

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

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

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

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

### **Use of Information**

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

## **ACTION PLAN**

<b>IFAC Member:</b>	Slovenian Institute of Auditors (SIA)
<b>Original Publish Date:</b>	July 2010
<b>Last Updated:</b>	April 2011
<b>Last Update:</b>	March 2017
<b>Current Update:</b>	March 2019

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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## **GLOSSARY**

<b>Agency</b>	Agency for the Public Oversight of Auditing
<b>Directive</b>	Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC.
<b>IAPN</b>	International Audit Practice Notes
<b>IFRS</b>	International Financial Reporting Standards – make spacing as with what we normally published
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISA</b>	International Standards on Auditing
<b>ISAE</b>	International Standards on Assurance Engagements
<b>ISRE</b>	International Standards on Review Engagements
<b>ISRS</b>	International Standards on related services
<b>ISQC</b>	International Standard on Quality Control
<b>SIA</b>	Slovenian Institute of Auditors
<b>ZRev</b>	First Slovenian Auditing Act, published in the Official Gazette of the Republic of Slovenia No. 32/1993
<b>ZRev-1</b>	Second Slovenian Auditing Act, published in the Official Gazette of the Republic of Slovenia No. 11/2001
<b>ZRev-2</b>	Third Slovenian Auditing Act, published in the Official Gazette of the Republic of Slovenia No. 65/2008

**Action Plan Subject:** SMO 1–Quality Assurance

**Action Plan Objective:** Continue to use best endeavors to ensure high standard of quality control and quality assurance review system that addresses the SMO 1 requirements

**Background:**

The quality assurance (QA) review in Slovenia went a long way of development. For more detailed information about its history and developments, kindly refer to the SIA's update of Part 2, 1.4.4, published on the IFAC's website.

Currently, according to the Auditing Act (ZRev-1), issued in 2001, SIA retained its responsibility to perform quality control procedures of its members. ZRev-1 set up in detail the legal basis for the quality control of audit firms and auditors, prescribing it to be carried out by the experts of SIA. The Director of SIA could also authorize a certified auditor or another qualified person, not being employed at SIA, to carry out particular tasks in the quality control procedure.

In addition, as a member of European Union, Slovenia was to comply with the principles of the EU Directive Chapter VI, covering quality assurance of the auditing profession.

In 2008, Ministry of Finance decided to establish a new legal entity, the Agency, as a public oversight body, which was enacted by the new Auditing Act – Zrev-2 (Auditing Act in English with more details is available on the Institute's web site: [http://www.si-revizija.si/o\\_siru/zakon\\_statut.php](http://www.si-revizija.si/o_siru/zakon_statut.php)). In carrying out the audit public oversight, the Agency is responsible for the oversight of:

1. The adoption of auditing rules (auditing standards, ethical professional standards, auditing quality control standards) and for defining the hierarchy of auditing rules which are not regulations;
2. Training to obtain the professional title of certified auditor;
3. Issuing licenses to provide audit services and carry out the tasks of a certified auditor, and the registration of statutory third-country auditors and audit companies;
4. Continuing education of certified auditors;
5. Ensuring the quality of the audit work of certified auditors and audit firms.

The Agency also makes decisions in supervisory procedures of the quality of work of audit firms and certified auditors and imposes measures of supervision.

According to the expected new audit legislation in European framework (Directive 2014/56/EU and Regulation (EU) No 537/2014) the complete QA process is supposed to be taken over by the Agency. The new Auditing Act is expected to be enforced in the middle of the year 2017.

On the basis of ZRev-2 ISAs and ISQC 1 are mandatory in Slovenia. Clarified ISQC 1 and ISA 220 are adopted in Slovenia.

Audit Council is responsible for QA review system at the institute. It is performed according to the annual supervision plan, confirmed by the Agency. 3 (audits of listed entities) or 6 (audits of non-listed entities) years supervision cycle is followed. QA review system includes also a disciplinary and sanction system.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continuing to Ensure Compliance with SMO 1 Requirements</i>					
1.	Autumn 2008	Implement requirements of the new Auditing Act prepared on the basis of the EU Directive: - Establish the Agency for the Public Oversight of Auditing (hereinafter the Agency) – established in the beginning of 2009, - Enforce the renewed rules based on the Auditing Act in co-operation with the Agency (consensus is required).	Completed in 2010	SIA's Auditing Council Agency	SIA's staff
2.	Ongoing	Prepare the annual plan of supervision of audit companies and certified auditors. (The Agency's consensus is required.)	Completed for 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016	SIA's Auditing Council	SIA's monitoring staff
3.	Ongoing	Perform the quality assurance procedures according to the annual plan.	Ongoing	SIA's Auditing Council	SIA's monitoring staff
4.	2009	Perform of the quality assurance procedures according to the strategic (5 years') plan <sup>3</sup> .	December 2014 – Completed	SIA's Auditing Council	SIA's monitoring staff
5.	September 2008	Translate and publish clarified ISQC 1 and ISA 220.	December 2009 – Completed.	SIA	SIA and Financial Reporting Technical Assistance at the World Bank.
6.	Ongoing	To ensure the quality assurance procedures continue to be in line with the SMO 1.	Ongoing	SIA and the Agency	SIA in cooperation with the Agency

<sup>3</sup> According to the new Auditing Act investigations and penalties in the quality assurance procedures are responsibilities of the Agency.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
7.	Ongoing process	Continue to ensure that SIA's Quality Review is operating effectively and continues to be in line with SMO1 requirements. This includes periodic review of the operation of the quality review system and updating the Action Plan for future activities where necessary.	Ongoing process	SIA's Auditing Council	SIA's staff
8.	From May 2017 on	The complete quality assurance procedures are supposed to be taken over by the Agency.	Ongoing process	Agency	Agency
<i>Review of SIA's Compliance Information</i>					
9.	2014	Perform review of SMO 1 and SIA SMO Action Plan and incorporate any necessary changes. There were no specific gaps between QA review system and SMO 1 (revised 2012).	2016	SIA's Auditing Council	SIA's staff

**Main Requirements of SMO 1**

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	Y			
<b>Quality Control Standards and Other Quality Control Guidance</b>				
2. Firms are required to implement a system of quality control in accordance with the quality control standards.	Y			
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	Y			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			
<b>Review Cycle</b>				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			Cycle-based for selecting audit firms, and risk-based for selecting audit files.
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	Y			
<b>QA Review Team</b>				
7. Independence of the QA Team is assessed and documented.	Y			

Requirements	Y	N	Partially	Comments
8. QA Team possesses appropriate levels of expertise.	Y			
<b>Reporting</b>				
9. Documentation of evidence supporting the quality control review report is required.	Y			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			
<b>Corrective and Disciplinary Actions</b>				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Y			
12. QA review system is linked to the Investigation and Discipline system.	Y			
<b>Consideration of Public Oversight</b>				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	Y			
<b>Regular Review of Implementation and Effectiveness</b>				
14. Regular reviews of implementation and effectiveness of the system are performed.	Y			

<b>Action Plan Subject:</b>	SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
<b>Action Plan Objective:</b>	Ensure that all IES requirements are incorporated into the SIA's professional accountancy education requirements

**Background:**

Statutory auditors as candidates for membership in SIA are required (by ZRev-2):

- To hold university degree,
- To complete five years' practical experience,
- Of which a minimum of three years' experience in auditing in the six years prior to submission of the application for the issue of the license,
- To pass an examination of professional competence to carry out the tasks of a certified auditor (organized by SIA),
- Not to be withdrawn the license in the past,
- Not to be convicted of a commercial or property crime, and
- To possess active knowledge of the Slovenian language.

The requirements for certified appraisers (business, real estate, machines and equipment) for membership in SIA as required by ZRev-2 are the same as for the statutory auditors with the exception that they have to complete five years' practical experience in the field requiring the knowledge necessary to carry out the tasks of the appraiser and to pass an examination of professional competence to carry out the tasks of a certified appraiser (organized by SIA) respectively.

Other professionals (qualified internal auditors, qualified accountants, qualified business finance experts, qualified information systems auditors, qualified tax experts) are required by SIA's regulations to hold professional qualifications obtained from the graduate school (university), to complete appropriate practical experience (two years), to pass an examination of professional competence to carry out the professional tasks, to possess active knowledge of the Slovenian language and to fulfill the requirements laid down by the code of ethics for the profession in question.

For all categories of members (auditors, appraisers, internal auditors, etc.) is required to satisfy CPD requirements as established by SIA (80 CPD hours in 2 years). Compliance with practical experience requirement is monitored according to necessary documentation which must be submitted by candidate.

IESs are not mandatory in Slovenia but are respected by the profession as the internationally accepted standards. At the same time, European and national solutions are mostly in line with IESs.



#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Updating Auditing Education Program</i>					
10.	January 2009	Update the auditing education program in accordance with ZRev-2 (harmonized with the Directive) and International Education Standard (hereinafter IES).	Completed in 2009	SIA in co-operation with the Agency	SIA and the Agency
11.	January 2009	Implementation of the education program for certified auditors.	Ongoing process – education completed for the years 2010, 2011, 2012, 2013, 2014, 2015 and 2016	SIA	SIA
<i>Extending CPD Hours</i>					
12.	January 2009	Initiate discussion about the extension of the mandatory continuing professional development courses from 60 hours over a two year rolling period to 120 hours over a three year rolling period with 60 hours being verifiable and 20 hours minimum during a year.	September 2009 – Completed	SIA in co-operation with the Agency	SIA and the Agency
13.	January 2009	Update of the existing Continuing Professional Development Program to be in line with IES 7.	Completed in February 2010	SIA in co-operation with the Agency	SIA and the Agency
<i>Continuing to Ensure Compliance with SMO 2 Requirements</i>					
14.	Ongoing process	Ensure that new and revised standards on auditing, financial reporting and ethics are incorporated into SIA's training and education requirements. SIA organizes: Conferences and seminars for CPD purposes for all professional titles registered at SIA; and Regular educational programs to be completed as a basis to acquire professional titles.	Ongoing process	SIA	SIA (among 6 persons employed (Director included) 1 is the organizer of the educational programs)

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
		Novelties in the field of ISAs and IFRSs are permanently included in the SIA's educational programs.			
15.	January 2015	Ensure that new and revised IESs are properly applied in the jurisdiction.	January 2017	SIA in co-operation with the Agency	SIA and the Agency
<i>Review of SIA's Compliance Information</i>					
16.	2014	Perform review of SMO 2 and SIA SMO Action Plan and incorporate any necessary changes.	2016	SIA	SIA
17.	2015	Check the compliance of SIA Action Plan with SMO 2 and incorporate changes if necessary.	Ongoing	SIA	SIA's staff

**Action Plan Subject:** SMO 3–International Standards and Other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Continue to Use Best Endeavors to Maintain an Ongoing Process for Convergence with IAASB Pronouncements

**Background:**

ZRev-2 (as well as ZRev and ZRev-1) requires the use of ISAs and simply refers to the ISAs. All ISAs and other IAASB Pronouncements are mandatory in Slovenia (without modifications) on the basis of the Auditing Act. Since no omissions are made to original ISAs, the effective dates of the standards are the same as in the original ISAs.

According to the ZRev-2 SIA adopts other auditing rules and defines the hierarchy of auditing rules that are not otherwise included in regulations. SIA has no role in the adoption of IAASB Pronouncements, but has an important role with the implementation process so that auditors are aware of the standards and using them as intended.

The Companies Act defines the companies to be audited in line with the European Accounting Directive. The audit thresholds are the same as prescribed by the Directive (DIRECTIVE 2013/34/EU).

SIA assists its members in implementing new auditing rules and legislation in force by organizing CPD hours seminars, publishing professional articles in SIA's publication SIR\*IUS, adopting guidance, etc.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Translating ISAs</i>					
18.	September 2008	Although SIA has no legal or any kind of other obligation to translate IAASB pronouncements (according to the Auditing act), it has translated (according to the IFAC Translation Policy) and published clarified ISAs published by IAASB.	March 2010 – Completed	SIA	SIA and Financial Reporting Technical Assistance at the World Bank ISAs are available free of charge on <a href="http://www.si-revizija.si/revizorji/mr-2009.php">http://www.si-revizija.si/revizorji/mr-2009.php</a>

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Translating Other IAASB Pronouncements</i>					
19.	September 2011	SIA has translated (according to the IFAC Translation Policy) and published <sup>4</sup> the following IAASB pronouncements: ISREs, ISAEs, ISRSs and IAPN 1000.	March 2012 – Completed	SIA	SIA and Financial Reporting Technical Assistance at the World Bank
20.	July 2013	SIA translated renewed Preface to the ISAs, ISA 315, ISA 610, ISRE 2400, ISRS 4410 and new ISAE 3410.	2014 – Completed	SIA	SIA and Financial Reporting Technical Assistance at the World Bank
21.	November 2014	SIA completed translation of ISAE 3000 Revised, <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i> and <i>Framework for Assurance Engagements</i> .	April 2016 – Completed	SIA	SIA
22.	October 2015	Translation of revised auditing (reporting) standards (ISA 260, ISA 570, ISA 700, ISA 701, ISA 705, ISA 706).	July 2017	To be defined by the new Auditing Act.	To be defined by the new Auditing Act
<i>Ongoing Processes to Converge with ISAs</i>					
23.	September 2008	Technical courses to educate auditors about new auditing requirements as part of the CPD program.	Ongoing	SIA in co-operation with the Agency	SIA and the Agency
24.	January 2009	Developing a program for responding to IAASB exposure drafts in connection with the proposals that may be difficult to implement in Slovenia.	Ongoing	SIA in co-operation with the European Federation of Accountants, the Agency	SIA and the Agency

<sup>4</sup> IAASB pronouncements are published free of charge on the Institute web site (<http://www.si-revizija.si/revizorji/msr.php>) with the link to the IFAC web site (<http://www.ifac.org/Translations/database.php>).

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of SIA's Compliance Information</i>					
25.	2013	Perform review of revised SMO 3 and SIA SMO Action Plan and incorporate any necessary changes.	2014	SIA	SIA's staff
26.	2015	Check the compliance of SIA Action Plan with SMO 3 and incorporate changes if necessary.	Ongoing	SIA	SIA's staff

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Maintain Appropriate Ethical Requirements in line with IESBA’s Code of Ethics

<b>Background:</b>					
According to ZRev-2 IESBA’s Code of Ethics is mandatory in Slovenia. Besides, many more restrictive ethical requirements are included in ZRev-2 which can be found on the SIA’s web page <a href="http://www.si-revizija.si">www.si-revizija.si</a> .					
SIA assists its members in implementing ethical requirements by issuing recommendations according to I&D findings, organizing CPD seminars, publishing professional articles in SIA’s publication SIR*IUS, etc.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption of the Revised IESBA's Code of Ethics</i>					
27.	December 2008	To update the Code of Ethics for Professional Accountants, effective on June 30, 2006 with the paragraphs 290.14-290.16. The translation was provided by Slovenian Ministry of Finance <sup>5</sup> in co-operation with SIA.	January 2009 Completed	Ministry of Finance in co-operation with SIA	Ministry of Finance and SIA
28.	September 2011	The translation of IESBA Code of Ethics, effective January 1, 2011, is completed. The translated document is available on the web site: ( <a href="http://www.si-revizija.si/revizorji/dokumenti/kodeks_etike_iesba.pdf">http://www.si-revizija.si/revizorji/dokumenti/kodeks_etike_iesba.pdf</a> ). The Code of Ethics of the International Ethics Standards Board for Accountants (IESBA) has been translated in accordance with the IFAC Translation Policy.	March 2012	SIA	SIA and Financial Reporting Technical Assistance at the World Bank
<i>Maintaining Ongoing Processes</i>					
29.	Ongoing process	Provide ongoing courses for ethical awareness for pre-qualification and CPD.	Ongoing	SIA	SIA’s staff
30.	Ongoing	Continue to support ongoing harmonization with the IESBA Code of Ethics.	Ongoing	SIA’s Auditing Council in co-operation with the Agency	SIA and the Agency

<sup>5</sup> Since Slovenia is too small to afford to pay translation for the same document from two different sources, SIA asked the Ministry of Finance for access to the translated document.

#	Start Date	Actions	Completion Date	Responsibility	Resource
31.	Ongoing	Monitor the changes made to the IESBA Code of Ethics to adopt the educational programs properly. Provide responses to Exposure Drafts of IESBA Code of Ethics. This includes updating the Action Plan as necessary.	Ongoing	SIA's Auditing Council	SIA's staff
<i>Review of SIA's Compliance Information</i>					
32.	2013	Perform review of revised SMO 4 and SIA SMO Action Plan and incorporate any necessary changes.	2014	SIA	SIA's staff
33.	2015	Check the compliance of SIA Action Plan with SMO 4 and incorporate changes if necessary.	Ongoing	SIA	SIA's staff

**Action Plan Subject:** SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Promoting the Use of IPSASs

<b>Background:</b>					
SIA has <b>no responsibility</b> with regard to the public sector standards in Slovenia as it lies with the Ministry of Finance. SIA promotes awareness to the regulator. Current public sector accounting is cash-based.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting IPSAS and Raising Awareness of the International Standards</i>					
34.	Ongoing	Notify SIA's members of all IPSASs, guidelines, studies and occasional papers developed by the IPSASB through the SIA's review <i>Revizor (Auditor in English)</i> .	December 2012	No Responsibility	SIA
35.	January 2013	Notify SIA's members of all IPSASs, guidelines, studies and occasional papers developed by the IPSASB through the SIA's on-line review <i>SIR*IUS</i> .	Ongoing	No Responsibility	SIA
36.	Ongoing	Promote incorporation of the requirements of IPSASs into the Slovenian public sector accounting requirements. The incorporation of such requirements is the responsibility of the Ministry of Finance. Such promotion activities consist of proposing IPSASs implementation during changing of legislation which refers to public sector accounting and also during many meetings with Ministry of Finance or Slovenian Court of Audit.	Ongoing	No Responsibility	SIA
37.	Ongoing	Continue to inform the Ministry of Finance about the IPSASB work.	Ongoing	No Responsibility	SIA
<i>Review of SIA's Compliance Information</i>					
38.	2013	Perform review of revised SMO 5 and SIA SMO Action Plan and incorporate any necessary changes.	2014	No Responsibility	SIA
39.	2015	Check the compliance of SIA Action Plan with SMO 5 and incorporate changes if necessary.	Ongoing	No Responsibility	SIA's staff



**Action Plan Subject:** SMO 6–Investigation and Discipline  
**Action Plan Objective:** Continuous Improvement and Development

**Background:**

Following the EU Commission Recommendation of 6 May 2008 on external quality assurance for statutory auditors and audit firms auditing public interest entities the responsibility for the investigation and discipline (hereinafter I&D) procedures in force from 2001 is transferred from SIA to the Agency on the basis of ZRev-2 (described in SMO 1 section background).

Otherwise, I&D procedures remained the same as they used to be in the period 2001 – 2008 since they proved themselves efficient.

Regarding the IFAC's policy recommendation it is worthwhile to stress that in the period 2001 – 2008:

- The public and SIA's members were aware that I&D mechanism existed so that issues they wished to raise could be forwarded to the SIA's Auditing Council;
- I&D process was substantively and fully implemented and operated as intended. The SIA's resources were sufficient to allow for any reported non-compliance to be effectively addressed and sanctions to be issued in accordance with the rules of justice and other applicable laws;
- The appeal process was completely in line with the Slovenian legislation; a prosecutor or a member of the first tribunal was not included in the appeals tribunal.

Both, SIA and Agency, are treated as supervisory body, but SIA mostly perform on-site supervision while Agency mostly drawing a conclusions based on findings. Agency has a responsibility to:

- Confirm SIA's annual supervisory plan,
- Sanction violations of auditing rules.

Sanctions that may be imposed are:

- Order to rectify violations,
- Public Warning,
- Withdrawal of license.

I&D mechanisms is both, investigation and complaints based.

Periodic reviews of the proper implementation of the I&D mechanisms are carried out.

Other SIA members are subject to I&D in case of performing activities on market and when SIA receive any complaints against their work.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ensuring Compliance with the SMO 6 Requirements</i>					
40.	July 2008	To transfer the responsibility for the I&D from SIA to the Agency.	July 2008 Completed	No Responsibility	The Agency
41.	Ongoing	Supply written expert opinions for the Agency in connection with the quality controls performed by SIA.	July 2017	SIA' Auditing Council	SIA's staff
42.	July 2017	The entire Quality Assurance process in the auditing field is to be taken over by the Agency. Inform relevant public about systematic changes in the profession.	Ongoing	No Responsibility	The Agency
<i>Maintaining Ongoing Process</i>					
43.	2013	Perform review of revised SMO 6 and SIA SMO Action Plan and incorporate any necessary changes.	2014	SIA's Auditing Council	SIA's staff
44.	Ongoing	Encourage the Agency through the recommendations of SIA's Auditing Council to follow the revised requirements of SMO 6.	July 2017	SIA	SIA's staff
45.	2015	Check the compliance of SIA Action Plan with SMO 6 and incorporate changes if necessary.	Ongoing	No Responsibility	SIA's staff

**Main Requirements of SMO 6**

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Y			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			
<b>Initiation of Proceedings</b>				
3. Both a “complaints-based” and an “information-based” approach are adopted.	Y			
4. Link with the results of QA reviews has been established.	Y			
<b>Investigative Process</b>				
5. A committee or similar body exists for performing investigations.	Y			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			
<b>Disciplinary Process</b>				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	Y			
8. Members of the committee/entity include professional accountants as well as non-accountants.	Y			

Requirements	Y	N	Partially	Comments
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Y			
<b>Sanctions</b> 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	Y			
<b>Rights of Representation and Appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Y			
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.	Y			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Y			
14. Records of investigations and disciplinary processes are established.	Y			
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Y			

Requirements	Y	N	Partially	Comments
16. A process for the independent review of complaints on which there was no follow-up is established.	Y			
17. The results of the investigative and disciplinary proceedings are made available to the public.	Y			
<b>Liaison with Outside Bodies</b> 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Y			
<b>Regular Review of Implementation and Effectiveness</b> 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Y			

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Continue to Use Best Endeavors to Support Convergence with IASB Standards and Support their Implementation

<b>Background:</b>					
<p>As endorsed by the EU regulation, IFRSs are adopted in Slovenia for consolidated accounts of listed companies, for banks and insurance companies and for all those companies for which their assembly has decided to use IFRSs for a period not shorter than five years. Other companies follow Slovenian Accounting Standards based on IFRSs and developed by SIA. SIA also coordinates the translation of IFRSs into Slovenian language. IFRSs used in Slovenia are IFRSs as adopted by the EU.</p> <p>SIA assist its members to implement the IFRS with organizing CPD seminars, interpreting IFRS provisions, publishing professional articles in its review SIR*IUS, etc.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ongoing Process to Converge with IFRSs</i>					
46.	Ongoing	Coordination of the IFRSs' translation into Slovenian language in co-operation with IASB and European Commission. The translated IFRSs are published in the form of Regulations in the EU Official Journal in Slovenian language.	Ongoing	SIA	SIA
47.	Ongoing	Reviewing and revision of IFRSs to provide input to: <ul style="list-style-type: none"> <li>- the IASB standard-setting process (mostly through SIA's representatives in the Fédération des Experts Comptables Européens – FEE);</li> <li>- the EU enforcement process for the use of IFRSs in the EU.</li> </ul>	Ongoing	SIA	SIA
48.	Ongoing	Current adjustments of the Slovenian Accounting Standards in line with the applicable changes of IFRSs.	Ongoing	SIA in co-operation with the Ministry of Finance and the Ministry of Economics	SIA
49.	Ongoing	Education and training activities to support effective implementation of the standards.	Ongoing	SIA	SIA

#	Start Date	Actions	Completion Date	Responsibility	Resource
50.	Ongoing	Inform the members of SIA about changes in the IFRSs through the SIA's web-side and the SIA's review "Auditor" ("Revizor" in Slovenian language) until December 2012, and in the SIA's review "SIR*IUS" (in Slovenian and English language) from January 2013 on.	Ongoing	SIA's Professional Council	SIA's staff
<i>Maintaining Ongoing Process</i>					
51.	Ongoing	Continue with ongoing harmonization of the Slovenian Accounting Standards with IFRS solutions applicable for small EU countries taking into account the Slovenian economic environment.	Ongoing	SIA's Professional Council	SIA's staff
<i>Review of SIA's Compliance Information</i>					
52.	2013	Perform review of revised SMO 7 and SIA SMO Action Plan and incorporate any necessary changes.	2014	SIA's Professional Council	SIA's staff
53.	2015	Check the compliance of SIA Action Plan with SMO 7 and incorporate changes if necessary.	Ongoing	SIA's Professional Council	SIA's staff

14.03.2017

Marjan ODAR, PhD.

Director

SLOVENIAN INSTITUTE OF AUDITORS

Dunajska cesta 106,

Ljubljana, SLOVENIA

Marjan.odar@si-revizija.si

Dear Ms. Prinsloo,

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

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

On behalf of the leadership of the SLOVENIAN INSTITUTE OF AUDITORS, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,

Marjan ODAR, PhD.

Director



\_\_\_\_\_,

\_\_\_\_\_  
(Title)

SLOVENIAN INSTITUTE OF AUDITORS

\_\_\_\_\_  
(Name of Organization)

Ljubljana, 14.03.2017

\_\_\_\_\_  
(Date)