

## **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>	The Chamber of Financial Auditors of Romania (CFAR)
<b>Approved by Governing Body:</b>	CFAR Council
<b>Original Publish Date:</b>	July 2008
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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>ACCA</b>	Association of Certified Chartered Accountants
<b>CECCAR</b>	the Body of Expert and Licensed Accountants of Romania
<b>CFAR</b>	Chamber of Financial Auditors of Romania
<b>CCRF</b>	Council for Accountancy and Financial Reporting
<b>CPD</b>	Continuous Professional Development
<b>CSIPPC</b>	Council for the Public Interest Oversight of the Accountancy Profession
<b>DACET</b>	Department for Admission, Continuous Education and Trainees
<b>DEPCI</b>	Department for Ethics, Professional Conduct and Investigations
<b>DMCPC</b>	Department for Monitoring, Control and Professional Competence
<b>DMCIR</b>	Department of Marketing, Communication and International Relations
<b>DRIS</b>	Department of Internal Relations and Secretariat
<b>DSM</b>	Department of Services for Members
<b>DACFR</b>	Department for Accounting and Financial Reporting
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>AccEu</b>	Accountancy Europe
<b>EUROSTAT</b>	Statistical Office of the European Communities
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IAS</b>	International Accounting Standards
<b>ICAEW</b>	Institute of Chartered Accountants in England and Wales
<b>ICAS</b>	Institute of Chartered Accountants of Scotland
<b>IESs</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISA</b>	International Standards on Auditing
<b>MoU</b>	Memorandum of Understanding
<b>PIIRO</b>	Public, Internal and International Relations Office
<b>PIOB</b>	Public Interest Oversight Board
<b>QA</b>	Quality Assurance
<b>QC</b>	Quality Control
<b>SIC-IFRIC (IFRIC)</b>	Standing Interpretations Committee (SIC) Interpretations originated from the International Financial Reporting Interpretations Committee
<b>SMO</b>	Statement on Membership Obligation

**Action Plan Subject:** SMO 1–Quality Assurance  
**Action Plan Objective:** Continue the sustained endeavors

**Background:**

The Chamber of Financial Auditors of Romania, under the Public Oversight of the Oversight Board, is the competent authority for performing Quality Assurance (QA) reviews over the services provided by financial auditors. The organization and operation of the quality assurance system of the auditing activity and other activities of auditors, CFAR members were regulated by the CAFR Council Resolution no. 18/10 March 2016 published in the Official Journal of Romania, Part I, no. 538/18 July 2016).

All financial auditors, members of the Chamber, individuals and audit firms, are included in a QA system, organized in accordance with the provisions of GEO no. 75/1999 on the financial audit activity, with the subsequent changes and amendments and of GEO no. 90/2008 on the statutory audit of annual financial statements and annual consolidated financial statements, with the subsequent changes and amendments, as an independent system, being performed by the Department for Monitoring, Control and Professional Competence within the Chamber (DMCPC), under the public oversight of the Oversight Board.

The Department for Monitoring and Professional Competence is organized as an independent system performing the control over the financial audit activity and other related activities, provided by the financial auditors, members of the Chamber, individuals and audit firms.

Thus, the Chamber of Financial Auditors of Romania has the responsibility to implement SMO 1, by means of its Department for Monitoring, Control and Professional Competence.

In 2006-2017, DMCPC deployed its best efforts in the field of regulations, trying to align the national legislation to the international regulations in the audit field.

In the period 2010-2013, the quality control rules of the financial audit and related services have been revised to align with the provisions of SMO 1 and the new provisions of Directive 43/2006 / EC, implemented in the Romanian legislation by GEO no 90/2008 and the European Commission (EC) recommendation on external quality assurance for statutory auditors and audit firms that audit public interest entities from May 6, 2008.

In 2016, the rules on quality review work undertaken by CFAR members were updated to align with the new requirements imposed by EU legislation on auditing and the amendments entered into force on 18 July 2016. Thus, for the public interest entities the QA will be assured by the authority designated by the Romanian state.

All clarified standards have been adopted in Romania and are mandatory for all CAFR members (including ISQC 1 and ISA 220). CFAR QA system is in line with SMO 1 requirements.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Update of Quality Assurance Review System</i>					
1.	1 July 2008	<p>Bring the provisions of the CFAR norms in line with the new provisions of the European Union (EU) Directive 43/2006/EC, implemented in the Romanian legislation (Romanian Government Emergency Ordinance 90/2008 regarding the Statutory Audit of Annual Financial Statements and Consolidated Financial Statements).</p> <p>On March 24, 2009, by Decision 139/24 March 2009 the Norms on quality control of the financial audit activity and related services have been reviewed in view of aligning them to the new provisions of the 2006/43 European Directive, implemented in the Romanian legislation by the GEO no. 90/2008 and of the EC Recommendation on external quality assurance for statutory auditors and audit firms auditing public interest entities of May 2008.</p> <p>On June 23, 2009, Decision no. 143 has been approved, regarding 3 new procedures on quality inspection, for certain specific provisions of the GEO no. 90/2008 and of the Decision 139/2009, as well as Decision no. 146 on the approval of the Inspection Note format, which respects the provisions of GEO no. 90/2008.</p> <p>Decision no. 168/25.08.2010 approved the Norms on the quality review of financial audit activity and other activities conducted by financial auditors.</p> <p>Decision no. 49/12.12.2013 modified the Norms on the quality review of financial audit activity and other activities conducted by financial auditors.</p> <p>Decision no. 18/10.03.2016 approved the new Norms on the quality review of financial audit activity and other activities conducted by financial auditors.</p>	July 2009 Completed	CAFR Council	CFAR Executive Staff
2.	March 2009	<p>Approval of the Norms on quality control of the financial audit activity and related services.</p> <p>The Norms on the quality review of financial audit activity and other activities conducted by financial auditors have been updated, and the new form has been approved by the CFAR Council by Decision no. 18/10.03.2016 and their stipulations entered into force on 18 July 2016.</p>	July 2016 Completed	CFAR Council and Permanent Bureau	Department for Monitoring, Control and Professional Competence, CFAR Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
3.	2012	Open a CFAR representative office in Cluj-Napoca, in charge of the operations in the North-Western part of the country.	February 2014 Completed	CFAR Council	DSM, DEPCI, DACRF, DACET
4.	2014	Opened a CFAR representative office in Timisoara, in charge of operations in the Western part of the country.	June 2015 Completed	CFAR Council	DSM, DEPCI, DACRF, DACET
5.	2 <sup>nd</sup> Quarter	Update the norms on quality review. In 2013 norms on quality review were updated, and approved by Decision no. 49 / 12.12.2013. In the course of 2016, new Norms on quality review of the financial audit activity and related services have been modified and approved by CAFR Council Decision no. 18/10 March 2016, entering into force on July 18, 2016.	July 2016 Completed	DMCCP	DMCPC
6.	4 <sup>th</sup> Quarter	Update of the Norms on quality review of the financial audit activity and related services by establishing detailed procedures for conducting quality inspections - in force since July 2016.	July 2016 Ongoing	CFAR Council	CAFR Executive staff, DMCPC, CSIPPC
7.	December 2013	Updating the criteria for monitoring of financial auditors that have obtained marks with a score lower than 85 points (B, C and D). The update of the monitoring criteria was made permanent with every form of the norms on quality review of the financial audit activity.	1 <sup>st</sup> trimester 2014 Ongoing	CFAR Council	CAFR Executive staff, DMCPC
8.	December 2013	Issuing the Norms on establishing the minimum number of hours for the completion of an engagement based on the agreed upon procedures (ISRS 4400) contracted by participation in tenders relating to ascertaining the use of grant funds by Decision no. 52 / 12.12.2013.	December 2013 Completed	CFAR Council	DMCPC, DEPCI
9.	1 <sup>st</sup> semester 2016	Updating and publishing the IAASB (edition 2015) translated into Romanian and aligning the Quality Assurance and Quality Control Procedures accordingly. CAFR has completed the translation of the 2015 edition of the Handbook issued by IAASB, applicable for audits of financial statements for financial years ending after December 15, 2016. (Decision 115 / 20.12.2016) as well as Decision 114/20.12.2016 for the adoption of the Code of Ethics for professional accountants issued by IESBA. Both have been published and CAFR started their selling and marketing.	December 2016	Executive management, CAFR Council	DMCIR, DMCPC

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	May 2016	CAFR has started a new working committee for aspects regarding the audit activity and the application of the ISA's and during the meetings there have been several discussions on the changes to the ISA's that are communicated to all CAFR members.	January 2016 Ongoing		DMCPC, DMCIR, CFAR Council
<i>Maintaining Ongoing Processes</i>					
11.	Ongoing	Review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	DMCPC, Executive staff
12.	Ongoing	Publish news on updates of the provisions, on the Chamber's website and in the CFAR magazine. The new regulations were published on the CFAR website, in the CFAR magazine and in editions III, IV and V of the Guide on certain regulations of the audit profession.	Ongoing	CFAR Senior Executive Staff	Executive Staff
13.	Ongoing	Maintaining the CFAR membership within Accountancy Europe by actions and developments in the support of the profession.	Ongoing	CFAR Council	Executive staff
14.	Ongoing	DMCPC communicates to CFAR members, by means of its own communication channels (CFAR magazine, website, courses), the changes that occurred on the level of conduct of inspections, as well as on how they will be carried out.	Ongoing	DMPC	DMCPC, CFAR Council
15.	First semester 2013	Updating CAFR Regulations on CSIPPC Public Oversight and assuring information exchange on the functioning of the quality assurance review system.	Ongoing	State authority	CSIPPC, CFAR Council
16.	September 2014	The approval of the Professional Development Strategy by the CFAR Conference, for the 2014-2015 period, to be implemented by the newly elected Council.	Ongoing	CFAR Council	CFAR Council, CFAR Senior Executive Staff
17.	2014	Initiating actions for elaborating a new Action Plan to ensure professional development and establishing short-term priorities.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
18.	2010-2014	Implementing EC/43/2006 Directive requirements on statutory audit and public oversight procedures applied by CSIPPC.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
19.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	Ongoing	CFAR Council	CFAR Council, CFAR Senior Executive Staff
<i>Review of CFAR's Compliance Information</i>					
20.	Ongoing	Perform periodic review of CFAR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated, informing IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CFAR Senior Executive Staff	DMCPC, DMCIR, CFAR Executive Staff
21.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB  
**Action Plan Objective:** Continue to Use Best Endeavors to Ensure that the IES Requirements are Comprised by the CFAR’s Education Requirements

**Background:**

According to Article. 11, par. 3 of the GEO no. 90/2008, the Chamber of Financial Auditors of Romania is the body implementing the professional ethics standards. According to the same article mentioned above, par. 5 states that the Chamber is the competent authority for the educational qualifications, the organization of the Continuous Professional Development and the examination of the professional competence.

The International Education Standards are analyzed by the Department for Admission, Continuous Education and Trainees (DAPET) within the Chamber, by issuing new norms and by updating the legislation involving requirements stipulated by these Standards (Norms on professional development, Norms on the practical training period, legislation regarding the access to the profession, ethical requirements – the Code of Ethics).

Main provisions in the IES were acknowledged and included in the CAFR norms (IES were not formally adopted, by Council decision).

Key provisions of IES 1-8 and how they relate to CFAR’s education:

In terms of IES 1 (entry requirements), it was transposed in the CAFR regulation stating that in order to apply to become financial auditor in Romania, one has to graduate an economic university or a similar level.

In terms of IES 2 (the content of professional education programs), it was implemented by the CAFR Council decision establishing the basic elements of the CPD program.

In terms of IES 3 (professional skills and general education), it was implemented by the exams and professional development organized by CAFR. Thus, we try to make sure that the future financial auditor acquires all the skills needed to qualify him/her as a good professional.

In terms of IES 4 (professional values, ethics and attitudes), it was implemented by the adoption of the IESBA Code of Ethics. Annually, elements from the Code of Ethics are included in the CAFR CPD program.

In terms of IES 5 (practical experience requirements), it was implemented by the CAFR Council decision relating to the practical development of the trainees.

Thus, a trainee has to follow a practical training of 3 years, out of which 2 years have to be under the supervision of a financial auditor performing audit engagements.

In terms of IES 6 (the assessment of professional capabilities and competence), it was implemented by the Chamber’s legislation on the organization of a competence exam at the end of the practical training. After graduating this exam, a trainee obtains the financial auditor quality. This is a very rigorous exam, comprising a written theoretical test, a multiple-choice test and a practical test.

In terms of IES 7 (continuous professional development), it was implemented by the CAFR Council decision on the financial auditors’ CPD program. This



Decision refers to the obligation of the CPD program, its organization and monitoring in terms of satisfying all the requirements, as well as the sanctioning of the members who do not observe its provisions.					
IES 8 refers to the competence requirements for audit professionals and was implemented by CAFR, by aligning to the provisions in all previous IESs, as mentioned above.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Update of Quality Assurance Review System</i>					
22.	February 2011	Reorganizing the CFAR website, which comprises information available both in Romanian and English regarding CFAR departments, activity and procedures.	March 2011 Completed	CFAR Council	DSM, DEPCI, DMCIR, Administrative Department, DACFR, DAPET, DMCPD
23.	Ongoing	Constantly updating the site CAFR on activities and procedures developed for CAFR members.	Ongoing	CFAR Council Executive Staff	DAPET
24.	22 December 2011	<p>Signing an Agreement with ACCA on professional recognition, that has been implemented.</p> <p>As a result of signing this Agreement, 2 Decisions were developed, that received approval of the Council for Public Interest Oversight (CSIPPC).</p> <ul style="list-style-type: none"> <li>– Decision no. 206/2011 on approval of the Procedures for internship registration for persons that have obtained an ACCA graduation diploma that have not conducted statutory audit.</li> <li>– Decision no. 211/2011 on the adoption of the Procedures for internship registration organized by the Chamber of Financial Auditors of Romania of students of the Association of Chartered Certified Accountants that have graduated a part of the exams organized by ACCA, that have not yet become full members.</li> </ul> <p>Addendum no. 2 to the Protocol between CFAR and ACCA on professional training (2014). The Memorandum of Understanding between ACCA and CFAR from 11.04.2008 providing for mutual cooperation in regards to professional training is extended indefinitely.</p>	Ongoing	CFAR Senior Executive Staff	DAPET, DEPCI

#	Start Date	Actions	Completion Date	Responsibility	Resource
25.	March 2014	Translation for internal use of the International Standards for education and consultation thereof by DAPCS to take note of the latest changes in the field, on the professional competence requirements for auditors.	January 2017 (latest version) Ongoing	CFAR Senior Executive Staff	DMCIR, DAPET
26.	May 2014	Amending the Norms on professional training of auditors and trainees in the financial audit activity, as a result of knowledge accumulated during the courses in the past 3 years, within the 2 systems: classic and e-learning.	December 2014 Completed	CFAR Council and Permanent Bureau	DAPET
27.	November 2015	Developing the Professional training program for 2016, in accordance with CFAR Council Decision no. 263/12 December 2011. As of 2012, the professional training courses for auditors and trainees were held directly by CFAR. The professional training courses were conducted in 2 ways: classic system and e-learning system and CFAR members have the right to opt in regards to the practical training system in which they want to take part.	December 2015 Completed	CFAR Council	DAPET
28.	March 2016	Implementation of the e-learning platform on the CFAR web site.	December 2016 Completed	CFAR Council	DAPET
29.	November 2016	Developing the Professional training program for 2017, in accordance with CFAR Council Decision no. 263/12 December 2011. As of 2012, the professional training courses for auditors and trainees were held directly by CFAR.	December 2016 Approved Organization in implementation	CFAR Council	DAPET
30.	December 2016	Evaluation of the professional training program for 2016.	December 2016 Completed	CFAR Council and Standing Bureau	DAPET
31.	Ongoing	Establish the annual CPD curriculum based on the following: <ul style="list-style-type: none"> <li>– Latest legal or professional standards amendments, within the field;</li> <li>– Proposals received from course attendants during the previous CPD program;</li> <li>– Proposals received from the Department for Monitoring, Control and Professional Competence, following the issues noticed during inspections;</li> <li>– Proposals received from Council members;</li> </ul>	Ongoing	CFAR Senior Executive Staff	DAPET

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> <li>- Requirements or fields of activity recommended by international bodies where the Chamber is a member, for inclusion in the professional training program;</li> <li>- Proposals received from national professional bodies with which CFAR concluded Memorandum of Understandings (MoUs).</li> </ul>			
32.	Ongoing	Implementation of the International Education Standards issued by the International Accounting Education Standards Board (IAESB), in the training and Continuous Professional Development programs.	Ongoing	CFAR Senior Executive Staff	DAPET
<i>Improving the Education and Continuous Professional Development (CPD) Activities Undertaken by the CFAR</i>					
33.	Ongoing	Conclude MoUs with various universities regarding the equivalence of the test for access to practical training with master programs agreed upon in the MoU.	Ongoing	CFAR Senior Executive Staff	DAPET, DMCIR, DIRS
34.	Ongoing	Analyzing files submitted by higher education institutions for the equivalence of the master programs with the test for access to practical training.	Ongoing	CFAR Council	DAPET
35.	Ongoing	Analyzing files submitted for the equivalence of the test for access to practical training.	Ongoing	CFAR Senior Executive Staff	DAPET
36.	Ongoing	<p>Continuous reviewing of the requirements for accreditation/equivalence by DAPET in order for these to be in Accordance with the IFAC-issued IES requirements.</p> <p>Memorandum of Understanding for the equivalence of the test for access to practical training (for master graduates): "1 December 1918 University" in Alba-Iulia, "Alexandru Ioan Cuza University" in Iași, "Babes Bolyai University" in Cluj-Napoca, "University of West" in Timisoara, "Ateneum University" in Bucharest, "Dimitrie Cantemir University" in Târgu Mureș, "Vasile Goldis West University" in Arad, "Petru Maior University" in Târgu Mure, "George Bacovia University" in Bacău, "Vasile Alecsandri University" in Bacău, "Stephen the Great University" in Suceava, the University in Craiova, Romanian-American University, "Danubius" University in Galați, "Dimitrie Cantemir" Christian University in Bucharest and "Constantin Brâncoveanu" University from Pitești, "Nicolae Titulescu" University from Bucharest, Hyperion University from Bucharest, University of Petrosani.</p>	Ongoing	DAPET	DAPET

#	Start Date	Actions	Completion Date	Responsibility	Resource
37.	Ongoing	Requesting assistance from external consultants on issues of education on the revision of the CAFR education program.	21 February 2014 Completed	DAPET	DAPET
38.	2014	Opened a CFAR representative office in Cluj, to serve the North-West area of Romania. By engaging a regional representative, we will ensure the involvement in admission, continuous training and trainees for the referenced area.	2014 Completed	CFAR Council	DSM, DEPCI, Administrative Office, DIRS, DACFR, DAPET
39.	December 2014	Implementing an automatic record centralization system for unstructured training for financial auditors	December 2015 In progress	CFAR Senior Executive Staff	DAPET
40.	2015	Opened a CFAR representative office in Timisoara, to serve the West area of Romania. By engaging a regional representative, we will ensure the involvement in admission, continuous training and trainees for the referenced area.	June 2015 Completed	CFAR Council	DSM, DEPCI, Administrative Office, DIRS, DACFR, DAPET
41.	2016	Organizing an outstanding course for the year 2015 for the auditors who could not attend the training program for the year 2015.	2016	CFAR Council	DAPET
<b>Maintaining Ongoing Processes</b>					
42.	Ongoing	CFAR shall continue to make the best endeavors for adopting and implementing the IAESB pronouncements; this includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
43.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
44.	1 January 2016	Initiating actions for elaborating a new Action Plan to ensure professional development and establishing mid and long term priorities.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
45.	2016-2018	Implementing EC/56/2014 Directive requirements on statutory audits of annual financial statements and consolidated financial statements.	In progress 31 December 2018	CFAR Council	CFAR Council, CFAR Senior Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of CFAR's Compliance Information</i>					
46.	Ongoing	Perform periodic review of CFAR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CFAR Senior Executive Staff	DMPC, CFAR Executive Staff
47.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive 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 Ongoing Process to Adopt and Implement IAASB Pronouncements

<b>Background:</b>					
<p>According to the Romanian legislation, more precisely to the Government Emergency Ordinance no. 90/2008, the Public Oversight Board for the Statutory Audit Activity is the main national authority ensuring the harmonization of the statutory audit activity to the decisions taken at the level of the European Commission in the field of the International Standards on Auditing (ISAs).</p> <p>The Chamber of Financial Auditors of Romania is responsible for adopting these standards and related processes (translating in Romanian, selling and disseminating these standards to Romanian financial auditors).</p> <p>CFAR has been translating the ISAs, following the copyright granted by IFAC, since 2006. The latest version of The International Standards on Auditing translated in Romania is the one published by IFAC in 2015.</p> <p>In 2016, CFAR translated and in February 2017 published the 2015 ISAs (IFAC 2015 edition). Amendments made by the 2016-2017 ISAs (ISA 8XX and ISA 250) are to be translated and the changes in the ISAs to be communicated to auditors through annual training courses and on the CFAR website. The changes and amendments made by IFAC were not considered to be quantitatively essential so as to justify being published.</p> <p>DAPET permanently update the training themes and programs according to the provisions of the IAASB (e.g. To the training program for the year 2016 were added themes and issues arising from clarified ISAs; there are annual including in the training programs on the latest topics in the field of international standards). Annual training curriculum includes ethical issues.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to the Program for Adoption and Implementation of IAASB Pronouncements</i>					
48.	Ongoing	Using the translated IAASB provisions: Dissemination of the translated IAASB Provisions among CFAR members, on the CFAR website, in the CFAR specialized magazine and through inspectors in the DMCPD.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR, DMCPD, IT Department
49.	Ongoing	Publishing articles in the CFAR specialty magazine (the head of the DMCPD department frequently publishes in the CFAR magazine, in this regard, a series of articles and case studies, on the new applicable standards and on planning an audit according to the Clarified ISAs).	Ongoing	CFAR Senior Executive Staff	DMCPD, DMCIR

#	Start Date	Actions	Completion Date	Responsibility	Resource
50.	Ongoing	Promoting the translated standards in seminars, conferences and other professional events organized by the Chamber of Financial Auditors of Romania at national level or in international events attended by representatives of the Chamber.	Ongoing	CFAR Senior Executive Staff	DIRS, CFAR Executive Staff
51.	Ongoing	Analyzing, during the quality control reviews, those areas covered by the IAASB Pronouncements where the investigated financial auditors or audit firms encounter difficulties and make suggestions to the DAPET for organizing special additional annual courses for the auditors or audit firms having registered low marks, such as B, C and D, during the quality control reviews, according to Decision 18/10.03.2016.	Ongoing	CFAR Senior Executive Staff	DSM, DAPET, DMCPD
<i>Improvements to the Program for Adoption and Implementation of IAASB Pronouncements</i>					
52.	Ongoing	Review changes in IAASB Pronouncements and update the curricula for professional education and training programs. (International Standards on Auditing, issued by IFAC, are translated by CFAR, under IFAC copyright, since 2006). DAPET permanently updates the professional education and CPD curricula, in line with the IAASB provisions.	Ongoing	CFAR Council	DAPET, DMCIR
53.	May 2016	The 2015 edition of the ISA Handbook is published in Romanian and sold in printed and electronic (stick) version.	March 2013	CFAR Council	CFAR Staff and the selected printing house to print the ISA Handbook DAPET – through courses, DSM, DMCIR– communication channels
54.	Ongoing	Hold Continuous Professional Development courses for the CFAR members, financial auditors and trainers recognized by the Chamber, in the field of clarified ISAs.	Ongoing	CFAR Council	DSM, CFAR Executive Staff, DAPET
55.	January 2017	Approval by the CFAR Council of the initiation of the procedures for obtaining IFAC approval for translating the IAASB, IAESB and IESBA issued publications (ISA 8XX, NOCLAR).	In progress	CFAR Council	DMCIR

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting the International Standards on Audit</i>					
56.	Ongoing	Exchange of experience and information with national, European and non-European professional bodies for supporting the ISAs, the IESBA Code of Ethics and the IAASB Pronouncements. Taking part in internal and international events for continuous professional improvement of professional development processes. Initiating Memorandums of Understanding (MoUs) with other national bodies.	Ongoing	CFAR Council	DMCIR, CFAR Executive Staff
57.	Ongoing	Developing forms of cooperation with higher education institutions and international projects for developing the profession, conducted with the World Bank, ICAEW, ACCA and Common Content Project.	In progress	CFAR Council	DMCIR, CFAR Executive Staff
<i>Maintaining Ongoing Processes</i>					
58.	August 2011	Establish working groups on the audit of non-reimbursable funds- proactive involvement of the Chamber, in relation to the management authorities.	December 2013	CFAR Council	CFAR Executive Staff
59.	30 November 2011	Publishing news on the Chamber's website ( <a href="http://www.cafr.ro">www.cafr.ro</a> ), articles in the two specialized journals issued by CFAR, "Financial Audit" and "Audit Practices" (quarterly journals), in the InfoAudit Newsletter, presentations made by CFAR representatives and speaking out on the EC reform proposals. Supporting the need of adopting the ISAs in the EU.	Ongoing	CFAR Council and CFAR Senior Executive Staff	CFAR Executive staff, DMCRI
60.	June 2014	Initiating awareness and understanding actions for the EC/56/2014 Directive and the EC/357/2014 Regulation, by media actions organized in the main areas of professional development in Romania	Ongoing	CFAR President and Council Members	CFAR Executive Staff
61.	11 December 2014	Initiating actions for elaborating new Action Plans to ensure professional development and establishing short-term priorities.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
62.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	March 2015	CFAR Council	CFAR Council, CFAR Senior Executive Staff



<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
63.	Ongoing	Continue to use best endeavors in adopting and implementing the IAASB pronouncements; this includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	CFAR Senior Executive Staff
64.	Ongoing	Organize technical seminars, at national level, with the support of ACCA and Big Four lecturers, in view of promoting the ISAs.	Ongoing	CFAR Senior Executive Staff	DSM, CFAR Executive Staff
<i>Review of CFAR's Compliance Information</i>					
65.	Ongoing	Perform periodic review of CFAR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff
66.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants

**Action Plan Objective:** Continue to Use Best Endeavors to Maintain Ongoing Process to Adopt and Implement the IESBA Code of Ethics by CFAR

<b>Background:</b>					
<p>In the ethical field of the statutory audit activity, the final responsibility belongs to the Public Interest Oversight Board for the Statutory Audit Activity (CSIPPC). The Chamber of Financial Auditors of Romania is responsible for adopting the IESBA Code of Ethics. Even by the transposition of the EC/43/2006 Directive into the GEO no. 90/2008 it is established that the financial auditors, in order to have a good reputation, need to comply with the requirements of the Code of Ethics issued by IESBA and adopted by the CFAR. The 2015 Edition of the Code of Ethics, issued by IESBA, was translated and adopted by the CFAR in December 2016. Deviations from the Code of Ethics are published on the CFAR website.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ensuring the Convergence with the IESBA Code of Ethics</i>					
67.	Ongoing	Publishing articles in the CFAR magazine, on the principles of the IESBA Code of Ethics. Introduce certain topics in the annual CPD program, regarding the principles comprised in the Code.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
<i>Maintaining Ongoing Processes</i>					
68.	Ongoing	Translate any changes IFAC makes to the Code of Ethics into Romanian.	Ongoing	CFAR Senior Executive Staff	Translations review group, DMCIR, DEPCI
69.	Ongoing	Submit the Romanian version of the Code of Ethics to DAPET for updating the CPD programs and the curriculum for the test for access to training and qualification, as well as to DEPCI for amending the CFAR ethics requirements.	Ongoing	CFAR Senior Executive Staff	DMCIR, DAPET, DEPCI
70.	Ongoing	Continue to use best endeavors in adopting and implementing the requirements of SMO 4; this includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Ensuring compliance to the independence requirements foreseen in the Code of Ethics both by the inspected auditors, as well as by the inspection team. Specific procedures were adopted, comprising in the Independence Statement signed before the quality inspections.			
71.	Ongoing	Organizing technical seminars, on a national level, with the support of ACCA and large-audit-firm lecturers, in view of promoting the principles of the Code of Ethics issued by IFAC.	Ongoing	CFAR Senior Executive Staff	DSM, CFAR Executive Staff
72.	11 December 2014	Initiating actions for elaborating new Action Plans to ensure professional development and establishing short and mid-term priorities.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
73.	2010-2014	Implementing EC/43/2006 Directive requirements on statutory audit and public oversight procedures applied by CSIPPC.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
74.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
<i>Review of CFAR's Compliance Information</i>					
75.	Ongoing	Perform periodic review of CFAR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff
76.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

**Action Plan Subject:** SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Continue to use best endeavors for adopting and implementing IPSAS in Romania

<b>Background:</b>					
<p>In Romania, the institution responsible for the adoption and application of the IPSASs is the Ministry of Public Finances. By Order of the Minister of Public Finances, the legal framework was created so that the Romanian public institutions apply the principles of accrual accounting. Through this regulation, convergence of the national norms to certain IPSASs provisions, related to preparing financial statements and the disclosure of assets and liabilities items in these financial statements--such as: tangible fixed assets, stocks, provisions, expenses and revenues.</p> <p>The implementation of IPSASs in Romania will be conducted gradually as new disclosure and reporting requirements of the financial-accounting information in the financial statements are prepared by public institutions, following the requirements of the Statistical Office of the European Communities (EUROSTAT).</p> <p>The Chamber of Financial Auditors of Romania uses the best endeavors for the promotion and adoption of IPSASs in Romania.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Ongoing Convergence with IPSASs</i>					
77.	Ongoing	Call for articles in the field of IPSAS to be published in the CFAR "Financial Audit" magazine. The CFAR magazines and newsletters include articles related to the IPSASs.	Ongoing	DMCIR	DMCIR
78.	Ongoing	Continue to support implementation of IPSASs through participation at national and international events and promote the importance of the International Public Sector Accounting Standards.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
79.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of IPSASs; This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
80.	Ongoing	Attend the works of the Accountancy and Financial Reporting Council (where CFAR should be represented by its president), our organization supports the adoption of IPSASs at national level.	Ongoing	CFAR Council	CFAR Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
81.	Ongoing	CFAR shall continue to use best endeavors in adopting and implementing the requirements of SMO 5; This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	In progress	CFAR Senior Executive Staff	DMCIR, DSM, CFAR Executive Staff
<i>Review of CFAR's Compliance Information</i>					
82.	Ongoing	Perform periodic review of CFAR's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CFAR Senior Executive Staff	DMCIR, DMCPD

**Action Plan Subject:** SMO 6—Investigation and Discipline  
**Action Plan Objective:** Continue to Use Best Endeavors to Maintain an Investigation and Disciplinary Mechanism that Addresses All SMO 6 Requirements

<b>Background:</b>					
<p>In Romania, the final responsibility for investigations and discipline in the field of statutory audit belongs to the Council for the Public Interest Oversight of the Accountancy Profession (CSIPPC), according to the Emergency Ordinance no. 90/2008, published in the Official Journal of Romania, 30 June 2008 which transposes the provisions of the EC/43/2006 Directive in Romania.</p> <p>After the establishment of the Disciplinary Commission within CSIPPC, the CFAR Investigations and Discipline Department shall maintain a permanent connection with this Commission on cases of investigation and discipline for statutory audit, and other investigations for other types of engagements performed by auditors (such as assurance engagements, the agreed-upon procedures) remaining in the direct competence of CFAR.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Further Development of Investigation &amp; Discipline Process</i>					
83.	2015-2016	In 2014 it was decided to establish at CAFR, an independent Disciplinary Committee in accordance with the new European requirements, respectively EU Regulation 537/2014 (Article 24 para. (4)). As Romania has not yet transposed The Directive 56/2014 the Disciplinary Commission of the CAFR, has not operated yet. The investigation and discipline process has been assured by the Department of ethics and professional conduct investigation and adopted by CAFR.	Ongoing	CFAR Council	DEPCI
84.	2016	DEPCI issued a new set of rules regarding the system of investigation and discipline of the auditors, members of the Chamber of Financial Auditors of Romania - aligned with the new inspection rules, expected to be approved by the CAFR Council.	4 <sup>th</sup> trimester	CFAR Council	DEPCI
85.	Ongoing	Elaboration of a new set of rules on the process of investigation and discipline.	2 <sup>nd</sup> semester 2016	DEPCI CFAR Council	DEPCI

#	Start Date	Actions	Completion Date	Responsibility	Resource
86.	2015	<p>During 2015 were given the following sanctions:</p> <ul style="list-style-type: none"> <li>- <b>Warning sanction in written</b> - for 203 financial auditors, natural persons and 14 audit firms who have not fulfilled their obligations to the Chamber on term – Council Decision no. 01/DIS/2015.</li> <li>- <b>Warning sanction in written</b> - for 53 financial auditors, natural persons and 2 audit firms who have not fulfilled their obligations to the Chamber on term – Council Decision no. 02/DIS/2015.</li> </ul>	2015 Completed	CFAR Council	DEPCI
87.	2016	<p>During 2016 were given the following sanctions:</p> <ul style="list-style-type: none"> <li>- <b>Withdrawal of CFAR membership</b> - to 192 financial auditors, 13 audit firms who have not fulfilled their obligations to the CFAR on term, CFAR Council meeting of 27<sup>th</sup> April 2016.</li> <li>- <b>Withdrawal of CFAR membership</b> - to 50 financial auditors, 1 audit firms who have not fulfilled their obligations to the CFAR on term, CFAR Council meeting of 11<sup>th</sup> July 2016.</li> <li>- 2 sanctions of Suspending the right to carry out the activity for a period of one year- for a professional accountant in Bucharest (for not being able to prove the preparation of the audit file) and for another financial auditor who has fulfilled internal audit work at a public interest entity, overseen by the Financial Supervisory Authority.</li> <li>- <b>1 Withdrawal of CFAR membership</b> for ISA and Ethics violation.</li> <li>- <b>Warning sanction in written</b> for an audit firm for incorrect exercise of the profession.</li> </ul>	2016 Completed	CFAR Council	DEPCI
88.	2016	<p>Ongoing disciplinary investigations:</p> <ol style="list-style-type: none"> <li>1. A complaint concerning a conflict of interest.</li> <li>2. CFAR's ex-officio notice regarding a situation of misconduct in dealing with audit clients.</li> <li>3. CFAR's ex-officio notice regarding the work of a supervising professional.</li> </ol>	In progress	DEPCI	DEPCI

#	Start Date	Actions	Completion Date	Responsibility	Resource
89.	2016 2 <sup>nd</sup> quarter	Translations of the Handbook of the Code of Ethics for Professional Accountants of IESBA, 2015 edition.	4 <sup>th</sup> trimester 2016	CFAR Council	DMCIR, translation and review committees
90.	2016	Adoption, by CFAR Council Decision (No. 114 / 2016) of the Handbook of the Code of Ethics for Professional Accountants, 2015 edition, prepared by the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants.	2016 Completed	CFAR Council	DMCIR, CFAR Council
91.	2017	Aligning the investigation and discipline mechanism to the provisions according to the Handbook of the Code of Ethics for Professional Accountants, 2013 edition.	2017 Ongoing	CFAR Council	DEPCI, DMCPD
92.	2017	In 2017 is to be implemented in Romania the EU Directive 56/2014, and the bill containing the amendment GEO 75/1999, stipulating in the terms of the investigation and discipline the appointment of a Discipline Committee. It will be elaborated a Regulation of organization and functioning of the new Discipline Committee, which might be functional in the second half of 2017.	2 <sup>nd</sup> trimester 2017	CFAR Council	DEPCI, Legal Department
93.	2017	The Regulation of organization and functioning of the new Discipline Committee will be submitted to CSIPPC for consultation and approval.	3 <sup>rd</sup> trimester 2017	CFAR Council	DEPCI, CFAR Senior Executive Staff
94.	2017	Disseminating the tasks of the new investigation and disciplinary structure on CFAR level, to CFAR members, through its presentation in courses, on CFAR website and in the magazines and newsletter.	2017-2018	CFAR	CFAR EXECUTIVE STAFF
<b><i>Review of CFAR's Materials on Investigation and Discipline and Making the Necessary Changes in Order to Ensure Compliance with the New Legal Requirements</i></b>					
95.	Ongoing	Updating CFAR Regulations, subsequent to amendments brought by the EU Directive 56/2014.	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR Executive Staff
96.	Ongoing	Suggesting necessary changes in the existing regulation, according to identifications in the process of its revision. CFAR regulations include effective and proportionate sanctions for statutory auditors and audit firms that do not carry out statutory audits in accordance with the legal provisions in force, issued by the Chamber.	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR executive Staff



#	Start Date	Actions	Completion Date	Responsibility	Resource
97.	Ongoing	Ongoing collaboration with The Public Oversight Body regarding disciplinary sanctions applied by CAFR, considering the ultimate responsibility of CSIPPC in investigations and discipline.	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR Executive Staff
98.	Ongoing	Receiving requests for investigations - mostly technical or ethical.	Ongoing	CFAR Council	DEPCI
99.	Annually	Establish the process by which, every year, until January 31, DEPCI shall present the CFAR Council with an annual report containing a summary of the work done in the investigation and discipline field in the previous year, as well as suggestions for improvement.	Ongoing	CFAR Council	DEPCI
100.	2017	Updating CFAR Regulations, subsequent to amendments brought by the EU 56/2014 Directive.	4 <sup>th</sup> trimester 2017	CFAR Council	DEPCI, CFAR Executive Staff
101.	2017-2018	Round tables with CFAR members, with representatives of the oversight body, as well as with other stakeholders on the new European legislation, its impact and how it is intended to be implemented in Romania (aspects that also aim the scope of investigations and sanctions).	3 <sup>rd</sup> trimester 2017- 4 <sup>th</sup> trimester 2018	CFAR Council	DEPCI, CFAR Executive Staff
<b>Maintaining Ongoing Processes</b>					
102.	Ongoing	Review of investigation and discipline process, to determine whether the process elements can be improved and further developed.	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR Executive Staff
103.	Ongoing	Publication of case studies to encourage students and qualified members to study them, ensuring that the rights of all those involved (e.g. the rights of those involved in civil or related criminal proceedings) are not negatively affected, by the date and content of these reports. When circumstances permit, those responsible for drafting these reports, issue them after consulting those responsible for the investigation and for imposing civil or criminal sanctions.  Each year, the course materials for the related topics for auditors and trainees were designed so that in addition to the theoretical part, case studies are presented.	Ongoing	CFAR Senior Executive Staff	DEPCI, DAPET, CFAR Staff
104.	Ongoing	Publication of additional statistics on investigations and discipline, this being able to strengthen the public trust in the oversight and regulation	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		of the audit profession, or, alternatively, increased attention to areas that need improvement.			
105.	Ongoing	Performing the process of investigation and discipline, to ensure compliance with the standards and ethics requirements. Develop standard templates (DEPCI report and sanctioning decision).	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR Executive Staff
106.	Ongoing	Maintain sustained endeavors to offering assurances regarding the CFAR investigation and discipline mechanism that continues to address all SMO 6 requirements. This includes review of the implementation of the Action Plan in order to update and perfect it for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	DEPCI, CFAR Executive Staff
107.	Ongoing	Publication of articles in the "Audit Practice" magazine, edited by CFAR, that cover some aspects on the subject of disciplinary investigations, disciplinary procedures, cases of disciplinary, civil or criminal liability, by case.	Ongoing	CFAR Senior Executive Staff	DEPCI
108.	2017-2018	Implementing Directive 2014/56 / EU requirements on statutory audit and public oversight procedures applied by CSIPPC.	3 <sup>rd</sup> trimester 2017- 2 <sup>nd</sup> trimester 2018	CFAR Council	CFAR Council, CFAR Senior Executive Staff
109.	2018	Tracking how the investigation and discipline system, implemented in accordance with Directive 2014/56 / EU is functional and identify issues to be improved.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
<i>Review of CFAR's Compliance Information</i>					
110.	Ongoing	CAFR responsiveness to IFAC questionnaires on self-conformity assessment and regular updating of the relevant sections on SMO 6, if necessary. Once updated, will inform IFAC staff in charge of Compliance on updates made in order to ensure that they can republish updated information.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Continue the sustained Endeavors for the Adoption and Implementation of IFRS

<b>Background:</b>					
<p>The institution responsible for the IFRSs application in Romania is the Ministry of Public Finances. According to the Order of the Minister of Public Finances no. 1121/1006 on the application of the International Financial Reporting Standards, in Romania we continue the gradual implementation of the IFRSs.</p> <p>The International Financial Reporting Standards means the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and related Interpretations (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, future related standards and interpretations, so as approved by the European Union, translated and published in Romanian. Companies whose securities at balance sheet date are admitted into trading on a regulated market and who prepare consolidated financial statements are required that from fiscal year 2007, to apply the International Financial Reporting Standards.</p> <p>By actively participating in meetings of the Accounting and Financial Reporting (CCRF) and through its actions, the Chamber of Financial Auditors of Romania makes best efforts to promote the adoption of IFRS in Romania.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Monitoring the Audit Activity Performed by CFAR Members to the Clients that Prepare IFRS Financial Statements</i>					
111.	Ongoing	Performing inspections on the activity of CFAR members that perform audit for main listed companies, with greater frequency than inspections of other audit firms (no more than once every three years). Norms on quality review, stipulate verification every 3 years for auditors of public interest entities, compared to seven years in other cases.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
<i>Promoting Ongoing Convergence with IFRSs</i>					
112.	May 2005  August 2011	Supporting activities related to the implementation of IFRS by public interest entities and by other categories of entities, with the capacity to implement them fully and correctly. (CAFR is a member of CCRF, ever since the establishment of CCRF, by Government Decision No. 401/16.05.2005, published in Official Journal no. 409 / 16.05.2005).  A vice president of the CAFR is part of the Accountancy Collegium, founded in July 2011 by the Minister of Finance, with the role of ensuring the information and consultation framework on the development of the legal framework for private entities accounting.	Ongoing	CFAR Council and Permanent Bureau	CFAR Presidency – taking part in the CCRF meetings, DSM, CFAR Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
113.	Ongoing	Including IFRSs in the curriculum for continuous professional education.	Ongoing	CFAR Council and Permanent Bureau	DAPET
114.	Ongoing	Participation in the technical consultations on the application of IFRSs, including, if any such requests, providing support in translating IFRSs or in the development of professional guidance in this field.	Ongoing	CFAR Senior Executive Staff	CFAR Working Group, DMCIR, CFAR Executive Staff
115.	Ongoing	Articles and news about the implementation and adoption of IFRS in Romania, as well as international trends are published in the CFAR "Financial Audit" magazine and are disseminated among members and trainees.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR
116.	Ongoing	Organizing events and training in IFRS field and continuous updating of education and professional training programs for them to reflect the new changes to IFRSs, made by the IASB.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR, DIRS
117.	September 2012	Nominating a CFAR representative in the Supervisory Board of the European Group Counseling in Financial Reporting (EFRAG - European Financial Reporting Advisory Group).	In progress	CFAR Council and Permanent Bureau	DIRS
<b>Maintaining Ongoing Processes</b>					
118.	Ongoing	Continue the sustained endeavors in offering assurances regarding the CFAR actions continue to address all SMO 7 requirements. This includes review of the implementation of the Action Plan update the Action Plan for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	DSM, CFAR Executive Staff
119.	Ongoing	Organization of technical seminars with the support of ACCA and from large audit firms lecturers, for IFRS coverage.	Ongoing	CFAR Council	CFAR Council, CFAR Senior Executive Staff
120.	December 2014	Initiating actions for elaborating a new Action Plan to ensure professional development and establishing short-term priorities.	Ongoing	CFAR Council	CFAR Council, CFAR Senior Executive Staff
121.	2010-2014	Implementing EC/43/2006 Directive requirements on statutory audit and public oversight procedures applied by CSIPPC.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
122.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	Ongoing	CFAR Council	CFAR Council, CFAR Senior Executive Staff
<i>Review of CFAR's Compliance Information</i>					
123.	Ongoing	CAFR responsiveness to IFAC questionnaires on self-conformity assessment and regular updating of the relevant sections on SMO 7, if necessary. Once updated, will inform IFAC staff in charge of Compliance on updates made in order to ensure that they can republish updated information.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff



CAMERA AUDITORILOR FINANCIARI  
DIN  
ROMANIA

Nr. 4718 / 06.07.2014

**To: Alta Prinsloo, IFAC Executive Director, Quality & Development, and Chief Operating Officer**  
*International Federation of Accountants*  
529 Fifth Avenue  
New York, NY 10017 USA

Associate Professor Gabriel Radu, PhD

President

Chamber of Financial Auditors of Romania

67 – 69 Sirenelor Str., District no. 5, 050855, Bucharest , Romania

international@cafr.ro

Dear Ms. Prinsloo,

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

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

On behalf of the leadership of the Chamber of Financial Auditors of Romania, 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,

Associate Professor **Gabriel Radu, PhD, President**

**Chamber of Financial Auditors of Romania**

Date: