

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

**Member Name:** Accountants Association in Poland

**Country:** Poland

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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	

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		<p>2 <input type="radio"/> Yes - for all audits except those of listed entities</p> <p>3 <input type="radio"/> Our organization shares responsibility for the quality assurance program with another body</p> <p>4 <input checked="" 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>	
1.2.2.	<i>Name of Other Body Responsible for QA</i> State the name of the other body that is responsible for quality assurance review for all audits.	National Chamber of Statutory Auditors	
1.2.4.	<i>Quality Assurance (Other Body) - Scope</i> Is the scope of the of the quality assurance review program implemented by another body materially narrower than the scope of the requirements of SMO1?	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>	
1.3.	<i>Activities to promote SMO 1</i> Please describe what activities your organization undertakes to promote obligations set in SMO 1 Quality Assurance.	Our organisation has made translation and disseminated SMO 1 among its members and other parties.	

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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 are appropriate.	<p>1 <input type="checkbox"/> Complete a program of professional accountancy education</p> <p>2 <input type="checkbox"/> Complete a practical experience requirement</p> <p>3 <input type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies</p> <p>4 <input checked="" type="checkbox"/> None of the above</p>	In accordance with the Statutes an ordinary member of our organisation can become any Polish citizen of unbroken repute possessing relevant qualifications in accountancy and finance. Each application for membership has to be supported by two ordinary members. Each membership application is considered and approved at the regional branch level.
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 type="radio"/> Yes	Formal requirements of CPD are not applicable to our members, however they are obliged by the Statutes to

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			upgrade their professional qualifications and maintain ethical behaviour. Code of Ethics currently developed by our organisation provides for CPD for accountants. CPD for our members will be considered by the General Assembly of Delegates in 2007.
		2☉ No	
2.3.	<b>Professional Accountancy Education</b>		
2.3.4.	<i>Prof Accountancy Education Follow Up</i> Please describe what does your organization require in terms of professional accountancy education for your members?	According to Art. 9 point 2 of the Statutes members of our organization are required to continuously upgrade their knowledge and qualifications. In order to become a member of our organisation it is necessary to have educational background relevant to the performed duties and tasks in the field of accounting, audit, taxation, finance and banking. Description of courses and training provided:  Courses 1. Basic accounting course levels 1 (6 months) and 2 (3 months).	

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		<p>2. Course for candidates for Chief Accountants (6 months) (note that profession is not regulated in Poland)</p> <p>3. Course for persons applying for certificate to provide accounting services to 3P (the Minister of Finance is the licensing body and keeps the registry)</p> <p>4. CPD for auditors (AAP is a licensed body based on agreement signed with NCSA)</p> <p>5. AAP's Diploma based on ACCA Diploma on International Financial Reporting</p> <p>Trainings</p> <ol style="list-style-type: none"> <li>1. Direct and indirect taxes</li> <li>2. Finance</li> <li>3. Public sector accounting</li> <li>4. Budgeting</li> <li>5. Management accounting</li> <li>6. Labour law</li> <li>7. Closing of the year - annual event for each financial closing (valuation plus financial statements preparation)</li> </ol> <p>Degrees:</p> <ol style="list-style-type: none"> <li>1. Postgraduate degree in Financial</li> </ol>	

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		accounting and Internal audit, Taxation, Public sector finance and accounting.  Average annual level of participants to AAP educational products is 70.000 individuals.	
2.4.	<b>Final Assessment Follow Up</b>		
2.4.1.	<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 professional capabilities and competencies.	Each candidate willing to become a member of our organisation has to be supported by two ordinary members. Each membership application is considered and approved at the regional branch level.	
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.	AAP is planning to review its current membership among others by surveying all individual members. At General Assembly in 2007 AAP plans to introduce revised membership criteria based	

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		on the findings of the questionnaire as well as taking into account new developments in the legal framework and accounting practice. SMO will be important benchmark also.	
<b>2.5.</b>	<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☉ Yes 2○ No	
2.5.2.	<i>Describe Plans for Practical Experience</i> Describe the proposed practical experience requirement including how the requirement will be undertaken and when your organization intends to implement the requirement.	Proposal of introducing the practical experience requirement will be considered by the General Assembly of Delegates in 2007. As a matter of fact, members of our organisation possess practical experience since overwhelming majority of them are practising accountants and auditors.	
<b>2.6.</b>	<b>Continuous Professional Development Follow Up</b>		
2.6.1.	<i>Plans to Develop CPD</i> Are there plans to introduce continuous professional development requirements?	1☉ Yes 2○ No	
2.6.2.	<i>Describe Plans for CPD</i>		

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	Please describe the proposed continuous professional development requirement including how the requirement will be undertaken and when your organization intends to implement the requirement.	We anticipate that the General Assembly will determine new and quantifiable criteria for CPD bearing in mind different profiles of its members. The implementation and enforcement stage will take place only after GA.	
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.	We translate and disseminate publications of the Accounting Education Standards Board among our ordinary members and audit firms. Moreover, educational standards have been sent to the Accounting Departments of the universities and high schools in Poland. Research Council being an organ of our organisation consists of accountancy professors who received Educational Standards and were encouraged to promote implementing them in their universities.	
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	<input type="checkbox"/> Yes for audits of listed entities	Distinguished individuals from AAP are also involved



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	<p>private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>2 <input 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>in the standard setting role of the NCSA. For instance our vicechairman of the Research Committee is chairing works of the auditing standard setting function of NCSA.</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</p>	<p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of</p>	

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	entities?	<p>standards</p> <p>2○ 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 auditing standards for listed and non-listed entities?</p>	<p>1○ Our organization</p> <p>2⊙ Another IFAC member body</p> <p>3○ Joint process between our organization and another IFAC member body or other organization</p> <p>4○ Another organization</p>	The basic act on auditing is approved by the Polish Parliament with Ministry of Finance having the key role.
3.2.7.	<p><i>Responsibility - Other SMO 3</i></p> <p>State the organization's name that is responsible for establishing auditing standards for audits of listed and non-listed entities.</p>	National Chamber of Statutory Auditors insofar the powers have been delegated to this organization based on "Act on Accounting" (Parliamentary act).	
3.11.	<p><i>Activities to Promote IAASB Pronouncements</i></p> <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.</p>	Our organisation arranges conferences and lectures for our members on the subject regarding ISAs. Some IAASB exposure drafts have been translated and	

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		commented (the last one was Clarity project). Press releases regarding IAASB initiatives and activity are also translated and included in our monthly bulletin.	
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 checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
4.1.9.	<p><i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to</p>	<p>1 <input type="radio"/> Our organization adopted the IFAC Code as issued without</p>	

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	<p>incorporate the IFAC Code?</p> <p>For the purposes of the Part 2 SMO 4 module, modifications include: Deletion/omission of concepts, principles, or guidance that are established in the IFAC Code; Inclusion of concepts, principles, or guidance that are not in the IFAC Code; Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p>	<p>modifications</p> <p>2○ Our organization adopted the IFAC Code but with modifications</p> <p>3⊙ Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>4○ Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p>	
4.1.10.	<p><i>IFAC MB and Code - Eliminate Differences</i></p> <p>Describe the process used to adopt the IFAC</p>	Our organisation develops our own	

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	Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.	Code of Ethics, however, it is not materially different from the IFAC Code. It is based on the same principles but has a different wording. Some provisions of this Code are being developed in order to take into account specific local circumstances. Part C of the IFAC Code has been incorporated into our Code without modifications.	
4.2.	<b>MB and Version of IFAC Code</b>		
4.2.1.	<i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?	<p>1○ The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2○ A version issued prior to 2004</p> <p>3⊙ The revised IFAC Code issued and in effect June 30, 2006</p>	
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?	<p>1⊙ Yes</p> <p>2○ No</p>	
4.4.	<b>Gov / Reg Bodies and Ethical</b>		

Number	Question Title/Text/Help text	Answer	Comments
<b>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.	<p>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</p> <p>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</p> <p>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 other than listed entities</p> <p>4 <input checked="" 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>	Code of Ethics developed by our organisation includes proposal so that the ethical requirements included therein were applicable to professional accountants providing services to the public.

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		<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>Polish Law on auditors and their self-regulation provides for general ethical requirements binding all auditors.</p> <p>Code of Ethics for auditors developed by the National Chamber of Statutory Auditors contains detailed requirements and provisions to be followed. In matters not regulated by the local Code the auditors are encouraged to refer to the IFAC Code.</p>	
4.4.5.	<p><i>Describe Law / Reg - Other Services</i></p> <p>Regarding your response to question 4.4.1 and professional accountants who provide services to the public (other than as auditors or listed or other entities) please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out</p>	<p>All accountants in public practise are obliged to act in line with the civil and criminal Codes. They are also obliged to follow Tax Code providing for tax responsibilities and penalties levied in case of not fulfilling those tax responsibilities or breaking tax rules specified</p>	

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	the scope of professional accountants that it applies to.	therein.	
4.4.7.	<p><i>Gov/Reg and Convergence</i></p> <p>Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p>	<p>Our organisation has made translation of IFAC Code and made it available to the National Chamber of Statutory Auditors that recommended using the IFAC Code by auditors in matters not regulated by the local provisions. Translated IFAC Code of Ethics was also distributed by our organisation among the auditing firms - members of the National Council of Audit Firms.</p>	
4.5.	<p><i>Comparison of Requirements SMO 4</i></p> <p>Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the</p>	<p>1 ☉ Yes, our organization has this information and it will be submitted</p>	<p>AAP will submit this information by the end of April 2007.</p>



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	<p>national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>2○ This information will be submitted by another IFAC member body</p> <p>3○ No, the information is not available</p>	
4.11.	<p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>	<p>1□ No, as English is an official language or widely spoken language</p> <p>2☑ Yes, our organization has translated the IFAC Code</p> <p>3□ Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4□ No, the IFAC Code has not been translated and English is</p>	<p>Our organisation was the first organisation in Poland that has made translation of IFAC Code of Ethics.</p>

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		not an official language or widely spoken language	
4.14.	<b>IFAC Code Translated SMO 4</b>		
4.14.1.	<i>IFAC Translation Policy SMO 4</i> Was the IFAC Translation Policy followed?	<input checked="" type="radio"/> Yes <input type="radio"/> No <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.	<input checked="" type="radio"/> Our organization is the principal translator <input type="radio"/> The government or another organization is the principal translator <input type="radio"/> Our organization and the government or another organization are the principal translators <input type="radio"/> 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?	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> It was translated by a	

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		government or regulatory body and the information is not available	
4.14.4.	<i>Faithful Translation SMO 4</i> What processes are in place to ensure a faithful translation of the IFAC Code? If it was translated by a government or regulatory body and the information is not available, please state this in the response.	As the first step key terms were translated and provided to the principal translator (being the internal staff of our organisation) who used them consistently throughout the whole translation process. The accuracy and consistency of the translation was thereafter verified and confirmed by the independent experts from outside our organisation. Translation of IFAC Code was as in the case of IAASB pronouncements carried out in accordance with the due process.	
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.	Our organisation performs translations of the IESBA pronouncements, publishes them and makes them available in our monthly bulletin, on our web page or distributes them directly to our members and other interested external parties. The person from our organisation	

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		coordinating preparation of the Code of Ethics for the Polish accountants was attending the Ethics Forum organised by IFAC in Brussels in order to better understand the newest and most important trends in ethical requirements for accountants. The main conclusions from the Forum were also presented to our members in a direct report.	
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?	<p>1 <input type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> <p>3 <input checked="" type="radio"/> Information is not available or not known</p>	
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	Our organisation considers translating IPSAS.	

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	they are not within the scope of your organization's objectives or work program.		
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 Discipline</b>		
6.3.1.	<i>Body Responsible for Investigation and Discipline</i> Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes, our organization has this responsibility  2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body  3 <input type="radio"/> Our organization shares	Our organisation has the disciplinary court that is responsible for pronouncing judgements in cases of breaching the provisions of the statutes, rules of ethics and professional dignity by our members.

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		responsibility for investigation and discipline with an external body 4 <input type="radio"/> Other	
6.5.	<b>SMO 6 - Detailed Assessment</b>		
6.5.1.	<b>Rules and Procedures for Investigation and Discipline</b>		
6.5.1.1.	<i>Rules and Procedures</i> Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
6.5.1.3.	<i>Misconduct</i> In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Criminal activity  2 <input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute 3 <input checked="" type="checkbox"/> Breaches of professional standards 4 <input checked="" type="checkbox"/> Breaches of ethical requirements 5 <input checked="" type="checkbox"/> Gross professional negligence 6 <input type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to	

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		<p>exercise practicing rights</p> <p>7 <input 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 type="checkbox"/> Loss or restriction of practice rights</p> <p>3 <input type="checkbox"/> Fine/payment of costs</p> <p>4 <input type="checkbox"/> Loss of professional title (designation)</p> <p>5 <input checked="" type="checkbox"/> Exclusion from membership</p> <p>6 <input checked="" type="checkbox"/> Other (please describe)</p>	Suspension in the membership rights (from 1 to 3 years).
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> <p>- All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and</p> <p>- Consequences of non-compliance?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
6.5.3.2.	<i>Information and Guidance Description</i>		

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	Provide a brief description of how your organization meets this requirement of SMO 6.	Each member of our organisation is aware of the ethical requirements that he/she is obliged to follow. We make each member aware of that since for breaching ethical rules he/she will be subject to disciplinary proceedings and in consequence may be suspended in the rights of member and finally expelled from the organisation. Our organisation for many years has been dealing with translation of IFAC publications on ethics incl. IFAC Code of Ethics and press releases which were published in professional bulletin addressed to members.	
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 checked="" type="radio"/> Yes  2 <input type="radio"/> No	
6.5.5.	<i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and	1 <input type="checkbox"/> Information-based	



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	discipline proceedings? Select all the answer options that are appropriate.	2 <input checked="" type="checkbox"/> Complaints-based 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
6.5.6.	<b>Investigative Powers and Processes</b>		
6.5.6.1.	<i>Powers</i> Does your organization have all required powers so that authorized personnel can carry out an effective investigation?	1 <input checked="" type="radio"/> Yes    2 <input type="radio"/> No	
6.5.6.3.	<i>Cooperation of Members</i> Do the powers to carry out an effective investigation include: Select all the answer options that are appropriate.	1 <input 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	
6.5.6.4.	<i>Member and Member Firm Cooperation Follow Up</i> Please explain why there is no requirement for individual members (or member firms) to co-operate.	Even though there is no explicit requirement of cooperation it is inevitable if individual member/member firm intends to	

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		discharge the duty of a member and explain if the complaint is justified. Cooperation is in the interest of each member.	
6.5.6.6.	<p><i>Expertise and Resource</i></p> <p>Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?</p>	<p>1☉ Yes (please describe)</p> <p>2○ No</p>	Members of the relevant investigative and disciplinary bodies are chosen at the National Assembly of Delegates. Disciplinary and investigative courts are statutory bodies and as such are to be obligatory financed from the financial sources of our organisation.
6.5.6.8.	<p><i>Independence and Subject of Investigation</i></p> <p>Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p><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</p>	<p>1☉ Yes</p> <p>2○ No</p>	

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

Number	Question Title/Text/Help text	Answer	Comments
		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)?	Members of the tribunal responsible for the disciplinary hearing are elected from among the members of our organisation during the National Assembly of Delegates held every 4 years. Tribunal is the statutory organ of our organisation and consists only of the members. The concept of the outside representation will be considered at the nearest Assembly of Delegates in 2007.	
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	
		2⊙ No	
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.	Disciplinary tribunal is created by the National Assembly of Delegates and no other organ or person can interfere into its activities. It exercises full independence from the outside influence.	

Number	Question Title/Text/Help text	Answer	Comments
6.5.7.6.	<p><i>Appeals Process</i></p> <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</p>	

Number	Question Title/Text/Help text	Answer	Comments
		hearings before the disciplinary tribunal 6 <input type="checkbox"/> None of the above	
6.5.8.	<b>Administrative Processes</b>		
6.5.8.1.	<p><i>Elements of Administrative Processes</i></p> <p>As a part of Investigation and Discipline administrative processes does your organization:</p> <p>Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Establish time limits for disposal (completion) of all cases</p> <p>2 <input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p> <p>3 <input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>4<input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence</p> <p>5<input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings</p> <p>6<input type="checkbox"/> None of the above</p>	
6.5.8.2.	<p><i>Elements of Administrative Processes Follow Up</i></p> <p>Please explain why your organization has not established the administrative processes that were not selected.</p>	Rules regarding the time limits were not included. Reason is not known.	
6.5.8.3.	<b>Case Numbers</b>		
6.5.8.3.1.	<p><i>2005 Heard Case Numbers</i></p> <p>Indicate the number of cases heard in 2005.</p>	0	Regional branches: 0
6.5.8.3.2.	<p><i>2004 Heard Case Numbers</i></p> <p>Indicate the number of cases heard in 2004.</p>	0	
6.5.8.3.3.	<p><i>2003 Heard Case Numbers</i></p> <p>Indicate the number of cases heard in 2003.</p>	0	
6.5.8.3.4.	<p><i>2005 Completed Case Numbers</i></p> <p>Indicate the number of cases completed in 2005.</p>	0	
6.5.8.3.5.	<p><i>2004 Completed Case Numbers</i></p> <p>Indicate the number of cases completed in</p>	0	

Number	Question Title/Text/Help text	Answer	Comments
	2004.		
6.5.8.3.6.	<i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.	0	
6.5.8.3.7.	<i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.	3	
7.	<b>SMO 7</b>		
7.1.	<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.  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	1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities	



Number	Question Title/Text/Help text	Answer	Comments
	<p>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>2 <input checked="" type="checkbox"/> Yes, for financial statements 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>		
7.8.1.	<p><i>Law/Reg Accounting Standards - Private Sector</i></p> <p>Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input type="radio"/> The accounting standards for listed entities and non-listed entities are the same set of standards</p>	<p>The consolidated financial statements of listed entities and banks (regardless of whether they are listed or not) have to be prepared according to IFRS/IAS.</p> <p>Single financial statements of listed entities can be prepared in line with the accounting policy as chosen by the entity which prepares the financial statements according to IFRS/IAS or national</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>2⊙ The accounting standards for listed entities and non-listed entities are not the same set of standards</p>	<p>accounting standards. For non-listed entities the single financial statements can be prepared according to IAS/IFRS only if the financial statements of the parent entity are prepared in accordance with IAS/IFRS. There is also an option to choose IAS/IFRS for consolidated accounts for entities in the process of intending to file for admission to trade on regulated markets.</p>
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○ The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2○ For listed entities, the law/regulation contains the full text of each IFRS</p>	<p>As per EU Regulation 1606/2002 and complemented by amended Polish Accounting Act.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>3○ For listed entities, the law/regulation contains the main principles of the IFRSs</p> <p>4⊙ For listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5○ For listed entities, the law / regulation requires the use of national standards with no reference to IFRSs</p>	
7.8.4.	<p><i>Accounting Standards for Non-Listed</i></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 non-listed entities? Select the answer option that is most appropriate.</p>	<p>1○ The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2○ For non-listed entities, the law/regulation contains the full text of each IFRS</p> <p>3○ For non-listed entities, the law/regulation contains the main principles of the IFRSs</p>	<p>See note 7.8.1. Additionally, for matters not regulated by the Polish Accounting Act, while adopting their accounting principles, entities may apply domestic accounting standards issued by the Accounting Standards Committee. If there is no applicable domestic standard, entities can apply IAS/IFRS.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>4 <input type="radio"/> For non-listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5 <input checked="" type="radio"/> For non-listed entities, the law / regulation requires the use of national standards with no reference to IFRSs</p>	
7.8.7.	<p><i>National Accounting Standards - Non-Listed</i></p> <p>Provide the name of the national accounting standards for non-listed entities and other authoritative pronouncements established by law/regulation.</p>	Polish Accounting Act with relevant regulations and domestic standards (www.mf.gov.pl)	
7.8.8.	<p><i>MB Responsibilities National Standards SMO 7</i></p> <p>Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Develop or assist in developing the proposed standards as law / regulation</p> <p>2 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>3 <input type="checkbox"/> Promulgate the accounting standards (e.g. by publishing</p>	<p>Our organisation is a dialogue partner for the Ministry of Finance in charge of proposing law and regulations amendments.</p> <p>Additionally, we are entitled to propose five members to the national Accounting Standards Committee.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>or communicating the standards to the public)</p> <p>4 <input checked="" type="checkbox"/> Other (please describe)</p> <p>5 <input type="checkbox"/> None of the above</p>	
7.8.9.	<p><i>MB Responsibilities and IASB SMO 7</i></p> <p>Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public)</p>	<p>Our organisation was an initiator of the translation of IAS/IFRS into Polish. We were the main translator of IAS/IFRS into Polish and we acted based on the Licence Agreement with IASC/IASB. We were distributing the Bound Volume of IAS/IFRS in the environment of accountants and auditors in Poland. Regulators were informed at the very beginning of the importance of the standards and were invited to the Review Committee being the decisive body in the process of translation of the standards.</p>

Number	Question Title/Text/Help text	Answer	Comments
		3 <input checked="" type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
7.8.11.	<i>Describe Activities and Law/Reg SMO 7</i> Describe your organization's activities for promulgating and / or implementing the standards.	Our organisation was translating and disseminating IAS in the environment of accountants and auditors in Poland. Many years before the formal recognition of IAS as the obligatory set of standards in Europe our organisation made the IAS known to many parties: regulators, representatives of the academia, auditors, accountants and auditing firms. It has been done by means of conferences dedicated to the IAS implementation (IASB Roadshows included), formal publications in the press, and inviting representatives of the most important constituencies to the Review Committee taking part in the official translation of IAS. In 2004 r. our organisation, based on the agreement with the Polish governmental Office of the Committee for European Integration and IASB made the Polish IAS/IFRS translation available to the European	

Number	Question Title/Text/Help text	Answer	Comments
		Commission to be included in the Official Journal. Our organisation has also introduced special educational program called Polish Language Diploma in IFRS Diploma which is based on ACCA Diploma in IFRS.	
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.	Our organisation organised IASB Roadshows in 2002 and 2005. We are planning to organise next Roadshow in 2006.  Our organisation has invited representatives of the governmental institutions and agencies to the Review Committee taking final decisions on the translation matters connected with the Polish translation of IFRSs.	
7.9.	<b>Law/Reg and IASB Pronouncements</b>		
7.9.1.	<i>Incorporation into Law/Reg SMO 7</i> Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:	1 ☉ Yes	The latest Polish authorised translation of Bound Volume IAS/IFRS is as of 31 March 2004.

Number	Question Title/Text/Help text	Answer	Comments
	<p>IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	<p>20 No</p>	<p>As in any other EU member state endorsed IAS/IFRS are applicable (Regulation 1606/2002).</p>
7.9.2.	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the <a href="SMO 7 Comparison with IASB Pronouncements.doc">SMO 7: Comparison with IASB Pronouncements</a> report and submit it in Word format to Compliance Staff.</p>	<p>10 Yes, information is available and in English and will be submitted to Compliance Staff</p>	<p>For broad comparison please refer to the Reports on the Observance of Standards and Codes - Accounting and Auditing prepared by the World Bank.</p>



Number	Question Title/Text/Help text	Answer	Comments
	Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.	<p>2○ No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff</p> <p>3○ No, information is not available</p>	
7.10.	<b>Translation SMO 7</b>		
7.10.1.	<i>Translation of IFRSs</i> Are the IFRSs and other IASB pronouncements translated into national language?	1○ No, as English is an official language or widely spoken language	<p>Due process: Translation process has been conducted fully in line with the provisions of the Licence Agreement and IASCF translation policy. Translation of the 2004 Bound Volume: Translators: 7 (3 teams) Review Committee: 20 persons involved (2-Ministry of Finance, 5 - National Standards Setter, 3 – AAP, 7 - Practitioners, 1 –</p>

Number	Question Title/Text/Help text	Answer	Comments
			<p>National Bank of Poland, 1 – Security and Exchange Commission, 1- Insurance Supervisor). Out of 20 – 7 are current or past academic lecturers.</p> <p>Cross-readers: external (4), internal (3) Managerial aspects: securing and overseeing due process (2), contract service (1)</p> <p>Alltogether: 36 people involved (5 AAP in-house employees).</p> <p>TRADOS software used for the first time!</p> <p>Successes: Early 90-ies – unofficial translations of individual standards published in the periodic Bulletin addressed to the members of the NBCCA 1994 - first unofficial translation of the Bound Volume</p>

Number	Question Title/Text/Help text	Answer	Comments
			<p>1999 - first official translation of the BV.  2001 - next official translation of the BV.  2004 - last official translation of the BV.  The translation was well received by the accounting community in Poland and the sales level was high. AAP's translation constituted a basis for the EU Translation of Regulations 1725/2004, 707/2004, 2086/2004, 2237/2004, 2238/2004.  Successful new terminology building.</p> <p>Challenges:  2006 - 2006 BV to be issued</p>
7.10.4.	<i>Translation coordinator SMO 7</i> Who is the translation coordinator? Select the answer option that is most appropriate.	<p>2 <input checked="" type="radio"/> Yes, the IFRSs are translated  3 <input type="radio"/> No and English is not an official language or is not widely spoken</p>	<p>Our organisation was an initiator of IAS translation into Polish. The first translations date back to</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>2○ The government or another organization is the translation coordinator</p> <p>3○ Our organization and the government or another organization are the translation coordinators</p>	1996. We were translating and publishing so called 'official versions' of IAS translated in accordance with a due process approved by IASC/IASB.
7.10.5.	<i>Key Terms SMO 7</i> Does the translation process include a list of key terms?	<p>1⊙ Yes</p> <p>2○ No</p>	
7.10.6.	<i>Faithful Translation SMO 7</i> What processes are in place to ensure a faithful translation of the IFRSs?	Faithful translations of IAS/IFRS are guaranteed by the due process that consists of the following elements: a) preparing the list of key terms in English and translating them into Polish b) creating the Review Committee (consisted of the regulators, representatives of audit firms, users, members of the academia) that at the first stage is responsible for accepting the translation of the key terms, c)	

Number	Question Title/Text/Help text	Answer	Comments
		<p>providing translators with a list of key terms to use them consistently through the translation. Translators are using the electronic program providing for the consistency of the translation, d) once the translations are ready they are subject to cross-reading by the external experts e) remarks and corrections of the cross-readers are accepted or rejected by the in-house reviewers in line with the principles of consistency and accuracy, e) disputable and difficult issues are currently resolved by means of consultations with the Review Committee, f) final translation is sent to the publishing house whereby it is read by proof-readers, g) draft of the the book is sent back to our organization and is read and checked once more. This enables us to introduce final corrections and changes before the final printing.</p>	
7.11.	<p><i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and</p>	<p>Our organisation organised several meetings: in 1999 we hosted the</p>	

Number	Question Title/Text/Help text	Answer	Comments
	assist in the implementation of IFRSs and other IASB pronouncements and activities.	IASC Board, in 2002 and in 2005 we organised the IASB Roadshows which were dedicated to issues regarding IFRS In the next years we plan to issue IFRS Bound Volumes in cooperation with IASB.	
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"/> Yes, the Certification of Chief Executive has been submitted  2 <input type="checkbox"/>	