	Done	Director of SRO RUA Internal Control and Disciplinary Proceedings Department	Department personnel
Supporting Members with the Implementation of I&D					
6.	January 2016	Investigation of the facts that members of the Chamber violate functioning legislation, Chamber Charter, Rules (Standards) of Auditing, Code of Ethics and documentary registration of disciplinary proceedings.	Regularly	Chairman of the Disciplinary Committee, Director of SRO RUA Internal Control and Disciplinary Proceedings Department	Department personnel
7.	April 2017	<p>Analysis and evaluation of application of disciplinary actions and their impact on the activity of the audit organizations, auditors.</p> <p>The information is available from the audit organization member register: http://org-rsa.ru/reester/vedenie/firm.php</p>	Regularly	Director of SRO RUA Internal Control and Disciplinary Proceedings Department	Department personnel
Participating in International Standard Setting I&D					
8.	January 2016	Further amendment of the Action Plan, sent to the IFAC if necessary.	Permanently	Chairman of SRO RUA Disciplinary Committee	Members of the SRO RUA Disciplinary Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
9.	2016 2017	<p>Implementation of the recommendations and instructions of the CAA on improving the activities related to the application of disciplinary actions against audit organizations, auditors who violated the requirements of the Law No. 307-FZ, auditing standards, the auditors and audit organizations independence rules, the auditor's professional ethics code.</p> <p>The implementation of recommendations and instructions for each protocol of the CAA is reflected in the decisions of the SRO RUA Board.</p> <p>Protocols of the SRO RUA Board are available at: http://org-rsa.ru/controls/pravlenie/resheniyas.php</p>	Permanently	Chairman of the Disciplinary Committee SRO RUA Internal Control and Disciplinary Proceedings Department	Members of the SRO RUA Disciplinary Committee Department personnel

Self-assessment against 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			The disciplinary cases review and decision appeals system of a specialized SRO body is stipulated in the local regulatory documents of SRO RUA.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			Information on the types of violations that can cause disciplinary violations is public and is duly posted on the official SRO RUA website.
Initiation of Proceedings				
3. Both a "complaints-based" and an "information-based" approach are adopted.	X			The disciplinary case or a complaint review process begins with the registration of the information received from the applicants on the day of receipt and further consideration in compliance to the adopted local regulatory documents.
4. Link with the results of QA reviews has been established.	X			The connection between the quality control reviews results and the disciplinary committee is established in compliance to the adopted local regulatory documents.

Requirements	Y	N	Partially	Comments
Investigative process 5. A committee or similar body exists for performing investigations.	X			The SRO RUA Disciplinary Committee is a permanent special body of SRO RUA that considers complaints about the actions of SRO RUA members, cases of violations of Russian Federation legislation requirements, audit standards, the Code of the Auditors Professional Ethics, and Audit Organizations Independence Rules, the SRO RUA membership conditions and other SRO RUA local regulatory documents.
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			Members of SRO RUA Disciplinary Committee are independent. <i>In the event of the Disciplinary Committee member being personally interested in the outcome of the case, which may affect the objective assessment of the circumstances of the case or the independence of his judgment on the circumstances of the case, this Disciplinary Committee member is obliged to inform the Chairman of the Disciplinary Committee and refrain from participating in the case examination and voting..</i>
Disciplinary process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			SRO RUA approved a specialized body - the Committee on reviewing application of disciplinary actions towards the members of SRO RUA (Disciplinary Committee).
8. Members of the committee/entity include professional accountants as well as non-accountants.	X			Members of the Committee on reviewing application of disciplinary actions towards the members SRO RUA are professional (acting auditors) and non-professional market participants.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			The disciplinary process is independent of the subject of review and is independent of other related parties. <i>The SRO RUA Disciplinary Committee independently exercises its powers, regardless of SRO RUA's governing bodies.</i>

Requirements	Y	N	Partially	Comments
				<i>In the event of the Disciplinary Committee member being personally interested in the outcome of the case, which may affect the objective assessment of the circumstances of the case or the independence of his judgment on the circumstances of the case, this Disciplinary Committee member is obliged to inform the Chairman of the Disciplinary Committee and refrain from participating in the case examination and voting.</i>
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			SRO RUA bodies that are authorized to consider cases on application of disciplinary actions towards a member of SRO RUA who committed a violation, may apply the following disciplinary actions: a. comment on the SRO RUA member's actions; b. issue a prescription obliging a RAO RUA member to eliminate the violation revealed by the results of an external quality control of his work and setting the terms for eliminating such violations; c. issue a written warning to the SRO RUA member about the inadmissibility of violating the Law on Auditing requirements, the auditing activities standards, the auditors and audit organizations independence rules, the auditors professional ethics code, the SRO RUA membership conditions; d. impose a fine on a SRO RUA member; e. make a decision to suspend the SRO RUA membership until the violation is resolved, but not more than 180 calendar days from the day following the day of the decision to suspend the membership; f. make a decision on expelling the SRO RUA member.
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary	X			Appeal of the Disciplinary Committee decisions 1. Decisions of the Disciplinary Committee on the application of disciplinary actions towards a SRO RUA

Requirements	Y	N	Partially	Comments
committee and investigative committee.				<p>member (except for the recommendation to suspend membership or expel a SRO RUA member) may be appealed by the SRO RUA members within 30 (thirty) days from the date of such decision by filing complaints to the SRO RUA Board. The deadline may be extended by the SRO RUA Board if the SRO RUA member provides the SRO RUA Board with the evidence that he did not receive and / or could not receive the decision of the Disciplinary Committee to apply disciplinary actions towards him in due time.</p> <p>2. The complaint shall be submitted in writing to the Chairman of the SRO RUA Management Board and signed by the person towards whom the decision to apply a disciplinary action was made. The person who filed a complaint shall send a copy of the complaint to the Disciplinary Committee.</p> <p>3. The SRO RUA Board considers the complaint within 30 (thirty) working days from the date of receipt and makes one of the following decisions:</p> <ul style="list-style-type: none"> ○ cancel the decision of the Disciplinary Committee and send the case for a new review and / or additional verification; ○ leave the decision of the Disciplinary Committee in force; ○ cancel the decision of the Disciplinary Committee and the disciplinary action that was applied. <p>4. The Disciplinary Committee members, who are also the members of SRO RUA Board, do not have the right to vote in the decision of the SRO RUA Board on the complaint.</p> <p>5. The decision of the SRO RUA Board comes into force on the moment of its adoption.</p> <p>Appeal against decisions of the SRO RUA Board</p>

Requirements	Y	N	Partially	Comments
				<p>1. The SRO RUA Board decision to expel a person from among the SRO RUA members may be appealed by a person expelled from among the SRO RUA members. The appeal is sent to the SRO RUA General Assembly members and / or to a court in compliance to the procedure established by the Russian Federation legislation.</p> <p>2. An appeal filed by a person expelled from among the SRO RUA members is discussed by the SRO RUA General Assembly during next regular SRO RUA General Assembly in compliance to the procedure established by the SRO RUA Board.</p>
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	X			The timeframe for each disciplinary violation is established in compliance to the adopted local regulatory documents.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			The tracking mechanisms have been created to oversee the progress of the review and related procedures in compliance to the accepted local regulatory documents.
14. Records of investigations and disciplinary processes are established.	X			In accordance with the adopted regulatory documents based on the disciplinary cases review results, the violators receive the SRO RUA Disciplinary Committee decision within two working days from the date of the decision.
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			Information on the application of disciplinary action towards SRO RUA members is subject to disclosure, including publication on the official SRO RUA website in compliance to the procedure and deadlines established by the SRO RUA internal documents.
16. A process for the independent review of complaints on which there was no follow-up is established.	X			An independent consideration process of complaints was organized. The disciplinary actions towards such complaints are not applicable due to the absence of violations (non-confirmation of the facts indicated in the complaints).

Requirements	Y	N	Partially	Comments
17. The results of the investigative and disciplinary proceedings are made available to the public.		X		The professional activities violation cases by SRO RUA members and the SRO RUA membership conditions on the Disciplinary Committee sessions are reviewed internally.
Liaison with Outside Bodies (SRO and other)		X		
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.		X		
Constant efficiency assessment		X		This issue is submitted to the meeting of the SRO RUA collegial body - SRO RUA Board quarterly and the effectiveness is being assessed.
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:	Execution of duties of IFAC member organizations by RUA in part of compliance with International Financial Reporting Standards

Current status:

The connection between national accounting and international financial reporting standards has significantly strengthened in Russia,. IFRSs are being increasingly integrated into the existing accounting and reporting system, increasing the transparency of activities of organizations and changing national standards. There are three areas for the development of IFRSs in Russia: the recognition of IFRSs in Russia and the development of national accounting standards on their basis; mandatory implementation of IFRSs; voluntary implementation of IFRSs.

In the event that accounting methods are not established in the federal accounting standards for a particular accounting issue, the organization develops the appropriate method based on the requirements established by the Russian Federation legislation on accounting based on the IFRSs.

Starting from the reporting for 2015, according to the Law No. 208-FZ 'On Consolidated Financial Statements', the consolidated financial statements are prepared according to IFRSs. The following organizations are obliged to submit the consolidated financial statements:

- Credit organizations;
- Insurance organizations;
- Non-state pension funds;
- Management companies of investment funds, mutual investment funds and non-state pension funds;
- Clearing organizations;
- Federal state unitary companies, the list of which is approved by the Government of the Russian Federation;
- Joint-stock companies whose shares are in federal ownership and whose list is approved by the Government of the Russian Federation;
- Other organizations whose securities are admitted to organized trades by including them in the quotation list.
- Organizations, securities of which are accepted for the on-exchange trading by including them in the quotation list, but which form consolidated financial statements according to internationally recognized rules other than IFRSs (for example, US GAAP); organizations whose bonds are accepted for the on-exchange trading by including them in the quotation list.

The Bank of Russia issued Sectoral Accounting Standards, which are based on IFRSs, and are the subject to application by non-credit financial organizations.

Work on implementation of IFRSs is performed in accordance with the Plan for the development of accounting and reporting in Russia based on IFRSs for 2012-2015 (Order of the MF RF dated November 30, 2011 No. 440).

An examination of the applicability of IFRSs and IFRS clarifications issued by Ministry of Finance authorized by RF is ongoing in Russia.

SRO RUA representatives participate in the IFRS Working Groups under the Ministry of Finance of RF.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promote and Support Adoption of IFRS					
1.	January 2016	Monitoring of changes to IFRSs, discussion of documentation issued by the International Accounting Standards Board and the IFRS Interpretations Committee, preparation of comments.	Ongoing	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
2.	January 2016	Organization of cooperation with governmental and legislative bodies on IFRSs issues.	Ongoing	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
3.	January 2016	Preparation of analytical materials on IFRSs, including at the request of the MF RF.	Ongoing	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
4.	January 2016	Participation in conferences (including regional and international), working groups, seminars on IFRSs issues.	Ongoing	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
Supporting Members with the Implementation of IFRS					
5.	January 2016	Informing SRO RUA members on the course of recognition of IFRSs and their explanations for implementation in the territory of the Russian Federation.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
6.	January 2016	Continuation of continuous practice of IFRSs training among SRO RUA members in RF.	Permanently	Department of Education, and Interaction with Regions	Members of the Attestation and Professional Development Committee
7.	January 2016	Holding of educational activities in order to inform SRO RUA members about the changes into International Financial Accounting. The information is available at: http://org-rsa.ru/education/povyshenie/programm.php	Regularly	Department of Education, and Interaction with Regions	Members of the Attestation and Professional Development Committee

*Action Plan Developed by the
Self-Regulatory Organization 'Russian Union of Auditors' (Association)*

#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	January 2016	Updating the curriculum and continuing professional development programs and qualification tests for IFRSs PK-63-003-2016 International Financial Reporting Standards PC-65-003-2016 International Financial Reporting Standards PC-68-003-2016 International Financial Reporting Standards	Regularly	Department of Education, and Interaction with Regions	Members of the Attestation and Professional Development Committee
9.	January 2016	Analysis of the variances between Russian standards and IFRSs to inform the members.	Done	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
10.	January 2016	In order to facilitate the implementation of IFRSs with the support of the self-regulating organization of SRO auditors, holding the V International competition for professionals in the field of IFRS "IFRS PROFESSIONAL 2017". Information is available at: http://org-rsa.ru/news/5200/	Till 1.12.2017	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee

Participating in International Standard Setting

11.	January 2016	Participation at discussion of the International Accounting Standards Board projects and other projects initiated by IASB. Participation in the IFRS applicability on Russian territory expertise.	Regularly	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee
12.	January 2016	Further amendment of the Action Plan, sent to IFAC if necessary.	Permanently	Chairman of the SRO RUA Standardization and Methodology Committee, Director of SRO RUA the Methodology and Standardization Department	Members of the SRO RUA Standardization and Methodology Committee



Self-Regulatory Organizations of Auditors «Russian Union of Auditors» (Association)



The member of International Federation of Accountants (IFAC)

107031, Moscow, Petrovsky pereulok, 8, building.2
Phone: +7(495) 629-32-64, 609-00-52, 694-01-08/56

e-mail: rsa@org-rsa.ru
<http://www.org-rsa.ru/>

No 512 from «21 December 2017

To Executive Director of IFAC

Alta Prinsloo

Dear Ms. Prinsloo,

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

This letter is to confirm that the leadership of the Russian Union of Auditors has reviewed the information contained in the SMO Action Plan prepared by Russian Union of Auditors as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Russian Union of 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,

The Chairman

V.I. Kolbasin