

BACKGROUND NOTE ON ACTION PLANS

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

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

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

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

Use of Information

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

ACTION PLAN

IFAC Member:	Institute of Certified Public Accountants in Ireland (CPA Ireland)
Approved by Governing Body:	Chief Executive
Original Publish Date:	November 2009
Last Updated:	April 2019
Next Update:	April 2021

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:

APB	Auditing Practices Board
ASB	Accounting Standards Board
CPD	Continuing Professional Development
EU	European Union
FRC	Financial Reporting Council
IASB	International Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IES	International Education Standard
IEPS	International Education Practice Statements
IFRS	International Financial Reporting Standards
ISA	International Standard on Auditing
ISA UK and Ireland	International Standard on Auditing UK and Ireland
IAS	International Accounting Standards
ISAE	International Standard on Audit Engagement
ISRE	International Standards on Review Engagements
ISQC	International Standard on Quality Control
PAO	Institute's Practice & Audit Orientation Program
QA	Quality Assurance
SMEs	Small- and Medium-Enterprises
SMO	Statement of Membership Obligations

Action Plan Subject: SMO 1 and Quality Assurance
Action Plan Objective: Maintain CPA Ireland's quality assurance review system and ensure it complies with SMO1 and the EU 8th Directive on Statutory Audit

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Institute of Certified Public Accountants in Ireland has a mandatory Quality Assurance (QA) review programme in place for all audit firms. The scheme is compliant with the European Communities (Eighth Directive Regulations) 2009 on statutory audits of annual accounts and consolidated accounts.</p> <p>The QA process ensures that all member firms of the Institute of Certified Public Accountants in Ireland (CPA Ireland) maintain an appropriate level of professional standards in the performance of their duties and in the provision of services to clients.</p> <p>More information on the CPA Ireland's QA program can be found on the Certified Public Accountants in Ireland (CPA Ireland) website at www.cpaireland.ie</p>					
<i>Updating Quality Control Standards Guidance</i>					
1.	June 2005	Adopt and update International Standard on Quality Control (ISQC) 1.	Completed	Director of Professional Standards	Professional Standards Department staff
2.	Ongoing	Review and update QA Bye-Law.	Reviewed and approved Sept 2015	Director of Professional Standards	Professional Standards Department staff
3.	May 2010	Review and update QA Guidance – Members Charter of Rights.	Completed	Director of Professional Standards	Professional Standards Department staff
4.	December 2013	Review the QA Bye-Law and QA guidance against the requirements of the revised SMO 1 (2012) to identify any actions that may be necessary to address revised requirements.	Reviewed and approved Sept 2015	Director of Professional Standards	Professional Standards Department staff
<i>Developing Education and Training Products</i>					
5.	June 2005	Develop International Standard on Quality Control Standard (ISQC) 1 Guidance booklet to assist members in designing and documenting appropriate quality control policies.	Completed	Director-Professional Standards	Professional Standards Department staff
6.	June 2005	Publish ISQC 1 on website.	Completed	Director-Professional Standards	Professional Standards Department staff

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7.	January 2005	Include module on ISQC 1 and the QA process in the audit orientation course which is mandatory for all new applicants for audit certificates.	Completed	Director-Professional Standards	Professional Standards Department staff
8.	January 2005	Develop QA Resource on website.	Completed and updated regularly as appropriate	Director-Professional Standards	Professional Standards Department staff
9.	June 2009	Develop a series of workshops designed to assist members in the preparation for a QA visit and in the development of quality control policies.	Conducted on an annual basis through the Continuous Professional Development (CPD) programme. Included in CPD programme	Director-Professional Standards	Professional Standards Department staff
Maintaining Ongoing Processes					
10.	Ongoing	Review QA system on an ongoing basis to ensure it meets its objectives.	Reviewed on an annual basis.	Director-Professional Standards	Professional Standards Department staff
11.	Ongoing	Review of the QA system to ensure it reacts appropriately to current economic conditions.	Reviewed on an ongoing basis. As QA process is now driven by Companies (Statutory Audits) Act 2018. scope for changes are limited.	Director-Professional Standards	Professional Standards Department staff
12.	Ongoing	Complete review of QA system and bye laws completed following the introduction of new national legislation to transpose EU 8 th Directive. Minor changes needed. QA process now under supervision of Irish Auditing and Accounting Supervisory Authority (IAASA).	Ongoing – subject to approval by IAASA.	Director-Professional Standards	Professional Standards Department staff

Action Plan Subject: SMO 2 and International Education Standards
Action Plan Objective: Continue to use best endeavours to ensure that CPA Ireland's education and training complies with IES requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>CPA Ireland trains students for admission to the Institute, which is a recognised body of auditors under Irish Company Law. Admission to the Institute as a professional accountant is contingent upon several criteria all of which must be satisfied. These are summarised as; passing the Institute's examinations in accordance with its Bye-Laws, satisfying its training requirement, satisfying its practical IT Competence requirement, being of good character, and paying the relevant admission to membership fees. Additionally, members who have three years relevant supervised training in practice, at least two of which must be post admission to membership, may apply to the Institute for an audit practice certificate upon completion of the Institute's Practice & Audit Orientation Programme (PAO) provided they pass PAO final assessment.</p> <p>The Institute authors its auditing and accounting examinations in the context of the International Standards in Auditing UK & Ireland (ISA UK and Ireland) and International Financial Reporting Standards (IFRS).</p> <p>Details of the CPA Ireland's Education and Training requirements for qualifying for admission to membership and for qualifying for a practicing certificate may be obtained from the Institute's website: www.cpaireland.ie</p>					
<i>Updating CPA Ireland's Education and Training Requirements</i>					
14.	September 2007	Publish a revised syllabus, for examination in 2008, after consultation with all the key stake holder groups and a two year development programme. The introduction of elective subjects in addition to mandatory subjects in the final academic year of this syllabus enables CPA Ireland students to tailor their qualification to their chosen career path either in industry or practice.	Ongoing	Director of Education and Training, Education and Training Committee	4 Staff, 30 board of examiners
15.	Annually	Review all Information Papers and International Education Practice Statements (IEPS) so as to ensure any gaps are identified and incorporated in a timely basis into the CPA Ireland education and training programme.	Ongoing	Director of Education and Training	Education and Training Committee, & 4 staff
16.	2017	Strategic review of the initial professional development curriculum complete. Will launch first phase of new syllabus in 2019 for assessment in 2020	2020	Director of Education and Training	Education and Training Committee, Academic Board, Advisory Board, Board of

#	Start Date	Actions	Completion Date	Responsibility	Resource
					Examiners, external consultant & 4 staff
<i>Supporting the Review and Development of International Education Standards</i>					
17.	Ongoing	Consider proposed IESs and Information Papers and make submissions during the consultation periods advised by IFAC.	Ongoing	Education and Training Committee	3 Staff
18.	Current	Publish IESs and Information Papers on website, in journal of accounting or e bulletins as appropriate.	Ongoing	Director of Education and Training	1 Staff
<i>Developing New Projects</i>					
19.	2012	Launched facility for students to manage on-line: their CPA profile on- line, book examinations, and receive examination results.	Launched in 2012	Director of Education and Training	Education and Training team (4 staff), IT Director and external consultants.
20.	2013	Developing facility for students to log, on-line, their training and competence development. Mentors will also be able to monitor, review and approve (or otherwise) on-line these student competence records.	Launched in December 2018	Director of Education and Training	Education and Training team (4 staff), IT Director and external consultants.
21.	2012	Revised first stage of examinations which upon successful completion students are awarded a Certificate in Business and Accounting.	2012	Director of Education and Training, Education and Training Committee	4 Staff
22.	2012	Developed and launched computer based assessments at first stage of examinations.	2012	Director of Education and Training, Education and Training Committee	2 staff and external consultants
<i>Maintaining Ongoing Processes</i>					
23.	Ongoing	Annually update the syllabus to ensure that changes in company and tax law, revisions to existing and / or the introduction of new auditing and accounting standards are incorporated. Developments in other areas such as corporate	Ongoing	Director of Education and Training	4 Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		governance, financial management and strategic management are also considered and incorporated as appropriate.			
24.	Ongoing	Annually review the CPA Ireland education and training programme to ensure compliance with International Education Standards (IESs). The CPA Ireland programme was reviewed with specific reference to the revised IES's (for the most part effective from 1 July 2015) which place greater emphasis on an output based approach to competence development. This required no material change as a learning outcomes approach had been adopted since 2008.	Ongoing	Director of Education and Training	1 Staff
25.	Ongoing	Issue revised syllabus annually. Publish syllabus, examination and training requirements on CPA Ireland website.	Ongoing	Director of Education and Training	2 Staff

Action Plan Subject: SMO 3 and International Auditing Standards
Action Plan Objective: Continue to use best endeavour's to maintain an ongoing process to adopt ISAs and assist in the implementation of the adopted standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
CPA Ireland's membership obligations as a member of IFAC, to achieve international convergence with the International Standards issued by IFAC's constituent Boards and Committees, are reflected in the Institutes aims and work programme.					
International standards on Auditing					
There is a growing momentum for standards for auditors to be set on an international basis. As European legislation now may require UK and Irish audits to be conducted in accordance with International Standards on Auditing (ISAs), the Financial Reporting Council (FRC), which is the official auditing standard-setter, has continued to invest a good deal of its time in influencing their development through contributing to the International Auditing and Assurance Standards Board (IAASB)'s Clarity Project. The clarity project was completed in March 2009. The 36 newly updated and clarified ISA's and the updated ISQC 1 have been effective for all audits of financial statements for periods beginning since 15 December 2009.					
Recognizing these developments CPA Ireland is constantly updating its work programmes to ensure that adequate training and sufficient guidance is given to members in light of these developments.					
CPA Ireland plays an important participative role in the activities of IFAC and the FRC in the form of contributions to consultation papers issued and has recently put forward a submission to the FRC agreeing that the ISAs (UK and Ireland) should be updated to reflect improvements in the underlying international auditing standards.					
<i>Maintaining Ongoing Activities to Support the Standard-setting Process</i>					
26.	Ongoing	Produce ISA based audit programmes to ensure audit procedures are carried out in line with the framework.	Updated for in 2018 and regularly updated	Director of Professional Standards	2 members of Institute technical staff
27.	Ongoing	Issue responses to all relevant IAASB proposals with members made aware of IAASB proposals via member e Bulletins. This includes not just ISAs and but also International Standards on Assurance Engagements (ISAEs) and International Standards on Review Engagements (ISREs) as relevant.	Ongoing	Director of Professional Standards	1 member of Institute technical staff and members of the audit practices sub committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
		All responses posted to CPA Ireland's website by the Audit Practices Sub Committee.			
<i>Providing Education and Training Products and Services</i>					
28.	Ongoing	Deliver courses on audit (including refresher courses) as appropriate.	Courses are provided on a recurring basis both physical and electronically.	Director of Members Services	5 members of Institute technical staff, CPD Executive and the Institute CPD Committee
29.	Ongoing	Provide technical support to members via our technical support service.	Provided on an ongoing basis	Director of Professional Standards	4 members of Institute technical staff
30.	Ongoing	CPA Ireland also have dedicated webpages providing technical resources to members updated on an ongoing basis to include recent developments	Completed and updated regularly	Director of Professional Standards	4 members of Institute technical staff and the communications executive.

Action Plan Subject: SMO 4 and the IFAC Code of Ethics
Action Plan Objective: Ensure members comply with the CPA Ireland Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
CPA Ireland's Code of Ethics includes the requirements of the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA). The Code establishes the fundamental principles of professional ethics and provides a conceptual framework for the application of those principles.					
<i>Maintaining Ongoing Processes</i>					
32.	Ongoing	CPA Ireland's Code of Ethics is currently being revised to take account of IESBA 2018 Code of Ethics – due to be implemented by June 2019.	Ongoing	Director of Professional Standards	Staff of Professional Standards Dept
<i>Education and Training and Products</i>					
33.	Ongoing	Develop Ethics Resource on the CPA Ireland website www.cpaireland.ie	Completed and regularly updated	Director of Professional Standards	Staff of Professional Standards Dept
34.	Ongoing	Include articles on Code of Ethics in the CPA Ireland journal – Accountancy Plus.	Completed regularly	Director of Member Services	Staff member in charge of sourcing material for A+with input from technical staff.
35.	Ongoing	Include topics on various aspects of the Code of Ethics in the CPD program of events.	Completed annually. Online course developed. Still included in programme. 2 new modules to be introduced in 2019 as part of the : Accountants Update Pathway	Director of Member Services	Staff of member services department
36.	January 2005	Include module on ethics in the Practice and Audit orientation course which is mandatory for all new applicants for practising certificates.	Completed	Director of Professional Standards	Staff of Professional Standards Dept

Action Plan Subject: SMO 5 “International Public Sector Accounting Standards and other IPSASB Guidance”
Action Plan Objective: Continue to support and encourage the Financial Reporting Council in the UK and the European Union to adopt International Public Sector Accounting Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Irish Government has responsibility for adopting public sector accounting in Ireland and has not established convergence with IPSAS as an objective. Both cash and accrual are permitted for the preparation of financial statements and the Government has no plans to adopt IPSAS.</p> <p>A significant number of CPA Ireland’s members work at a senior level within public services. CPA Ireland provides policy and technical advice to members on public sector accounting, financial management, performance measurement and related topics.</p>					
<i>Work on the adoption and development of International Public Sector Standards</i>					
38.	Ongoing	Continue to lobby in Ireland and Europe for the adoption of International Public Sector Accounting Standards (IPSAs).	Ongoing	Director of Professional Standards	2 staff
39.	Ongoing	Continue to respond to International Public Sector Accounting Standards Board (IPSASB) Exposure Drafts of Standards and other statements.	According to IPSASB timetable	Director of Professional Standards	2 staff
40.	Ongoing	Continue to solicit the views of CPA Ireland members on IPSASB’s exposure drafts.	According to IPSASB timetable	Director of Professional Standards	2 staff
<i>Maintaining Ongoing Processes and Services</i>					
41.	Ongoing	Continue to publish details of IPSASB pronouncements through CPA Ireland’s journal Accountancy Plus and the CPA Ireland’s Members eBulletin.	Details published as appropriate. Ongoing	Director Services Member	1 staff member with input from colleague

Action Plan Subject: SMO 6 and Investigation and Discipline
Action Plan Objective: Operate the CPA Ireland’s Investigation and Disciplinary processes in accordance with CPA Ireland Bye-laws and in the public interest

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The CPA Investigation Committee investigates complaints made about members of CPA Ireland and establishes whether or not there is evidence of a prima facie case of misconduct. The Disciplinary Committee appoints disciplinary tribunals to hear cases referred by the Investigation Committee. Both the Investigation and Disciplinary Committee consist of a majority of non-members of the Institute.</p> <p>The Irish Auditing and Accounting Supervisory Authority (IAASA) was established pursuant to the provisions of Part 2 of the Companies (Auditing and Accounting) Act, 2003. Under Section 8 of the Act, one of the principle objectives of the IAASA is to supervise how the prescribed accountancy bodies regulate and monitor their members. For further details please see their website at www.iaasa.ie</p> <p>A booklet is available on the CPA Ireland website which sets out details of the CPA Complaints Process.</p>					
<i>Revising the Investigation and Disciplinary Bye-Laws</i>					
43.	Ongoing	The Investigation and Disciplinary Bye-laws were revised in June 2017. We are currently discussing further updates with IAASA.	Completed – Revisions effective from 23 June 2017	Director of Professional Standards	Director of Professional Standards
<i>Maintaining Ongoing Processes</i>					
44.	2013	Reviewed the Disciplinary Bye-laws and Investigation and Disciplinary Process against the requirement of the revised SMO 6(2012) and did not identify any actions necessary to address revised requirements.	December 2013		
45.	Ongoing	Continue to administer the Investigation and Disciplinary Process in accordance with the current CPA Ireland Bye-laws. Satisfactory review conducted by IAASA in 2017.	Ongoing. Annual report prepared for regulator.	Director of Professional Standards	Investigation and Disciplinary Committees.

Action Plan Subject: SMO 7 and International Financial Reporting Standards
Action Plan Objective: Ensure ongoing convergence with International Financial Reporting Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Financial Reporting Council (FRC) is responsible for developing financial reporting standards for the UK and Ireland in response to evolving business practices, new economic developments and deficiencies being identified in current practice and addressing urgent issues promptly. These standards apply to entities preparing general purpose financial statements in accordance with generally accepted accounting practice.</p> <p>The FRC also work with the International Accounting Standards Board (IASB), with national standards-setters and relevant European Union (EU) institutions to encourage high quality in the IASB's standards and their adoption in the EU.</p> <p>For all accounting periods beginning on or after 1 January 2005, all Irish listed companies are required to prepare their consolidated (group) accounts in accordance with IFRS as endorsed by the European Commission. The interaction of IFRS accounting standards and Irish law is dealt with in detail in the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations, 2005 (S.I. 116/2005). The effective date for the application of IFRS to debt listed parent companies is deferred to accounting periods beginning on or after 1 January, 2007.</p> <p>All other Irish companies may, if they so wish, prepare their consolidated and individual financial statements using IFRS. They are not, however, required to do so. Those that do not opt for IFRS are required to prepare what are known as 'Companies Act Accounts' (i.e. as opposed to IFRS Accounts). Companies Acts accounts are accounts prepared in accordance with the formats and accounting rules of Irish company law and applicable accounting standards. Applicable accounting standards in this context are the accounting standards issued by the Financial Reporting Council (FRC) for use in Ireland. The FRC has now published FRS 100, 101,102, 103, 104 and 105. FRS 102 is based on IFRS for SMEs and is effective from 1 January 2015.</p> <p>Listed companies are fully compliant with IFRS in Ireland. Small and medium sized companies have the option.</p>					
<i>Maintaining Ongoing Activities to Support the Standard-setting Process</i>					
47.	Ongoing	FRS 102 and FRS 105 published	Ongoing	Director of Professional Standards	Three institute staff members and members on the Financial Reporting sub-committee
48.	Ongoing	Comment where appropriate on IASB discussion documents notifying members and other interested parties.	Ongoing	Director of Professional Standards	Institute technical staff and Financial Reporting sub-committee with

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					input from members
<i>Providing Education and Training Products and Services</i>					
49.	Ongoing	Continue to publish details of IASB pronouncements through CPA Ireland's journal Accountancy Plus and monthly e-bulletin to members. Deliver a programme of relevant, accounting and business related articles in its professional publications and via our website.	Completed on quarterly and monthly basis. Ongoing	Director of Professional Standards	3 staff institute technical staff and Members communication executive
50.	Ongoing	Continue to provide CPD opportunities to members through courses both live and online events in relation to relevant issues.	Ongoing. Live events, webinars, and on-line courses are used. Live Streaming also in use for a variety of CPD courses. A new LMS has been launched to provide greater access to CPD. Development of formal post-qualification programmes ongoing, 2 due to be launched in 2019	Director of Members Services	CPD & further learning executives with input from Institute technical staff
51.	Ongoing	Continue to offer members assistance through CPA Ireland's technical advisory service.	Completed on a regular basis	Director of Professional Standards	Technical Staff professional standards and member services
52.	Ongoing	Offer a Diploma in IFRS to its members.	Available as an online course: ifrsacademy.net	Director of Members Services	further learning executive
54.	2014	Offer Certificate in FRS 102.	Developed and delivered. Delivery ongoing	Director of Members Services	Director of Members Services and further learning executive

#	Start Date	Actions	Completion Date	Responsibility	Resource
56	2018	Offer Online Diploma in US GAAP.	Ongoing	Director of Members Services	Director of Members Services and Further Learning Executive
57.	2018	Offer Online Diploma in Governance for the Charitable Sector.	Ongoing	Director of Members Services	Director of Members Services and Further Learning Executive



Alta Prinsloo
Executive Director, Quality & Development
International Federation of Accountants
529 Fifth Avenue
New York, NY 10017 USA

05 April 2019

Letter to Confirm Institutional Support for the SMO Action Plan

Dear Ms Prinsloo,

This letter is to confirm that the leadership of the Institute of Certified Public Accountants in Ireland (CPA Ireland) has reviewed the information contained in the SMO Action Plan prepared by CPA Ireland as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of CPA Ireland, 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.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cormac M. O'Sullivan'.

President, CPA Ireland