

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

**Member Name:** Conselho Federal de Contabilidade

**Country:** Brazil

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Number	Question Title/Text/Help text	Answer	Comments
<b>IFAC Part 2 SMO Self-Assessment</b>			
1.	<b>SMO 1</b>		
1.1.	<b>Quality Assurance Program</b>		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
1.2.	<b>Responsibility for Quality Assurance - Overview</b>		
1.2.1.	<i>Responsibility for Quality Assurance</i> Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements? Select the answer option that is most appropriate.	1 <input type="radio"/> Yes - for all audits of financial statements  2 <input type="radio"/> Yes - for all audits except those of listed entities	

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		<p>3 <input checked="" type="radio"/> Our organization shares responsibility for the quality assurance program with another body</p> <p>4 <input type="radio"/> No, responsibility for quality assurance for all audits rests with another body</p> <p>5 <input type="radio"/> Other (please describe)</p> <p>6 <input type="radio"/> Not applicable - no members of our organization perform audits of listed entities</p>	
1.2.6.	<p><i>Quality Assurance (Member Body) All Audits - Scope</i></p> <p>What types of engagements are included in the scope of the quality assurance review program? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Financial statement audit - listed entities (minimum requirement)</p> <p>2 <input checked="" type="checkbox"/> Financial statement audit - audit of other than listed entities</p> <p>3 <input type="checkbox"/> Other services (e.g., review, compilation)</p> <p>4 <input type="checkbox"/> Insolvency</p> <p>5 <input type="checkbox"/> Other (please specify)</p>	
1.4.	<b>Member - Benchmarking</b>		
1.4.1.	<b>Quality Control Standards and Guidance</b>		
1.4.1.1.	<p><i>Quality Control Standards</i></p> <p>Has your organization established and published quality control standards requiring firms to implement a system of quality</p>	1 <input checked="" type="radio"/> Yes	

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	control in accordance with International Standard on Quality Control 1?	2 <input type="radio"/> No	
1.4.1.3.	<i>Quality Control Standards - Name</i> State the name of the relevant quality control standards.	NBC T 11 - IT - 06 - Supervisão e Controle de Qualidade	
1.4.1.4.	<i>Other Quality Control Guidance</i> Has your organization established and published other quality control guidance to assist your members to understand the objectives of quality control and to implement and maintain appropriate systems of quality control?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
1.4.1.5.	<i>Other Quality Control Guidance - Name</i> State the name of the other quality control guidance.	Guia de Orientação de REvisão Externa de Qualidade e Legislação Aplicada	
1.4.2.	<b>Design of the Quality Assurance Review Program</b>		
1.4.2.1.	<i>Subject of the QA Review Program</i> Who is the subject of the quality assurance review program?	1 <input checked="" type="checkbox"/> Audit firm  2 <input type="checkbox"/> Partner	
1.4.2.2.	<i>Audit Firm</i> As the audit firm is the subject of the quality assurance review program, the quality assurance program should be designed, as	1 <input checked="" type="radio"/> Yes	

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	<p>required by SMO 1, to obtain reasonable assurance that:</p> <ul style="list-style-type: none"> <li>- The firm has an adequate system of quality control relating to audits of financial statements of listed entities (and of other entities or engagements that are also included in the scope of the review).</li> <li>- The firm complies with that system.</li> <li>- The firm and engagement teams have adhered to professional standards and regulatory and legal requirements in performing audits of financial statements selected for review.</li> </ul> <p>Does the quality assurance program contain all three of these elements?</p>	2 <input type="radio"/> No	
1.4.2.5.	<p><i>Publication of Scope</i> Does your organization publish a description of the scope and design of its quality assurance review program?</p>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.2.7.	<p><i>Name of Documents</i> Please name the published document(s) that describe the scope and design of the quality assurance review program.</p>	NBC T 14 - Normas sobre a Revisão Externa de Qualidade	

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1.4.2.8.	<p><i>Location of Documents</i> Please indicate where the document(s) that include details on the scope and design of the quality assurance program can be located (e.g., provide internet address or indicate that documents are available from your organization).</p>	<p><a href="http://cfcspw.cfc.org.br/scripts/sql_sre.dll/login">http://cfcspw.cfc.org.br/scripts/sql_sre.dll/login</a></p>	
1.4.3.	<b>Review Cycle</b>		
1.4.3.1.	<p><i>Selection Approach</i> Please select the approach used to select subjects for quality assurance review. Select all the answer options that are appropriate.</p>	1 <input checked="" type="checkbox"/> Cycle approach	
		2 <input type="checkbox"/> Risk-based approach	
1.4.3.2.	<p><i>Cycle Approach - Firm</i> As the audit firm is the subject of the review, please indicate the maximum number of years in the review cycle:</p>	1 <input type="radio"/> 1 year	
		2 <input type="radio"/> 2 years	
		3 <input type="radio"/> 3 years	
		4 <input checked="" type="radio"/> 4 years	
		5 <input type="radio"/> 5 years	
		6 <input type="radio"/> 6 or more years	
1.4.3.4.	<p><i>Cycle Greater Than Three Years</i> As the review cycle is more than the three year cycle recommended by SMO1, please provide an explanation for adopting a longer</p>	<p>The Brazilian standard was issued prior to the issuance of the SMOs. The discussions held at the time</p>	

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	cycle.	concluded that 4-years was a reasonable time. This may be reduced if major issues are found in a specific review.	
1.4.4.	<b>Implementation of the Quality Assurance Program</b>		
1.4.4.1.	<i>Date of Implementation</i> On what date did the quality assurance review program commence? (provide month/year)	5/1/2002	
1.4.4.2.	<i>Number of Reviews - 2005</i> How many quality assurance reviews were completed during the year ended December 31, 2005 (or other 12 month period ending in 2005)?	107	
1.4.4.3.	<i>Number of Reviews - 2004</i> How many quality assurance reviews were completed during the year ended December 31, 2004 (or other 12 month period ending in 2004)?	92	
1.4.4.4.	<i>Number of Reviews - 2003</i> How many quality assurance reviews were completed during the year ended December 31, 2003 (or other 12 month period ending in 2003)?	232	

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1.4.5.	<b>Quality Assurance Review Team Procedures</b>		
1.4.5.1.	<i>Publication of Review Guidelines</i> Does your organization publish guidelines for procedures to be followed by quality assurance review teams?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.5.2.	<i>Name of Guidelines</i> State the name of the published document(s) that include the procedures required to be followed by quality assurance review teams.	Guia de Orientação de REvisão Externa de Qualidade e Legislação	
1.4.5.4.	<i>Location of Guidelines</i> How can the document(s) that include the procedures required to be followed by quality assurance review teams be located (e.g., provide internet address or indicate that documents are available from your organization)?	www.cfc.org.br/conteudo.aspx?cod Menu=158 and FAQ at www.cfc.org.br/conteudo.aspx?cod Menu=155	
1.4.5.5.	<i>Content of Guidelines</i> SMO 1 requires that the procedures to be performed during the quality assurance review include:  a. An assessment of the system of quality control relating to audits of financial statements of listed entities (minimum	1 <input checked="" type="radio"/> Yes	

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	<p>requirement)  b. Sufficient review of the quality control policies and procedures and reviews of engagement working papers to evaluate:  - The functioning of that system of quality control, and compliance with it; and  - The compliance with professional standards and regulatory and legal requirements in respect of audits of financial statements  c. Review of engagement working papers  d. Specific requirements regarding documentation of the review</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p>	20 No	
1.4.5.7.	<p><i>Review of Engagement Working Papers</i>  SMO 1 requires procedures to be performed for the review of engagement working papers, including the evaluation of:</p> <ul style="list-style-type: none"> <li>- The existence and effectiveness of the system of quality control implemented by the subject of the review;</li> <li>- Compliance with professional standards and regulatory and legal requirements in performing the engagement;</li> <li>- The sufficiency and appropriateness of</li> </ul>	10 Yes	<p>NBC T 14 requires that the review check whether the Internal Quality Control System set up by the firm complies with the NBC T 11 - IT - 06 and whether the established procedures on QC were effectively adopted.</p>



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	<p>evidence documented in the working papers; and - Whether the auditor's reports are appropriate in the circumstances.</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p>	2 <input checked="" type="radio"/> No	
1.4.5.8.	<p><i>Review of Work Papers Follow Up</i> Which of the elements required by SMO 1 to be addressed in regards to review of working papers have not been included in the quality assurance review program? Provide a brief explanation about any exclusions.</p>	The sufficiency and appropriateness of evidence documented in the working papers; and Whether the auditor's reports are appropriate in the circumstances.	
1.4.5.9.	<p><i>Documentation</i> Do the procedures to be performed by the quality assurance review team require documentation:</p> <p>- of evidence supporting the quality assurance review report; and - that establishes that the quality assurance review was carried out in accordance with the established guidelines.</p> <p>Are both of these requirements included in the quality assurance review program?</p>	1 <input checked="" type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
		2 <input type="radio"/> No	
1.4.6.	<b>The Quality Assurance Review Team</b>		
1.4.6.1.	<p><i>Skills and Competence</i></p> <p>Members of the quality assurance review team should have the necessary competencies to perform expected work. As required by SMO 1, these competencies should include:</p> <ul style="list-style-type: none"> <li>- Appropriate professional education</li> <li>- Relevant professional experience</li> <li>- Specific training on performing quality assurance reviews</li> </ul> <p>Does the quality assurance review program require members of the quality assurance review team to have all three of these competencies?</p>	1 <input type="radio"/> Yes	
		2 <input checked="" type="radio"/> No	
1.4.6.2.	<p><i>Skills and Competence Follow Up</i></p> <p>Which of the competencies required by SMO 1 has not been included in the quality assurance review program? Provide a brief explanation about any exclusions.</p>		Specific training on performing quality assurance reviews
1.4.6.3.	<p><i>Certification/Credentials</i></p> <p>Are members of the quality assurance review team required to possess certification or credentials issued by your organization to be eligible to serve as team members?</p>	1 <input type="radio"/> Yes	

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		2Ⓐ No	
1.4.6.4.	<p><i>Certification/Credentials Follow Up</i> Please explain why members of the quality assurance review team are not required to possess certification or credentials issued by your organization to be eligible to serve as team members.</p>	<p>It was considered that the required experience and the fact that the reviewer must have size and complexity similar to the reviewed firm was sufficient enough for the task.</p>	
1.4.6.5.	<p><i>Quality Assurance Review Team Leader</i> Where more than one reviewer is used to conduct a review, is a quality assurance review team leader assigned for each quality assurance review assignment?</p>	1Ⓐ Yes	
		2Ⓐ No	
1.4.6.7.	<p><i>QA Review Team Leader - Responsibilities</i> As required by SMO 1, the responsibilities of the quality assurance review team leader should include:</p> <ul style="list-style-type: none"> <li>- Supervision of the quality assurance review.</li> <li>- Communication of the quality assurance review team's conclusions to the subject of the review.</li> <li>- Preparation of the quality assurance review report.</li> </ul> <p>Does the quality assurance program place all</p>	1Ⓐ Yes	

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	these responsibilities on the review team leader?	2○ No	
1.4.6.9.	<i>Size of Quality Assurance Review Team</i> Please estimate the average number of reviewers included on a review team.	0	We don't have this information
1.4.7.	<b>Quality Assurance Confidentiality - QA Review Team</b>		
1.4.7.1.	<i>Exemption for QA Reviewers</i> Does your organization exempt members from professional client confidentiality requirements concerning audit engagement working papers for the purpose of quality assurance reviews?	1⊙ Yes  2○ No	
1.4.7.3.	<i>Confidentiality Requirements</i> Is the quality assurance review team required to follow professional confidentiality requirements similar to those established for professional accountants performing audits of financial statements?	1⊙ Yes  2○ No	
1.4.8.	<b>Ethical Requirements and QA Review Team</b>		
1.4.8.1.	<i>Fundamental Principles</i> Are the fundamental principles set out in the IFAC Code of Ethics (relevant national ethical requirements) considered in relation	1⊙ Yes	

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	to the quality assurance review team's conduct of a review?	2 <input type="radio"/> No	
1.4.8.3.	<p><i>Consideration of Independence</i> Quality assurance review team members are expected to be independent of the member (i.e., the accountant or firm being reviewed) and the member's clients selected for review.</p> <p>Do those who select and approve a review team determine whether the independence of the quality assurance review team leader and each member of the quality assurance review team has been reasonably assured?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
1.4.8.5.	<p><i>Reciprocal Reviews</i> Where the review is performed by team members from a single firm (e.g., a "peer review"), please indicate whether firms are permitted to perform reciprocal quality assurance reviews.</p>	<p>1 <input type="radio"/> Yes, reciprocal reviews are permitted</p> <p>2 <input checked="" type="radio"/> No, reciprocal reviews are not permitted</p> <p>3 <input type="radio"/> Not applicable - peer review is not used</p>	
1.4.9.	<b>Reporting</b>		
1.4.9.1.	<p><i>Quality Assurance Review Report</i> Is the quality assurance review team leader required to issue a written quality assurance review report to the reviewed firm or partner</p>	1 <input type="radio"/> Yes	The report is sent to the Quality Review Program Steering Committee (CRE),

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	upon completion of each quality assurance review assignment?	2 <input checked="" type="radio"/> No	which after reviewing it and clearing with the review team leader, send it to the firm, which is required to issue an Action Plan and sent it back to CRE. Of course, it is expected that the ream leader discuss the report with the firm.
1.4.9.2.	<i>QA Review Report Follow Up</i> Please explain why the quality assurance review team leader is not required to issue a written quality assurance review report to the reviewed firm or partner upon completion of each quality assurance review assignment.	Because the Quality Review Program has an Steering Committee, which is comprised by members of CFC and of Ibracon, in charge to manage the program.	
1.4.9.8.	<i>Response to Reporting</i> Is the subject of the review required to provide a timely written response to the recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation?	1 <input checked="" type="radio"/> Yes	See the answer on 1.4.9.1
1.4.9.10.	<i>Reporting to the Public</i> Does your organization prepare and make available to the public (and upon request from regulatory authorities) an annual report	1 <input checked="" type="radio"/> Yes	

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	summarizing the results of the quality assurance review program?	2○ No	
1.4.10.	<b>Corrective and Disciplinary Actions</b>		
1.4.10.1.	<i>Corrective Actions Required</i> Does your organization require each of its members to make appropriate corrections to its system of quality control, or in its compliance with policies and procedures?	1⊙ Yes 2○ No	
1.4.10.3.	<i>Disciplinary Actions</i> If one of your members subsequently fails to demonstrate compliance with professional standards and regulatory and legal requirements, do you take appropriate disciplinary action?	1⊙ Yes 2○ No	Only for the relevant cases
1.4.10.5.	<i>Linkage with Disciplinary Actions</i> Does your organization clearly establish a link between less than satisfactory results of quality assurance reviews and the initiation of corrective and disciplinary actions under its disciplinary system?	1⊙ Yes 2○ No	
2.	<b>SMO 2</b>		
2.1.	<i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that	1☑ Complete a program of professional accountancy education	Professionals are required to have a Bachelor degree of Science in Accounting.

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	are appropriate.	<input type="checkbox"/> Complete a practical experience requirement <input type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies <input type="checkbox"/> None of the above	
2.2.	<i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	Only for accountants practicing as auditors
2.3.	<b>Professional Accountancy Education</b>		
2.3.1.	<i>Professional Accountancy Education Program</i> Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.	<input type="checkbox"/> Our organization  <input type="checkbox"/> Another IFAC member body <input checked="" type="checkbox"/> Universities <input type="checkbox"/> Approved training institutions <input type="checkbox"/> Government bodies <input type="checkbox"/> Other organizations	
2.3.2.	<i>Describe Other Organizations</i> Where your response in question 2.3.1 indicates another IFAC member body,	Universities must follow rules set by government. Students seek a	



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	<p>universities, approved training institutions, and / or other organizations deliver the professional accountancy education program, describe these organizations and their legal authority to deliver the program. (Include the name of the other IFAC member body where relevant).</p>	<p>Bachelor Degree of Science in Accounting. According to the Brazilian legislation, CFC must register as accountant those students graduated from Universities.</p>	
<p>2.3.3.</p>	<p><i>Prof Accountancy Education Program Follow Up</i> Please describe how your organization ensures the professional accountancy education program, delivered by the organization in response to question 2.3.1., meets the required content.</p> <p>Include in your description the specific activities your organization undertakes with regards to the necessary content requirements.</p>	<p>As mentioned, Universities are under the orientation of the Ministry of Education. CFC has no voice in this process. However, CFC usually keeps contacts with the Ministry and is sometimes invited to nominate a professional for working groups on accounting education. CFC also keeps contacts with the main Brazilian Universities and give incentives to improve the quality of the education process.</p>	
<p>2.4.</p>	<p><b>Final Assessment Follow Up</b></p>		
<p>2.4.1.</p>	<p><i>Final Assessment Approach Follow Up</i> Since your organization does not require completion of a final assessment, please describe how your organization assesses whether an individual has the required</p>	<p>There is no assessment on the capabilities and competencies of the professionals; however, CFC is working with the Government and</p>	

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	professional capabilities and competencies.		the Congress, to pass a law which allows CFC to assess the capabilities and competencies of students before registering them.
2.4.2.	<i>Plans for Final Assessment</i> Are there plans to introduce a final assessment of professional capabilities and competence?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
2.4.3.	<i>Describe Plans for Final Assessment</i> Please describe the proposals to introduce a final assessment of professional capabilities and competence, including how the final assessment will be undertaken and when your organization intends to implement the final assessment requirement.		CFC started to assess students, but had to stop doing that by the force some court litigations. The proposal is to grant the register only to those which have acquired a minimum level of knowledge. The implementation is pending the approval of a new law.
2.5.	<b>Practical Experience Follow Up</b>		
2.5.1.	<i>Plans for Practical Experience</i> Are there plans to introduce a practical experience requirement?	1 <input type="radio"/> Yes  2 <input checked="" type="radio"/> No	
2.5.3.	<i>Practical Experience Plans Follow Up</i> Please explain why there is no plan to introduce a practical experience requirement.		Although practical experience is not required, it is incentivated. The Brazilian legislation does not require practical experience for

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		accountants. The CVM (Securities Commission) and the Central Bank requires practical experience for auditors in charge of the financial statements audits of listed companies and financial institutions.	
2.14.	<b>IES 7 Continuing Professional Development - CPD</b>		
2.14.1.	<p><i>Responsibility for CPD Requirements</i> Section 2.14 deals with the continuous professional development requirements established by your organization.</p> <p>Who establishes the continuous professional development requirements applicable to your members? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Our organization</p> <p>2 <input checked="" type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body)</p> <p>3 <input checked="" type="checkbox"/> Law and / or regulation (state the name of the law / regulation)</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	Instituto dos Auditores Independentes do Brasil - IBRACON; Instrução CVM 308
2.14.2.	<p><i>CPD and Professional Accountants</i> Which membership categories are required to maintain professional competence</p>	1 <input type="checkbox"/> All our qualified members	The Central Bank requires CPE for qualified accountants

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	<p>through continuous professional development? Select all the answer options that are appropriate.</p>	<p>2 <input checked="" type="checkbox"/> Qualified members who perform audits of listed entities</p> <p>3 <input checked="" type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input type="checkbox"/> Qualified members who are employed in business</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	<p>who perform audits of financial institutions.</p>
2.14.3.	<p><b>Requirement - CPD</b></p>		
2.14.3.1.	<p><i>Type of CPD Requirement</i></p> <p>Which of the following answer options describes the way the continuous professional development is structured? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years</p> <p>2 <input checked="" type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>3 <input type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to</p>	

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		<p>satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>4 <input type="checkbox"/> Other</p>	
2.14.3.3.	<p><i>Hours of Continuous Professional Development</i></p> <p>Which one of the following answer options best describes the continuous professional development hours required?</p>	<p>1 <input type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</p> <p>2 <input checked="" type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in each year</p> <p>3 <input type="radio"/> Other</p>	<p>Members have to complete 96 hours in three years (32 each year), and a minimum of 20 hours in an year.</p>
2.14.3.5.	<p><i>Describe Content Requirement</i></p> <p>Describe the content requirement applicable to all members.</p>	<p>Contents must included any subject related to accounting and auditing, but other subjects as IT, risk assessment, tax, special legislation and regulation and others are accepted.</p>	
2.14.3.8.	<p><i>Monitoring of CPD</i></p> <p>Is there a process to monitor whether your members who are qualified as professional</p>	<p>1 <input checked="" type="radio"/> Yes, there is a monitoring process for CPD requirements</p>	

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	accountants meet the continuous professional development requirements?	2 <input type="radio"/> No, there is no monitoring process for CPD requirements	
2.14.4.	<b>Monitoring of CPD Requirement</b>		
2.14.4.1.	<i>Monitoring Process SMO 2</i> Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.	1 <input type="checkbox"/> Professional accountants are required to submit a declaration 2 <input checked="" type="checkbox"/> Professional accountants are required to submit evidence 3 <input type="checkbox"/> Our organization audits a sample of professional accountants to check compliance 4 <input checked="" type="checkbox"/> Compliance is monitored through firm quality control standards 5 <input checked="" type="checkbox"/> Compliance is monitored through a quality assurance review program 6 <input type="checkbox"/> Other (please describe) 7 <input type="checkbox"/> None of the above	
2.14.4.3.	<i>Sanctions SMO 2</i> Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or	1 <input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed	Non-compliance will result in sanctions as the inability to audit listed companies and financial institutions.

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	denial of the right to practice, imposed?	2 <input type="radio"/> No, sanctions or other non-compliance actions are not imposed	
2.14.4.4.	<i>Sanction Types and CPD</i> Describe the nature and extent of the sanction, expulsions or denial of the right to practice.	Sanctions can reach the level of the professional suspension.	
2.15.	<i>Activities to Promote IESs SMO 2</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.	As mentioned before, in Brazil Education is a matter of the Federal Government. CFC keeps contacts in order to discuss the needs of the professional and of the market, but those contacts are at a cordiality level and no official involvement is accomplished.	
3.	<b>SMO 3</b>		
3.1.	<i>Auditing Standards in Law/Regulation</i> Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.  Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name	1 <input type="checkbox"/> Yes for audits of listed entities	Audit Standards are set by CFC and IBRACON. Although CVM and the Central Bank do not set auditing standards, they establish rules that are followed by accountants who audits listed companies and financial institution. Those

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	<p>or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>2 <input type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input checked="" type="checkbox"/> No for audits of listed entities</p> <p>4 <input checked="" type="checkbox"/> No for audits of non-listed entities</p>	<p>rules determine that auditors must have a register with CVM, and must pass an examination organized by CFC and Ibracon, and must comply with the CPE Program, among other things.</p>
3.2.	<b>Responsibility for Private Sector Auditing Standards</b>		
3.2.1.	<p><i>Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The auditing standards for listed entities and non-listed entities are not the same set of standards</p>	
3.2.6.	<p><i>Responsibility for Auditing Standards</i></p> <p>Who has the authority for establishing the</p>	1 <input type="radio"/> Our organization	Ibracon - Instituto dos



Number	Question Title/Text/Help text	Answer	Comments
	auditing standards for listed and non-listed entities?	<input type="radio"/> 2 Another IFAC member body <input checked="" type="radio"/> 3 Joint process between our organization and another IFAC member body or other organization <input type="radio"/> 4 Another organization	Auditores Independentes do Brasil
3.3.	<b>Member Body SMO 3</b>		
3.3.1.	<i>MB Convergence Objective SMO 3</i> Has convergence with IAASB pronouncements been established as an objective?	<input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No	
3.3.3.	<i>MB Convergence Implemented SMO 3</i> Has the convergence objective for auditing standards been implemented?	<input checked="" type="radio"/> 1 Yes <input type="radio"/> 2 No	In process and not fully implemented
3.6.	<b>Incorporation of Auditing Standards</b>		
3.6.1.	<i>Incorporation Approach SMO 3</i> Where your response indicates that convergence with IAASB pronouncements has been implemented, which of the following best describes the approach is used to incorporate the IAASB pronouncements into national standards? Select the answer option that is most appropriate. <b>Help text:</b> Answer Option 1 and reference to "adopted	<input type="radio"/> 1 IAASB pronouncements are adopted as drafted without amendments (refer Help Text) <input type="radio"/> 2 IAASB pronouncements are adopted as national standards	The Brazilian situation is a mix between alternative 2 and 3.

Number	Question Title/Text/Help text	Answer	Comments
	<p>without amendment" Select this option where IAASB pronouncements are adopted as drafted except for changes to: Rename the IAASB pronouncement to a national standard name; Translate the IAASB pronouncement into another language; Apply an effective date that differs from the IAASB pronouncement.</p> <p>Answer Option 2 and 3 reference to "Differences" In responding to this question, "differences" may include: Requirements in addition to those specified in the IAASB pronouncement or ISA; Deletion of a basic principle, essential procedure, and / or related guidance specified in the IAASB pronouncement or ISA; Modification of a requirement specified in the IAASB pronouncement or ISA (e.g. an ISA requirement was not deleted in full because a similar requirement was included).</p>	<p>and amended as necessary to address differences due to conflicts with legal or regulatory requirements (refer Help Text)</p>	<p>3○ Existing national standards are compared with IAASB pronouncements to eliminate to the extent possible</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>differences between the national standard and the IAASB pronouncement (refer Help Text)</p> <p>4 <input checked="" type="radio"/> Other</p>	
3.6.5.	<b>Incorporation - Other SMO 3</b>		
3.6.5.1.	<p><i>Other Approach SMO 3</i></p> <p>Describe the approach used to incorporate IAASB pronouncements into national standards.</p>	<p>In general, IAASB pronouncements are used as a first version for discussion. Many adjustments refer to limited different alternatives permitted by IAASB. In other cases, the adjustments are made to consider local regulation.</p>	
3.6.5.2.	<p><i>IAASB Pronouncements Incorporated Other</i></p> <p>Which of the following IAASB pronouncements have been incorporated? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> International Standard on Quality Control 1</p> <p>2 <input checked="" type="checkbox"/> International Standards on Auditing</p> <p>3 <input type="checkbox"/> International Auditing Practices Statements</p> <p>4 <input type="checkbox"/> International Standards on Assurance Engagements</p> <p>5 <input type="checkbox"/> International Standards on Review Engagements</p> <p>6 <input type="checkbox"/> International Standards on Related Services</p>	

Number	Question Title/Text/Help text	Answer	Comments
3.6.5.3.	<p><i>Information - Other SMO 3</i></p> <p>Is information publicly available describing or comparing differences between the IAASB pronouncements and national standards and other pronouncements including:</p> <p>Whether it is the version of the IAASB pronouncement that is in effect as at September 30, 2005;  The effective date of the national standard or pronouncement related to the IAASB pronouncement;  The differences between the IAASB pronouncement and the national standard or pronouncement; and  The reasons for the differences?</p>	1 <input type="radio"/> Yes	
		2 <input checked="" type="radio"/> No	
3.6.5.4.	<p><i>Submit Information - Other SMO 3</i></p> <p>If information about the similar or equivalent national standards and pronouncements is publicly available and it is in English, please indicate this in your response and submit a copy to Compliance Staff.</p> <p>If this information is not available, complete the <a href="#">SMO 3 Comparison with</a></p>	1 <input type="radio"/>	The information is available and in English and will be submitted to Compliance Staff

Number	Question Title/Text/Help text	Answer	Comments
	<p>IAASB Pronouncements.doc"&gt;SMO 3: Comparison with IAASB Pronouncements&lt;/a&gt; report by clicking on the link and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p>	<p>2☉ The "SMO 3: Comparison with IAASB Pronouncements" report will be completed and submitted to Compliance Staff</p>	
3.10.	<b>Translation SMO 3</b>		
3.10.1.	<p><i>Translation of IAASB Pronouncements</i></p> <p>Are the IAASB pronouncements translated into a national language?</p>	<p>1○ No as English is the national language or a widely spoken language</p> <p>2☉ Yes, the IAASB pronouncements are translated</p> <p>3○ No and English is not an official language or is not widely spoken</p>	<p>IBRACON translated the version of 1997. The translation is out of date.</p>
3.10.2.	<p><i>IFAC Translation Policy SMO 3</i></p> <p>Is the IFAC Translation Policy followed?</p>	<p>1○ Yes</p> <p>2☉ No</p>	<p>At the time there were no IFAC translation rules.</p>

Number	Question Title/Text/Help text	Answer	Comments
3.10.3.	<i>Principal Translator SMO 3</i> Who is the principal translator? Select the answer option that is most appropriate.	<p>1 <input type="radio"/> Our organization is the principal translator</p> <p>2 <input checked="" type="radio"/> The government or another organization is the principal translator</p> <p>3 <input type="radio"/> Our organization and the government or another organization are the principal translators</p>	IBRACON is the principal translator.
3.10.4.	<i>Key Words SMO 3</i> Does the translation process include a list of key words?	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
3.10.5.	<i>Faithful Translation SMO 3</i> What processes are in place to ensure a faithful translation of the IAASB pronouncements?	There is no current plan to translate the IAASB pronouncements.	
3.11.	<i>Activities to Promote IAASB Pronouncements</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.	CFC works together with Ibracon and supports Brazilian participation in IAASB activities. Besides that, CFC utilizes the IAASB standards as the first version for local standards, and supported several seminars on International Standards on Auditing.	

Number	Question Title/Text/Help text	Answer	Comments
4.	<b>SMO 4</b>		
4.1.	<b>Responsibility and National Ethical Requirements</b>		
4.1.1.	<p><i>IFAC MB and Ethical Requirements</i> Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p><b>Help text:</b> In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p>	<p>1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements</p> <p>2 <input type="radio"/> No, our organization does not establish ethical requirements</p>	
4.1.2.	<p><i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>	
4.1.3.	<p><i>IFAC MB Convergence Follow Up</i> Please explain the reasons why your organization has not established and implemented convergence with the IFAC Code of Ethics as an objective.</p>		<p>Due to the characteristics of the accountancy profession in Brazil, CFC has issued its own Professional Code of Ethics. However, regarding independency rules, CFC has issued a Technical Interpretation which is based on IFAC Code of Ethics.</p>

Number	Question Title/Text/Help text	Answer	Comments
4.3.	<i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
4.4.	<b>Gov / Reg Bodies and Ethical Requirements</b>		
4.4.1.	<i>Gov/Reg Bodies - Ethical Requirements</i> Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.	1 <input type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants  2 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities  3 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit entities	



Number	Question Title/Text/Help text	Answer	Comments
		<p>other than listed entities</p> <p>4 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>5 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements for professional accountants employed in business</p> <p>6 <input type="checkbox"/> None of the above</p>	
4.4.4.	<p><i>Describe Law / Reg - Audit</i></p> <p>Regarding your response to question 4.4.1 and professional accountants who audit listed entities and / or other entities, please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>	<p>Instrução CVM nº 308/99, issued by Comissão de Valores Mobiliários (Security Commission), set rules for accountants auditing listed companies, that include: qualification examination prepared by CFC and Ibracon for partners, auditors rotation, conflict of interests rules, mandatory peer review which rules are set by CFC and Ibracon, determines the level of relationship between the Company and its auditor, and the creation of a</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>CPE Program organized by CFC and Ibracon.</p> <p>Resolução Bacen 3198/2004, issue by the Banco Central do Brasil (Central Bank), sets rules to be observed by financial institutions when contracting and relating with independent auditors and rules to be observed by independent auditors when auditing financial institutions. The resolution deals with impediments to preserve the auditor's independence that includes prohibition of financial operations between the Institution and its auditor. The resolution deals with auditors rotation, conflict of interests, and the creation of certification examination, given by CFC and Ibracon, for partners and managers every five years.</p>	
4.4.7.	<p><i>Gov/Reg and Convergence</i> Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific</p>	<p>CFC and Ibracon discussed the two rules set by CVM and Banco Central and reminded the existence of IFAC Code of Ethics</p>	

Number	Question Title/Text/Help text	Answer	Comments
	activities and the outcome or the reasons why such activities have not been undertaken.		
4.11.	<p><i>Translation of IFAC Code</i> Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> No, as English is an official language or widely spoken language</p> <p>2 <input type="checkbox"/> Yes, our organization has translated the IFAC Code</p> <p>3 <input checked="" type="checkbox"/> Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4 <input type="checkbox"/> No, the IFAC Code has not been translated and English is not an official language or widely spoken language</p>	
4.12.	<p><i>Translation Body SMO 4</i> What organization translated the IFAC Code and which version of the Code was translated (e.g. IFAC Code currently in effect, a previous version)?</p>	Ibracon has translated the IFAC Code, but it is out of date.	
4.14.	<b>IFAC Code Translated SMO 4</b>		
4.14.1.	<p><i>IFAC Translation Policy SMO 4</i> Was the IFAC Translation Policy followed?</p>	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>	At the time there were no policies

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="radio"/>	It was translated by a government or regulatory body and the information is not available
4.14.2.	<i>Principal Translator SMO 4</i> Who was the principal translator? Select the answer option that is the most appropriate.	1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/>	Our organization is the principal translator The government or another organization is the principal translator Our organization and the government or another organization are the principal translators It was translated by a government or regulatory body and the information is not available
4.14.3.	<i>Key Words SMO 4</i> Does the translation process include a list of key words including terms defined within the IFAC Code?	1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/>	Yes No It was translated by a government or regulatory body and the information is not available
4.14.4.	<i>Faithful Translation SMO 4</i> What processes are in place to ensure a faithful translation of the IFAC Code? If it		Currently there is no plan to translate the IFAC Code.

Number	Question Title/Text/Help text	Answer	Comments
	was translated by a government or regulatory body and the information is not available, please state this in the response.		
4.15.	<i>Activities to Promote IFAC Code of Ethics</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.	CFC with Ibracon supports the work of the IESBA and during several years supported the Brazilian participation at this Board.	
5.	<b>SMO 5</b>		
5.1.	<i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?	1 <input type="radio"/> Yes  2 <input checked="" type="radio"/> No 3 <input type="radio"/> Information is not available or not known	
5.2.	<b>IPSASs Convergence Follow Up</b>		
5.2.1.	<i>Public Sector Accounting Standards - Cash/Accrual</i> Do the national public sector accounting standards require financial statements to be prepared on a cash basis or accrual basis?	1 <input type="radio"/> Cash  2 <input type="radio"/> Accrual 3 <input checked="" type="radio"/> Both cash and accrual are	Expenses are registered on accrual basis and revenues on cash basis.

Number	Question Title/Text/Help text	Answer	Comments
		permitted	
5.2.2.	<i>Convergence Plans Follow Up SMO 5</i> Does the government have plans to converge national public sector accounting standards with IPSASs?	1 <input type="radio"/> Yes 2 <input type="radio"/> No 3 <input checked="" type="radio"/> Information is not available or not known	Studies are in progress
5.4.	<i>Activities to Promote IPSASB Pronouncements</i> Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.	CFC is not involved with public sector matters.	
6.	<b>SMO 6</b>		
6.1.	<i>Investigation and Discipline Program</i> In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.3.	<b>Responsibility for Investigation and</b>		

Number	Question Title/Text/Help text	Answer	Comments
<b>Discipline</b>			
6.3.1.	<p><i>Body Responsible for Investigation and Discipline</i></p> <p>Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.</p>	<p>1 <input checked="" type="radio"/> Yes, our organization has this responsibility</p> <p>2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body</p> <p>3 <input type="radio"/> Our organization shares responsibility for investigation and discipline with an external body</p> <p>4 <input type="radio"/> Other</p>	
6.5.	<b>SMO 6 - Detailed Assessment</b>		
6.5.1.	<b>Rules and Procedures for Investigation and Discipline</b>		
6.5.1.1.	<p><i>Rules and Procedures</i></p> <p>Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
6.5.1.3.	<p><i>Misconduct</i></p> <p>In your jurisdiction, which of the following</p>	<p>1 <input type="checkbox"/> Criminal activity</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.</p>	<p>2<input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute</p> <p>3<input checked="" type="checkbox"/> Breaches of professional standards</p> <p>4<input checked="" type="checkbox"/> Breaches of ethical requirements</p> <p>5<input checked="" type="checkbox"/> Gross professional negligence</p> <p>6<input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights</p> <p>7<input checked="" type="checkbox"/> Unsatisfactory work</p> <p>8<input type="checkbox"/> Other (please describe)</p>	
6.5.2.	<p><i>Types of Sanctions</i></p> <p>Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> Reprimand</p> <p>2<input checked="" type="checkbox"/> Loss or restriction of practice rights</p> <p>3<input checked="" type="checkbox"/> Fine/payment of costs</p> <p>4<input type="checkbox"/> Loss of professional title (designation)</p> <p>5<input type="checkbox"/> Exclusion from membership</p>	<p>The loss and restriction of practice rights are based on suspension for a certain period of time, but never for life.</p>



Number	Question Title/Text/Help text	Answer	Comments
		6 <input type="checkbox"/> Other (please describe)	
6.5.3.	<b>Provision of Information and Guidance to Members</b>		
6.5.3.1.	<p><i>Information and Guidance</i></p> <p>Does your organization make each member fully aware of:</p> <ul style="list-style-type: none"> <li>- All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and</li> <li>- Consequences of non-compliance?</li> </ul>	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
6.5.3.2.	<p><i>Information and Guidance Description</i></p> <p>Provide a brief description of how your organization meets this requirement of SMO 6.</p>	<p>CFC is created by Federal Law and have among its objectives, the registration and fiscalization of the profession in Brazil. It exercise its duties by the presence in every State of the Conselhos Regionais de Contabilidade - CRC, which keeps the register records, and the fiscalization process in each state. The fiscalization is done both by denunciation and by random review of the work of accountants. Professionals have the right to defend themselves, including the</p>	

Number	Question Title/Text/Help text	Answer	Comments
		right to go to CFC against a decision on the CRC level.	
6.5.4.	<b>Obligations to Report to Outside Bodies</b>		
6.5.4.1.	<i>Reporting to Outside Bodies</i> Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority?	1 <input type="radio"/> Yes  2 <input checked="" type="radio"/> No	
6.5.4.2.	<i>Reporting to Outside Bodies Follow Up</i> Please describe your plans to introduce an obligation or requirement to report possible involvement in serious crimes and offences by individual members or member firms to the appropriate public authority and disclose related information to that authority.	Currently there is no plan in this direction.	
6.5.5.	<i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Information-based  2 <input checked="" type="checkbox"/> Complaints-based 3 <input checked="" type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	Random reviews
6.5.6.	<b>Investigative Powers and Processes</b>		
6.5.6.1.	<i>Powers</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Does your organization have all required powers so that authorized personnel can carry out an effective investigation?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
6.5.6.3.	<i>Cooperation of Members</i> Do the powers to carry out an effective investigation include: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to co-operate in the investigation of complaints and to respond promptly to all communications from the member body 2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply 3 <input type="checkbox"/> None of the above	
6.5.6.6.	<i>Expertise and Resource</i> Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?	1 <input checked="" type="radio"/> Yes (please describe)  2 <input type="radio"/> No	
6.5.6.8.	<i>Independence and Subject of Investigation</i> Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the	1 <input checked="" type="radio"/> Yes	CRCs have a investigation staff and a Board that is required to be independent

Number	Question Title/Text/Help text	Answer	Comments
	<p>subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p><b>Help text:</b> If a conflict exists at the start of an investigation, or arises during the investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else connected with the investigation and hearing of cases.</p>	2○ No	
6.5.6.10.	<p><i>Infrastructure</i></p> <p>Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.</p>	<p>1Ⓐ One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2○ A single committee/panel to conduct the investigation and administer disciplinary action.</p> <p>3○ Other</p>	
6.5.6.12.	<p><i>Independent Review</i></p> <p>Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing?</p>	1Ⓐ Yes	

Number	Question Title/Text/Help text	Answer	Comments
		2○ No	
<b>6.5.7.</b>	<b>The Disciplinary Process</b>		
6.5.7.1.	<i>Composition of Tribunal</i> Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	1○ Yes (please describe)	
		2⊙ No	
6.5.7.2.	<i>Composition of Tribunal Follow Up</i> Please explain why the tribunal responsible for the disciplinary hearing does not contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	The tribunal composition is set by the Law that has created CFC.	
6.5.7.3.	<i>Conflicts</i> Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?	1○ Yes	Investigation is done by a staff.
		2⊙ No	
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.	There is no process for independence. However, members are expected to be aware of the independence requisite.	
6.5.7.6.	<i>Appeals Process</i>		

Number	Question Title/Text/Help text	Answer	Comments
	<p>Does your organization's rules:</p> <p>Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her throughout the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that appeal</p> <p>4 <input checked="" type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input checked="" type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p>	

Number	Question Title/Text/Help text	Answer	Comments
6.5.8.	<b>Administrative Processes</b>		
6.5.8.1.	<p data-bbox="400 320 887 347"><i>Elements of Administrative Processes</i></p> <p data-bbox="400 355 927 459">As a part of Investigation and Discipline administrative processes does your organization:</p> <p data-bbox="400 504 875 571">Select all the answer options that are appropriate.</p>	<p data-bbox="1005 355 1435 459">1 <input checked="" type="checkbox"/> Establish time limits for disposal (completion) of all cases</p> <p data-bbox="1005 576 1469 826">2 <input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p> <p data-bbox="1005 834 1469 1273">3 <input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p data-bbox="1005 1281 1447 1382">4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and</p>	

Number	Question Title/Text/Help text	Answer	Comments
		other evidence 5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings 6 <input type="checkbox"/> None of the above	
6.5.8.3.	<b>Case Numbers</b>		
6.5.8.3.1.	<i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005.	9632	
6.5.8.3.2.	<i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004.	12340	
6.5.8.3.3.	<i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003.	12873	
6.5.8.3.4.	<i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005.	10623	
6.5.8.3.5.	<i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004.	9126	
6.5.8.3.6.	<i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.	24212	
6.5.8.3.7.	<i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a	8	



Number	Question Title/Text/Help text	Answer	Comments
	<p>case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.</p>		
7.	<b>SMO 7</b>		
7.1.	<p><i>Accounting Standards in Law/Regulation</i> Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p>	<p>1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities</p> <p>2 <input type="checkbox"/> Yes, for financial statements</p>	<p>The corporation law sets some accounting standards, and the Security Commission has a legal authority to regulate the market, which includes accounting practice. However, CVM has a tradition to discuss accounting standards with Ibracon. A new body was created (Committee for Accounting Standards - CPC), formed by CFC, Ibracon, Abrasca, Apimec, Bovespa and Fipecafi, and supported by CVM, Central Bank and tax authorities. This Committee will be the local standard setter.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>of non-listed entities</p> <p>3 <input type="checkbox"/> No, for financial statements of listed entities</p> <p>4 <input type="checkbox"/> No, for financial statements of non-listed entities</p>	
7.8.	<b>Law/Reg and Accounting Standards</b>		
7.8.3.	<p><i>Accounting Standards for Listed</i></p> <p>Does the law/regulation require the use of International Financial Reporting Standards issued by the International Accounting Standards Board for preparation of financial statements of listed entities? Select the answer option that is most appropriate.</p>	<p>1 <input type="radio"/> The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2 <input type="radio"/> For listed entities, the law/regulation contains the full text of each IFRS</p> <p>3 <input type="radio"/> For listed entities, the law/regulation contains the main principles of the IFRSs</p> <p>4 <input type="radio"/> For listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p>	<p>The São Paulo Stock Exchange (Bovespa) has created the Novo Mercado (New Market), a different level with higher corporate governance requirements, where companies must issue the financial statements using IFRS. There is also, a law project in discussion in the National Congress for changes in the corporate law that refers to the use of IFRS.</p>

Number	Question Title/Text/Help text	Answer	Comments
		5 <input checked="" type="radio"/> For listed entities, the law / regulation requires the use of national standards with no reference to IFRSs	
7.8.6.	<i>National Accounting Standards - Listed</i> Provide the name of the national accounting standards for listed entities and other authoritative pronouncements established by law/regulation.	Corporate Law (Lei 6404/76), supplemented by standards issued by Ibracon and supported by CVM.	
7.8.8.	<i>MB Responsibilities National Standards SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Develop or assist in developing the proposed standards as law / regulation 2 <input checked="" type="checkbox"/> Develop other authoritative pronouncements 3 <input checked="" type="checkbox"/> Promulgate the accounting standards (e.g. by publishing or communicating the standards to the public) 4 <input type="checkbox"/> Other (please describe) 5 <input type="checkbox"/> None of the above	
7.8.10.	<i>Authoritative Pronouncements and Law/Reg SMO 7</i> Please state the name of the other authoritative pronouncements and describe their purpose.	Normas Brasileiras de Contabilidade - NBC, are the standards to be used by listed companies where the legislation is silent, and by all other types of	

Number	Question Title/Text/Help text	Answer	Comments
		enterprises, not covered by the corporate law.	
7.8.11.	<i>Describe Activities and Law/Reg SMO 7</i> Describe your organization's activities for promulgating and / or implementing the standards.	CFC has technical committees to discuss, and issue accounting and auditing standards, and works together with Ibracon, which representatives have seats in the mentioned committees. CFC is also the leading body of the CPC, which is starting its process and will, in the futures, be the national standard setter.	
7.8.13.	<i>National Standards and Convergence SMO 7</i> Please describe the activities your organization has undertaken to promote IFRSs and other IASB pronouncements to the relevant government or regulatory body that sets national standards. Include in your explanation descriptions of any specific activities and the outcome.	CFC supported Ibracon initiative to translate, publish and advertise the IFRS. Also, CFC committees study the IFRS before start the discussion of a new standard.	
7.11.	<i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.	CFC supports IASB and published, together with Ibracon, the main differences between IFRS and BR GAAP, and includes this subject in	

Number	Question Title/Text/Help text	Answer	Comments
			the seminars and trainings that it organizes
8.	<b>Certification of Chief Executive</b>		
8.1.	<i>Complete Certification</i> Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click <a href="#">Part 2 SMO Self Assessment Certification.doc</a> to download a copy of the Certification form.	1 <input checked="" type="checkbox"/>          2 <input type="checkbox"/>	Yes, the Certification of Chief Executive has been submitted