

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaires. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire for background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member/Associate:	The Union of Accountants of the Czech Republic (UACR)
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GLOSSARY

ACCA	Association of Chartered Certified Accountants
CACR	Chamber of Auditors of the Czech Republic
CCA UACR	Chamber of Certified Accountants the Union of Accountants of the Czech Republic
CPD	Continuing Professional Development
ExB UACR	Executive Board of the Union of Accountants of the Czech Republic
I&D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
QA	Quality Assurance
SMO	Statement of Membership Obligations
UACR	Union of Accountants of the Czech Republic

General Background:

The Union of Accountants of the Czech Republic (UACR) is a voluntary and independent special-purpose national organization established in accordance with the Civic Association Act no. 83/1990 Coll., as amended, which has been associating under its present name accountants, auditors, tax advisors, and other interested professionals who agree with its programme defined in the statutes of the Union and in other documents.

The work of the Union links to the activity of the former Czech Union of Accountants and Statisticians founded in 1969 in Plzeň. Members of the Union of Accountants associate themselves in territorially distributed branch organisations or in the Chamber of Certified Accountants (CCA of UACR) established in April 1999 (www.komora-ucetnich.cz). Out of approximately 7,000 members, about 1,000 belong to CCA of UACR.

The main objective of the UACR today is to contribute to the advancement and improvement of the profession of accountants in this country and to achieving standards comparable to the European Union countries. Of special importance is its methodological activity directed to the resolution of any emerging specific partial practical issues as well as the systematic efforts exerted in the accounting field and associated legislation and accounting methodology.

UACR is a member of IFAC since 1998 as well as Bonn-based European Management Accountants Association (EMAA) with members in Germany, Switzerland and Austria.

Action Plan Subject: SMO 1 and Quality Assurance (QA)

Action Plan Objective: Use Best Endeavors to Promote the Need for High Quality Audit of Financial Statements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>Audits of financial statements in the Czech Republic can only be carried out by statutory auditors, members of the Chamber of Auditors of the Czech Republic (CACR), IFAC member. The CACR has sole responsibility for Quality Assurance Review Program of its members. The Act on Auditors delegates exclusive competence for auditing financial statements to the Chamber of Auditors of the Czech Republic. According to the CACR's provided information, the QA review program has been updated to be compliant with the clarified ISAs. Updated review program has been implemented starting July 2011. For the detailed information regarding the QA system in the Czech Republic, revert to the CACR's Action Plan.</p> <p>Union of Accountants of the Czech Republic (UACR) addresses SMO 1 requirements by raising awareness of their members of the SMO 1 requirements and promoting it to relevant stakeholders in the Czech Republic.</p>					
<i>Using Best Endeavors to Promote SMO 1 to the CACR</i>					
1.	Ongoing	UACR uses its best endeavors to promote requirements set out in the SMO 1 to the relevant of stakeholders of the Czech Republic.	Ongoing	Chamber of Auditors of the Czech Republic	UACR Executive Board
<i>Maintaining Ongoing Processes</i>					
2.	Ongoing	Accountants comply with the requirements set out by the Act on Auditors and are trained accordingly.	Ongoing	UACR Executive Board	Prof. Lilia Dvořáková, UACR Vice-President
<i>Review of the UACR's Compliance Information</i>					
3.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	Ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 2 and the International Education Standards (IESs)
Action Plan Objective: Implement Professional Certification and Continuing Professional Development (CPD) of UACR Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The UACR membership is voluntary. The UACR's mission as an organization has mainly been implemented through the system of certification. The system has been designed for the accountancy profession at large, i.e. it offers education in disciplines indispensable for the performance of accounting at the lowest level of skills through to the top accountancy professions. The system was created on the basis of a project of the Union of Accountants, prepared over last years in consultation with leading European experts in accountancy and professional education of accountants (particularly the Association of Chartered Certified Accountants - ACCA) in scope at the Phare Project "Harmonisation of Accounting in the Czech Republic with E.U. Directives". The system consists of three levels of qualification - Accounting Assistant - technician, Balance Accountant - executive accountants and Accounting Expert. The principle objective was create the system comparable with similar systems in Europe in order to guarantee recognition of certificates in other countries in the same way as it is now practised by individual European countries (see Directive on Mutual Recognition of Professional Education of EU and 8th UE Directive). In 1997 a system of voluntary professional examination scheme was introduced by UACR which was based on the ACCA model. In addition to the certification project, the Union has been involved in extensive and systematic educational and advisory activities (through the Union of Accountants' Institute in Prague and the individual branch organisations in the regions).</p> <p>Certified members of the UACR may be organized in UACR's unit called the Chamber of Certified Accountants (CCA). The membership is also voluntary.</p>					
<p><i>Ensuring UACR's Ongoing Convergence with New and Amended International Education Standards</i></p>					
4.	1997	Continue using its best endeavors to address SMO 2 requirements in the professional examination scheme.	Ongoing	UACR Executive Board	Institute of certification of accountants + UACR Executive Board
5.	2012	Monitor proposed changes in the project review of the existing International educational standards and ensure their implementation in the system of certification and training.	Per International Accounting Education Standards Board (IAESB)	UACR Executive Board	Institute of certification of accountants + UACR Executive Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
6.	Ongoing	Continue in the activities of the methodology board for business entities in the following areas: <ul style="list-style-type: none"> accounting, payroll and business law consultancy for professional accountants, monthly publication of best practise in <i>Metodické aktuality SÚ ČR</i> (Methodology Newsletter of UACR). 	ongoing	UACR's methodology	UACR Executive Board + Editorial Board of <i>Metodické aktuality SÚ ČR</i> (Methodology Newsletter of UACR)
7.	Ongoing	Organize courses of Continuing Professional Development for professional accountants. Semiannual meeting of organizational units of the UACR recommends areas to be covered.	Ongoing	UACR Executive Board	UACR Executive Board + UACR organizational units
8.	Since 1994	Keeping up to date <i>Účetní poradce</i> (Accounting Advisor), a methodological software for accountants in commercial sector.	Ongoing	UACR, UACR's accounting methodologist	Editorial Board of <i>Účetní poradce</i> (Accounting Advisor) + UACR Executive Board
<i>Review of the UACR's Compliance Information</i>					
9.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	Ongoing	UACR Executive Board	UACR Executive Board

Action Plan Subject: SMO 3 and the International Auditing and Assurance Standards
Action Plan Objective: Promote implementation of International Standards on Auditing (ISAs) and other International Auditing and Assurance Standards Board (IAASB) pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
In the Czech Republic the ISAs and other IAASB pronouncements are adopted by the Chamber of Auditors of the Czech Republic (CACR).					
Auditors in the Czech Republic have been obliged to provide assurance and related services in compliance with the relevant IAASB Pronouncements since 2006. Based on the Act on Auditors, all audits must be performed in accordance with international auditing standards adopted by the EU and with auditing standards issued by the CACR. According to the Statute of the Chamber, auditing standards issued by the CACR include, among others, all IAASB pronouncements, unless stated otherwise. Clarified standards become effective, based on the decision of the CACR Assembly, for audits of the financial statements covering periods beginning on 15 December 2009 and later and ending 15 December 2010 and later.					
UACR's responsibility over SMO 3 requirements is limited to raising awareness of its members and relevant stakeholders, where relevant.					
<i>Using Best Endeavors to Encourage CACR to Maintain the Convergence Process</i>					
10.	Ongoing	Monitor continuously IAASB pronouncements and standards and make sure that they are translated appropriately into Czech and that they are made available to the professional community.	ongoing	UACR Executive Board	Presidium of UACR Executive Board
11.	Spring 2008	Continue the process of convergence with Clarified ISAs and their adoption in the UACR/CACR framework.	ongoing	UACR Executive Board, CACR Executive Board	UACR Executive Board, CACR Executive Board
<i>Maintaining Ongoing Processes and Review of the UACR's Compliance Information</i>					
12.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 4 and the International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Increase the Awareness of the IESBA Code of Ethics and Require Compliance with Code of Ethics by CCA Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>IFAC member should notify its members about the IESBA Code of Ethics. There is no legal option in the Czech legislation to require the Code of Ethics adoption by UACR members neither to penalize members for non-compliance, unless the non-compliance would raise a criminal act, in that case the prosecuting authorities would take an appropriate action.</p> <p>The certified accountants and accounting experts need to sign the Code of Ethics when the certificate is awarded to them.</p> <p>CACR has performed a translation of the IESBA's Code of Ethics effective on January 1, 2011 and UACR is planning to obtain IFAC's permission for the reproduction.</p>					
<i>Increase the Awareness of the IESBA Code of Ethics</i>					
13.	May 2012	Ensure the consent of the IFAC with the publication of the Czech translation CACR code of ethics IFAC and its publication on the website of UACR and its organizational units.	May 2012	UACR Executive Board	UACR Executive Board
<i>Require Compliance with Code of Ethics by CCA Members</i>					
14.	Ongoing	Disciplinary Board of CCA reviews the compliance with the Code of Ethics by CCA members.	Ongoing	CCA Executive Board	CCA Disciplinary Board
<i>Review of the UACR's Compliance Information</i>					
15.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 5 and the International Public Sector Accounting Standards (IPSAS)
Action Plan Objective: Support Education Activities in Public Sector Accounting

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
The UACR has no authority to adopt or promulgate IPSAS, as this is the responsibility of the Ministry of Finance, who is the only body in the Czech Republic responsible for developing accounting legislation and possible implementation of IPSAS. A new regulation (No 410/2009 Coll.) concerning the accounting of the state organization units and self-governing territorial units (municipalities, voluntary associations of municipalities, regions) was enacted in 2009.					
<i>Support Education Activities in Public Sector Accounting</i>					
16.	2010	Include the new legislation into the capacity of UACR training courses and seminars.	Ongoing	UACR Executive Board	UACR organizational units
<i>Review of the UACR's Compliance Information</i>					
17.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	Ongoing	UACR Executive Board	Technical staff and members of commissions

Action Plan Subject: SMO 6 and Investigation and Discipline (I&D)
Action Plan Objective: Support Investigation and Disciplinary Process within CCA

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
There is no legal option in the Czech legislation to require the Code of Ethics adoption by UACR members neither to penalize members for non-compliance, unless the non-compliance would raise a criminal act, in that case the prosecuting authorities would take an appropriate action.					
The certified accountants and accounting experts need to sign the Code of Ethics when the certificate is awarded to them.					
<i>Strengthening Investigation and Disciplinary Processes</i>					
18.	Ongoing	Introduce procedure for investigation and disciplining (I&D) its certified members for failure to comply with professional rules and regulations.	Ongoing	CCA Executive Board	CCA Disciplinary Board
19.	Ongoing	Include in the catalogue of possible sanctions an exclusion from membership as the ultimate penalty for non-complying members (in line with SMO 6.7).	December 2012	CCA Executive Board	CCA Disciplinary Board
20.	Ongoing	Establish a process for independent review of complaints for cases where it has been decided after investigation not to refer the matter to disciplinary hearing (in line with requirements of SMO 6.18).	December 2012	CCA Executive Board	CCA Disciplinary Board
21.	Ongoing	Ensure that the members of UACR as well as the public are aware of the existence of Investigation and Discipline mechanisms so that they can address the UACR's Disciplinary Board with their matters.	Ongoing	CCA Executive Board	CCA Disciplinary Board
<i>Review of the UACR's Compliance Information</i>					
22.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary; inform the IFAC Compliance Staff about the updates	Ongoing	UACR Executive Board	UACR Executive Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
		subsequently.			

Action Plan Subject: SMO 7 and the International Financial Reporting Standards (IFRS)
Action Plan Objective: Support the Implementation of IFRSs and Coordinate its High-Quality and Complete Translation

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>The International Financial Reporting Standards as endorsed by the European Union are also adopted in the Czech Republic, with the Ministry of Finance being responsible for their adoption.</p> <p>Publicly listed entities in the Czech Republic are obliged to prepare financial statements and consolidated financial statements in accordance with the IFRS. If a non-listed company is a member of a group (regardless it is a mother or subsidiary company) that reports under IFRS it is also allowed to prepare separate financial statement in accordance with IFRS.</p> <p>The National Accounting Council was founded in January 1999, with the main task in co-ordinating and unifying the relevant action taken in this field by its founders, i.e., the Union of Accountants, the Chamber of Auditors of the Czech Republic, the Chamber of Tax Advisors of the Czech Republic, and the Prague School of Economics.</p> <p>Also, the twice-yearly exhibition called SFAMEX (Software For Accounting And Management And Services For Businesses) is fairly well known. The Union of Accountants also publishes the magazines "Účetnictví" (Accounting) and "Metodické aktuality" (Methodology News) and a number of specialized publications and has co-authored the software "Účetní poradce" (Accounting Advisor).</p>					
<i>Continuing Assisting the Ministry of Finance in the Implementation of IFRS</i>					
23.	Ongoing	Continue and expand educational and training activities related to the effective implementation of IFRS in the Czech Republic and in the EU.	Ongoing	UACR Executive Board	UACR organizational units
<i>Review of the UACR's Compliance Information</i>					
24.	Ongoing	Perform periodic review of UACR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary; inform the IFAC Compliance Staff about the updates subsequently.	Ongoing	UACR Executive Board	Technical staff and members of commissions