

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 adoption¹ and implementation² 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

IFAC Member:	Instituto de Censores Jurados de Cuentas de España (ICJCE)
Original Publish Date:	July 2009
Last Updated:	October 2018
Next Update:	October 2020

¹ *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.

² *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

CPD	Continuing Professional Development
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standard
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISQC1	International Standard on Quality Control 1
QA	Quality Assurance

General Background

Since the last update of the Action Plan some changes to the regulatory and professional environment have been taken place that affect the whole ICJCE Action Plan. Therefore, we have considered that it could be useful for IFAC and stakeholders wishing to know how ICJCE meets SMO requirements, to have a completely new Action Plan.

The most important changes affecting the ICJCE are:

- The publication of a new Auditing Law (Law 22/2015, of 20 July 2015 of Audit of Accounts) transposing the 2014 EU Directive and the adaptation of the Spanish law to the Regulation.
- The signature with the Consejo General de Colegios de Economistas de España of an agreement to set up the Registro de Expertos Contables (Experts in Accounting) REC
- The withdraw of the proposal of ICJCE Constitution, which was pending of approval by the Government, and the publication of a new proposal, which has been discussed and approved by the ICJCE General Assembly. This means that, currently, the Constitution in force of the ICJCE is the one of 1982 and that the new Constitution will need to be also approved by the Government before entry into force.
- The negotiations between the ICJCE and the other professional body representing the audit profession (REA -REGA) are on hold. REA-REGA have finished their integration and both registries, REGA (grouping those members of the CGCEE holding a University degree in Economics and the audit qualification) and REA (those Graduates in Commerce holding the audit qualification) have merged into REA+REGA Auditores CG. When such integration achieves all its objectives, the ICJCE expects that the negotiation between the ICJCE and the other professional body will restart.
- The entry into force of the NIA- ES (which is the adaptation of 2009 ISAs into the Spanish legal environment). In October 2013, the NIA-ES were published. The effective date was December 2014, so that ISAs were applicable for the first time to periods ended on or after December 31, 2014 and, in any case, to all audits engaged on or after January 1, 2015.
- The publication in December 2016 of the new Auditor's Report Standards effective for audits of annual financial statements starting on or after June 17, 2016.

The publication of the new Auditing Law affects only the auditing activity, reserved to members in public practice of the ICJCE.

Since the REC is an agreement recently started and membership to the REC does not involve membership to ICJCE, together with IFAC Compliance staff we have considered not to include this Registry in the action Plan. We will discuss the opportunity to include some actions regarding REC in future action plans depending on the evolution of the Registry.

Action Plan Subject: SMO 1 - Quality Assurance
Action Plan Objective: Further improvement of the Quality Assurance review System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>All statutory auditors and audit firms are subject, in the exercise of the audit activity, to an objective and independent public oversight system. The public oversight system is governed by the Instituto de Contabilidad y Auditoría de Cuentas (ICAC), which is a public oversight authority attached to the Ministry of Economy and Competitiveness, which has the ultimate responsibility for, inter alia, quality control inspections, investigation and disciplinary system. The amendment of the Audit Law in 2010 strengthened this external quality assurance system by introducing this practice in the law itself; the main objective of this external quality assurance system is to increase audit quality throughout the profession. The new Spanish Audit Law (2015) indicates that quality control inspections consist of the periodic review of the auditors and Firms, to assess the internal quality assurance systems, through the verification of the procedures applied and the review of the documented procedures on the audit files, with the aim to check the efficiency of the control system. The regulation developing the Audit Law (Law 22/2015) is now under discussion.</p> <p>The whole system is regulated in article 54 and the use of external professional services in article 55 of the new Audit law. Inspections shall consist in the regular review of auditors and audit firms in order to evaluate their internal quality control systems through the verification of the procedures applied and the review of the archives for selected audit engagements, including the evaluation of compliance with the regulations governing audit activities and with a view to verifying and concluding on the efficacy of the said systems. With regard to auditors and audit firms conducting audits on public interest entities, regard shall be had for the provisions contained in articles 26.6 and 26.7 of Regulation (EU) nº 537/2014, of 16 April. Inspections should be proportional to the size and complexity of the activities of the auditors or firms being the period between inspections no more than 6 years. The inspection should be documented in a report including the conclusion and recommendations as well as the timeline to meet the recommendations. Aggregated results of the inspection should be published on ICAC website. None of them include references to the audited entity.</p> <p>PIE auditors' QA inspections are regulated in EU Regulation 537/2014 being the period between inspections no more than 3 years. QA reports are published individually if they refer to PIE auditors.</p> <p>The results of the QA inspections may lead to an investigation procedure.</p> <p>The selection of the auditors or firms to be included in the annual review program is made based on a risk analysis.</p> <p>The new Audit law states that all QA inspections shall be carried out by ICAC's civil servants although if ICAC has not enough resources to do them in time, it may hire the services of the Professional Bodies to carry out merely instrumental tasks. The audit law states the requirements that any person collaborating in these tasks should fulfill including:</p> <ul style="list-style-type: none"> • Not to be auditors in public practice nor working for an audit firm • To be independent from the reviewed auditors or firms. • To have the appropriate knowledge and practical experience 					

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		<p>.</p> <p>The definition of “merely instrumental tasks” is not included in the law but it is supposed to be included in the future regulation. The ICAC has informally confirmed that there won't be changes to the current relationship, so that the ICJCE will keep being engaged to perform QA reviews of Non-PIE audits under the supervision of the ICAC. In this regard, the latest execution agreement was signed with the ICAC in 2014 to follow up the recommendations of the 2010 and 2011 QA inspections. Since then no other agreement has been signed although it is likely to be signed in 2018 for inspections over 2017 Non-PIE audits which will include the review of the review of the questionnaires, material and procedures used</p> <p>On March 16, 1993, it was issued by the ICAC a Quality Control Standard, which established quality control requirements for auditors and firms. On December 2010, ICAC published the draft of a new auditing standard on quality control which was a translation of the International Standard on Quality Control (ISQC) 1 issued by IFAC made by virtue of the translation agreement among ICAC, IFAC and the ICJCE, the only difference being the scope of the standard, since it is applicable only to statutory audits. The comments period for the exposure draft ended on September 7, 2011 and the final standard was issued in October 2011 with effective date January 1, 2013 The ICAC Quality Assurance reviews since 2011 were based on the requirements included in ISQC 1 in order to help auditors to implement this standard, and ICJCE actively participated in training about this standard. Since 2010 QA inspections have been carried out by the ICAC and also by the ICJCE with the scope explained above.</p> <p>.</p> <p>The ICJCE has two committees that assists members and firms to understand, implement (not directly only through consultations to the staff of the ICJCE Technical Department) and maintain proper internal QA systems. One of them is the Technical and Quality Control Committee, which in coordination with the Technical department issues guidance on Technical and Quality Control issues. The second one is the SMP Committee which helps especially SMPs to apply these standards. This support includes the publication of guidelines, recommendations and other material, organization of CPD courses and special sessions dealing with QA recommendations.</p> <p>We consider that the QA review System applied to audit firms and individuals carried out or supervised by the ICAC complies, in general terms, with SMO 1. However, we have detected differences related to the following SMO 1 requirements:</p> <p>Applicable to all QA Reviews:</p> <ul style="list-style-type: none"> - The QA Review Report does not include an overall conclusion. The report includes the work performed and those deficiencies detected during the review. - The risk bases on which the individuals and firms are selected for inspection is not public, therefore we cannot assess is it fulfills SMO 1 requirements <p>Applicable only to QA reviews directly carried out by the ICAC</p> <ul style="list-style-type: none"> - Material and procedures, including documentation requirements, are not publicly available - We are not aware of the CPD requirements applicable to ICAC staff <p>In any case, the ICAC is a member of EGAOB and of IFIAR where methodologies and procedures are shared and updated. We can confirm compliance with the requirement related to documentation for those reviews carried out by the ICJCE and supervised by the ICAC. Therefore these exceptions do not change</p>			

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<p>our conclusion about compliance with SMO1.</p> <p>Regarding the ICJCE's own quality control system is under discussion. Since the ICAC controls the audit activity, the ICJCE is analyzing the possibility to perform quality control on other kinds of engagements performed by our members and also to reinforce the QA system on audit engagements.</p> <p>Since there is no requirement for the members to report to the ICJCE about their activities this is a very difficult task. The only information that we have about the activity of our members is through the sales of seals that our members must put on every report that they issue.</p> <p>At the end of May 2016 approximately 90% of sales refers to audit seals, therefore 90% of their activity is covered by the Audit QA System.</p>					
Update the ICJCE's Quality Assurance Review System Requirements in Accordance with SMO 1 (revised)					
1.	November 2011	To review the scope of the ICJCE QA reviews.	Under discussion	DG Board (to approve it)	DC
2.	Estimated January 2014	Discuss with the ICAC the content and forms used in its QA reviews and coordinate the 2014 QA program based on the annual execution agreement, which is expected to be signed between ICJCE and ICAC.	Estimated January 2014 Completed	DG President and Board	DC
3.	Ongoing	Discuss with the ICAC the content and forms used in its QA reviews and coordinate the 2018 QA program based on the annual execution agreement, which is expected to be signed between ICJCE and ICAC.	Estimated 1st Semester 2018	DG President and Board	DC
Using Best Endeavors to Assist with the Implementation of ISQC1					
4.	Ongoing	Help members in practice through direct consultations to the staff of the Quality Department regarding ISQC 1 and its implementation.	Ongoing	DG	DCC
5.	Ongoing	Ensure that all members in practice have the adequate knowledge of ISQC 1 and its implementation through the organization of CPD courses on the new standard and the update of the access programs. Throughout 2016 we have organized several seminars on ISA 220. And in 2017 we have organized several seminars to analyze the most common recommendations and matters arising from ICAC QA reviews.	Ongoing	DG CF (Comisión de Formación)	DCC DF (Departamento de Formación)

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6.	1 st semester 2018	Organize a course, compulsory for all members in public practice, about the new regulation developing the Audit Law (Law 22/2015) where Quality in audit firms and practices requirements are expected to change.	Throughout all 2018	CF (Comisión de Formación)	DCC DF (Departamento de Formación)
7.	September 2011	Organize round tables in National and Regional Congresses and seminars to inform members about the ISQC 1 and its implementation and guidance issued by ICJCE.	Ongoing through all the year	DG Congress Committee	DCC
8.	October 2011	Develop a service for smaller firms' members for identifying and deploying a suitable external party regarding specific areas where they may need outside help in order to meet the requirements of the standard (engagement quality control reviews and system monitoring). Lista de actuación profesional (LAP)	January 2015 Completed	DG	DCC
9.	January 2015	Manage the LAP, admissions and publication on the website	Ongoing	DT	DEPYMES
10.	May 2016	Update the adaptation of the IFAC " <i>Guide to Quality Control for Small - and Medium -Sized Practices – Third Edition</i> " to the new QA requirements.	September 2016. Postponed due to the publication of the regulation of the Audit Law planned for the 1T of 2018	Depymes	DT C. Independencia
11.	December 2017	Publication of a series of short documents "Objetivo: Calidad 10" about the most common weaknesses detected in the QA Reviews. Published numbers 1 and 2	May 2018	Depymes	DT

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Enhancing Transparency and Reporting of ICJCE QA Review System					
	December 2011	Continuously report to the Comisión Nacional de Deontología (CND), along the whole process, on the bad results of the QA reviews in order to design disciplinary actions if necessary. See SMO 6. See point 1	Ongoing	DG	DCC
Maintaining Ongoing Processes					
12.	Ongoing	Ensure that all members have an adequate level of Permanent Education on Quality Assurance matters and report to the Education Committee (CF) on the issues that should be addressed in the courses if there are special and common requirements that members fail to comply with.	Ongoing	DG CF	EA. Escuela de Auditoría. DCC DF
13.	Ongoing	Continue to ensure that the ICAC's program incorporates all SMO 1 requirements and operates effectively through the dialogue with reviewers and the analysis of the results of the program.	Ongoing	DG CND	CND DCC Reviewers
14.	Ongoing	Continue to provide reviewers with tools and education according to their needs.	Ongoing	DG CF	DCC DF. (Departamento de Formación. Education Department)
15.	Ongoing	Continue to monitor and review all new and amended pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) or other institutions (European Union, ICAC) regarding Quality Assurance. All relevant changes are discussed at the meetings of the ICJCE's Technical and Quality Assurance Commission (CTC).	Ongoing	DG CT (Comisión Técnica. Technical Committee)	DCC DT (Departamento Técnico. Technical Department)

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Review of ICJCE's Compliance Information					
16.	Ongoing	Frequently update ICJCE Parts 1 and 2 of the Compliance Program (questionnaires) to measure and assess progress achieved with regards to SMO 1. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	International Affairs Director	DI International Department in collaboration with the other departments involved: Quality, Technical and Educational Departments

Action Plan Subject: SMO 2 - International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB
Action Plan Objective: To consolidate the progress introduced by the Audit Law and to improve education in skills

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>In Spain, ICAC regulates professional education requirements, both the access education and CPD. General provisions about education are included in the audit law and it is developed through a regulation and several Resolutions.</p> <p>Audit Law: Law 22/2015, of 20 July 2015 of Audit of Accounts.</p> <ul style="list-style-type: none"> - Article 9 includes the general provisions about the access ways and education including the subject matters to be covered and the organization of the state access examination. - Article 8 includes CPD obligation <p>Regulation (Royal decree 1517/2011 of 31 October) (applicable in case it does not conflict with the content of the Law):</p> <ul style="list-style-type: none"> - Article 34: access education subject matters that the access education programs shall include. - Article 35: Training and practical experience - Article 36, 37: Access examination - Art 40, 41 and 42 CPD <p>Resolution of the ICAC of 29 October 2012 about CPD requirements Resolutions of the ICAC of 21 of October and July 2014 about new education requirements related to ISAs as adopted in Spain (NIA-ES) Resolutions of the ICAC of June 2012 about access education requirements and exemption of the theoretical part of the state access examination Resolution of the ICAC of March 2016 about certain requirements of the practical experience</p> <p>Starting October 1, 2012 all practicing Spanish auditors are required to undertake continuing professional development of 120 hours every three years as follows: minimum of 30 hours per year, of which 20 hours must refer to Accountings and Auditing, and, 85 hours of the 120) every 3 years should be related to these matters. Also, auditors having temporarily left the audit activity and wishing to practice again shall perform 120 hours of training (during the previous 3 years) of which at least 50 hours shall be gained in the previous year</p> <p>To access to the Official registry of Auditors (and to the ICJCE) candidates shall:</p> <ul style="list-style-type: none"> - Be of legal age - Be a national of Spain or of any EU member state - To lack a criminal record for fraud related offenses. - To have obtained the relevant authorization from the Accounting and Auditing Institute <p>The authorization is granted to those:</p> <ul style="list-style-type: none"> - Having obtained a university qualification. - Having completed theoretical teaching programmes and carried out practical training. 					

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		<p>- Having passed a professional proficiency examination organised and recognized by the State. This exam comprises a theoretical part (may be exempted) and a practical part (compulsory for all candidates)</p> <p>The IPD education comprises:</p> <ul style="list-style-type: none"> - A university degree or equivalent - A master or equivalent in accounting and auditing <p>The ICJCE is one of the education centers that deliver IPD education. We have agreements with several Universities. For example, we have an agreement with the Universidad de Alcalá for a Master in Auditing that provides students with at least 5 basic competences of IES 3; 4 general competences of IES 2 and 3; 9 cross competences related to IES 2, 3 and 4 and 25 specific competences related to IES 2 and 8. Achievement of these competences is proved by written examinations as required by IES 6.</p> <p>The ICJCE gives also specific education to candidates who are preparing their exams, which content is related to IES 2, 4 and 8</p> <p>Regarding CPD:</p> <p>It is also regulated by the ICAC. The ICAC must validate CPD courses, provided by a wide range of education centers including the ICJCE, to be accounted for CPD purposes.</p> <p>The ICJCE considers that ICJCE CPD offer fulfils the education requirements in IES 7, specially regarding technical skills, except for the assessment since for some of the courses given, attendants do not need to prove the acquired knowledge. For some of the on-line courses the attendant must solve a practical case to obtain the CPD.</p> <p>To improve education in skills the ICJCE has developed the following actions:</p> <ul style="list-style-type: none"> - Setting up a Development center (Centro de desarrollo) - Setting up the Young Academy addressed to recently young graduates with less than 3 years of practical experience. The education required by IES 2 in an intermediate or advanced level and the requirements in IES 6 regarding the requirement of passing a test and a final assessment. - Mentoring program for students of the Master to develop certain skills required by IES 3. <p>The role that the Audit Law states for the ICJCE in this field includes:</p> <ul style="list-style-type: none"> - Participation in the Audit Committee, where CPD obligations and access examinations are discussed. - Provision of access and CPD education (also other accredited centers and firms may provide CPD and access education) - Proposal of the call to the state access examination together with the other bodies and participates as a member of the Assessment Board <p>Due to the expertise of the members and personnel the ICAC has asked the ICJCE to participate in Working Groups to define the access education.</p>			

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The approach of the education for auditors in Spain is not the one in the revised IESs (learning outcomes), since the obligation is to fulfill a program, which, on the other hand, include all competence areas as included in IES 2 to 6 and 8 and to pass an examination in which the capacity of the candidate to apply his/her theoretical knowledge in a practical case is assessed.</p> <p>Both CPD courses and access education programs shall be approved by the ICAC. The ICJCE has other education activities although our members have less interest in those activities.</p> <p>We consider that due to the different approach of the Spanish education system it is very difficult to assess full compliance of the education required to auditors with IES in detail, especially regarding certain personal skills. The ICJCE has no responsibility in this area. All training programs (IPD and CPD) must be validated by the ICAC and ICAC does not recognize education in skills and does not grant CPD to these education programs. The strategy of the ICJCE is to develop programs that include IES requirements in our education offer.</p>					
Promoting IES to Spanish Authorities Responsible for Adopting Education Requirements for Auditors					
17.	Ongoing	<p>Continue to undertake policy dialogues to promote IES 2 and 8 (revised) requirements and to encourage ICAC and the Government to incorporate all aspects of the IES in the professional Auditing education.</p> <p>The ICAC considers that the EU just requires the education in skills during the period prior to the qualification but not as a part of the CPD. Therefore, the ICAC does not recognize as CPD those courses and seminars addressing this subject.</p> <p>In addition, the ICAC has decided to reduce the number of CPD courses, so those addressing matters applicable to non-audit services are not recognized as CPD.</p> <p>The ICJCE together with the other professional body has noted to the ICAC their disagreement in several meetings.</p>	Ongoing	<p>CEO CF (Comisión de Formación. Education Committee) DF</p>	<p>President of the ICJCE and members of the Board</p>
Other Actions to Improve the Quality of the Education of the ICJCE Members					
18.	Ongoing	Continuously update ICAC with new required entries into the syllabus of the access education due to new competencies or legislation requirements.	Ongoing	CF	DF

#	Start Date	Actions	Completion Date	Responsibility	Resource
19.	September 2017	Preparation of CPD activities for the next year including compulsory courses (for instance new ISA or Independence requirements) and other non-compulsory courses. In this regard, the ICJCE is renewing its education plan to address more rapidly the needs of the members and supplement the offer with other skills oriented education. The ICJCE is also working on the on-line platform to provide a more accessible and wider offer of courses.	September 2016 Completed January 2018	CF	DF and all other departments who identifies areas of special interest.
20.	January 2017	Set up the Young Academy to provide education addressed to recent graduates with 2 years' experience. First action On-line program of 80 hours	January 2018	CF	DF
21.	January 2017	Mentoring program for Master students. First action addressed to students of the Master in Auditing jointly organized with the University of Bilbao	January 2018	CF	DF
22.	January 2017	Set up the Development Center to provide education in professional skills such as negotiation, commerce planning and management	January 2018	CF	DF
Actions to Collaborate with the IAESB					
23.	Ongoing	Continue to monitor new and amended Standards from the International Accounting Education Standards Boards (IAESB) and to promote their incorporation into the Spanish Education Standards".	Ongoing	DF	CF DF
Review of ICJCE's Compliance Information					
24.	Ongoing	Frequently update ICJCE Parts 1 and 2 of the Compliance Program (questionnaires) to measure and assess progress achieved with regards to SMO 2. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information	Ongoing	International Affairs Director	International Department in collaboration with the other departments involved: Technical and Education Departments

Action Plan Subject: SMO 3 – International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Reinforce the Ongoing Convergence Process with IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>ICJCE, as stated in the audit law, has responsibility together with the other professional corporations for drafting the auditing standards, which are approved and published by ICAC. In practice, ICAC adopts the most current International Standards on Auditing (ISAs) with modifications on the basis of the translations provided by ICJCE (see below). In addition, ICJCE translates and adopts the other International Auditing and Assurance Board (IAASB) pronouncements (International standards on Assurance Engagements (ISAEs), International Standards on Related Services (ISRSs) and International standards on Review Engagements (ISREs). All current IAASB pronouncements, other than ISAs, are already translated into Spanish or in process</p> <p>The adoption of ISAs is not the responsibility of the ICJCE. The ICJCE, as stated in the audit law, drafts the audit standards together with the other professional corporations, which are finally approved and published by the regulator, ICAC</p> <p>Due to the delay of the European Commission to reach a decision on the adoption of ISAs the Spanish professional bodies together with ICAC decided to review the clarity ISAs (2009 Handbook) in order to insert the legal references as explanatory notes and, if necessary, any add-on or carve-out due to the requirements in Spanish laws and regulations. This work finalized by the end of October 2012 and adapted ISAs (2009 version) were published in 2013. effective for audits of financial statements starting on or after the 1st of January 2014.</p> <p>On 23 December 2016, the new auditors report standards, an amended version of ISA 510, ISA 720 (Revised) and ISA 805 (Revised) were published effective for audits of annual financial statements starting on or after June 17, 2016. Therefore, today all ISAs except those not applicable to the Spanish Law (ISA 800 and ISA 810) and ISA 610 (Revised 2013) have been translated and adopted, although, the adapted version may not be the one in 2016 Handbook due to the long process for translation and adaptation.</p> <p>During 2012 the President and CEO of the ICJCE were engaged with FACPCE and IMCP to achieve an agreement on the future translations of IAASB pronouncements which was finally signed in October 2012. By virtue of this agreement, named IberAm project, several translations into Spanish have been published and posted on IFAC website in 2014, 2015 and 2016, being the most significant ones the publication of the 2013 IAASB Handbook including all ISAs and other IAASB pronouncements and the publication of New auditors' report standards, ISA 720 (Revised), ISA 800 (Revised), ISA 805 (Revised) and their relevant corresponding amendments. We expect the publication of 2016 Handbook in the first semester of 2018.</p> <p>In 2015 ICAC and IFAC signed a reproduction and limited waiver agreement where reference to material to be adopted and modifications to the adopted material was included.</p> <p>We consider that we comply with SMO 3 since, following the requirement in the Audit Law, we have set a process, including translation (agreed between ICJCE and IFAC), adaptation (agreed between ICAC and IFAC), to adapt ISAs to the Spanish legal framework and to use the adapted version (NIA-ES) as our audit technical standards. In Annex 1 there is the description of the process and main differences between ISA (2016HB) and NIA-ES.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promoting Convergence of Spanish Auditing Standards with ISAs and Assisting in their Adoption					
25.	Ongoing January 2015	Participate in the Audit Standards Group of the ICAC where the adoption of new ISAs is analyzed and add-ons and carve outs included. <ul style="list-style-type: none"> • New and revised ISAs on auditor's report • ISA 720 (Revised) and Conforming amendments • Revised ISA 805 Note: Add-ons refer to specific legal requirements. We note that ISA 701 applies to all audits in Spain.	Ongoing December 2016 December 2016 December 2016 Completed December 2016	DT CTCC	DT
26.	January, 2017	Preparation of a publication including differences between ISA and NIA-ES in detail.	Completed July 2017	DT CTCC	DT
Support of Implementation of IAASB Pronouncements					
27.	Ongoing	Organize round tables in National and Regional Congresses and seminars to inform the members about new auditing standards and guidance issued by both the ICJCE and ICAC. During 2014 and 15 the ICJCE has organized roundtables and seminars compulsory for all members in public practice after the adoption in 2013 of ISAs	Ongoing (Next round table October 2016) Completed	Congress Committee DF	DT DF
28.	January 2017	Organize compulsory CPD for members on the new Auditors Report requirements.	Mid 2018	DT CTCC	DT DF
29.	May 2016	Prepare guidance material to use of IAASB standards in those engagements on which they are applicable. This includes translation of IAASB support material and preparation of own developed material. <ul style="list-style-type: none"> - Action plan new auditor's report including: <ul style="list-style-type: none"> o Article in the technical magazine on Most significant matters or KAMs: definition and examples (based on NIA-ES 701) 	October 2016 Expected January 2018 Completed 1t 2018	CTCC	CTCC DT

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		<ul style="list-style-type: none"> ○ Questions and Answers document ○ Review and translation of guidance material ○ New section on ICJCE website ○ Database of examples of KAM in listed companies ○ Database of examples of KAM in Non-PIE reports <p style="margin-left: 40px;">- Analytical procedures (NIA – ES 520)</p>	<p>1T 2018 1T 2018 December 2018</p> <p>Completed February 2016</p>		
Maintaining Ongoing Processes					
30.	October 2012	Continue to support IberAm project especially translating into Spanish all IAASB new or revised standards and making them available for all Spanish speaking countries for free on IFAC website.	Ongoing	CTCC	International Department
31.	Ongoing	Continue to monitor and review of all new and amended pronouncements issued by the IAASB. The International Department reports to the Technical Department on all news that may affect the profession. The Director of the Technical Department reports in each meeting of the C TÉCNICA on these news and the C TÉCNICA decides on the action to be taken (translation, drafting, etc.).	As required	DI	C T and ICJCE Representative at AcE Auditing Working Party
32.	October 2012	<p>Continue to translate and adopt new and/or amended ISREs, ISAEs and ISRSs. After the signature of a MoU with IMCP and FACPCE, the ExCom of this project annually states a work program including the translation of all new or revised standards.</p> <p>It should be noted that during 2014 and 2015 the ICJCE reviewed all the translations of the standards to adapt them to the new terminology and translated new and revised ISRE and ISAEs.</p> <p>In 2017 the ICJCE has translated ISAE 3000 (Revised) and conforming amendments and the new Framework. We expect these translations to be published during the 1st quarter of 2018 after the approval of the ExCom</p>	<p>Ongoing</p> <p>March 2017</p>	CT	ID and CT
33.	As adopted	Continue to support implementation of IAASB pronouncements.	Ongoing	DG	DI

#	Start Date	Actions	Completion Date	Responsibility	Resource
34.	Ongoing	Continue to establish and maintain Action Plans to support ongoing convergence with IAASB pronouncements. This includes review of the implementation of the Action Plan to date and preparation of the Action Plan for future activities as necessary.	Ongoing	DG	DI
<i>Review of ICJCE's Compliance Information</i>					
35.	Ongoing	Frequently update ICJCE Parts 1 and 2 of the Compliance Program (questionnaires) to measure and assess progress achieved with regards to SMO 3. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	DI	International Department in collaboration with the other departments involved: Technical and Education Departments

Action Plan Subject: SMO 4 - IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Adopt the revised IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>The ICJCE, as stated in the audit law, has the responsibility together with the other professional corporations for drafting the auditing, quality control and ethics standards (except independence requirements that are stated by Law and in which development PAOs do not participate), which are approved and published by ICAC. The adoption of IESBA Code as the Spanish Ethics standards for accountants is not the responsibility of the ICJCE, and the ethics standards applicable to the whole profession are still to be developed and published by the ICAC. In the meanwhile, in 2007 the ICJCE adopted the general principles of a former version of the International Ethics and Standards Board for Accountants (IESBA) Code of Ethics. The ICJCE Code of Ethics include the general principles of Part A of the IESBA Ethics Code. Independence requirements applicable to auditors are regulated by Law and included in the Audit Law (Law 22/2015). Part C is not applicable to our members in public practice.</p> <p>In order to set the Spanish Ethics standards, in September 2012, a Working Group where ICAC and the three professional corporations participated, was set up. Our proposal to the ICAC was to adapt the IESBA Code with the amendments needed according to the Spanish legal framework (except for independence requirements sections 290 and 291 and Part C). Regarding the effective date, the objective was that the code entry into force in 2014, so that it would be applicable to reports issued in 2015 on 2014 annual accounts. However, this Working Group stopped its activity in 2013 and the ICAC has not expressed interest in its continuity since, currently, the main objective is the development of the new legal framework and its implementation.</p> <p>The publication of the new EU audit framework and the further adoption in Spain by the approval of a new audit law (see general background), has significantly changed the independence framework of European auditors including more restrictive provisions applicable to PIE auditors. In this regard, in Spain, the legislator has transposed the EU Directive and adapted the Spanish law to the Regulation, which is, in general terms, more restrictive than the IESBA Code regarding independence requirements. Furthermore, the Spanish regulator has expanded the application of the independence requirements included in the EU regulation for PIE to relatives and other connected with the auditor. The President of the ICJCE together with other representatives, has met ICAC in several occasions to discuss the transposition of the EU audit reform using, as a basis, the IESBA Code. Currently the Audit law states that ethics standards include, at least, the principles of professional competence and due care; integrity and objectivity. These principles are pending to be developed by the Working Group in order to set the Spanish Ethics standards. The principles of confidentiality and professional secrecy are developed throughout the Law.</p> <p>In October 2012 a memorandum of Understanding was signed with IFAC, Federación Argentina de Colegios de Contadores profesionales and Instituto Mexicano de Contadores Públicos, to start a formal process of translation of all IESBA standards and other pronouncements and guidance. Translations of IESBA Code and related changes are performed by the ICJCE following the IberAm action plan.</p> <p>In 2014 the ICJCE set up a new commission (Comisión de Independencia - CI) dealing with the analysis of this issue. The CI also prepares guidance material, proposes contents to the education department and analyses international developments in this area.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
Establish an Ongoing Translation Process of the revised IESBA Code of Ethics and Last Amendments					
36.	October 2012	<p>The 2013 work program included the translation of:</p> <ul style="list-style-type: none"> - Changes to the IESBA Code with regard to: <ul style="list-style-type: none"> o Breach of independence requirements o Conflict of Interest o Definition of Engagement Team - Staff Q&A Code of ethics 	<p>Translation Completed Review 1stQ 2014</p> <p>Completed</p>	DG IberAm ExCom	ID TD IberAm RevCom
37.	January 2013	<p>The 2014 Work plan include the translation of:</p> <ul style="list-style-type: none"> - CP: structure of the Code - Handbook (introductory parts and Bridging document) 	<p>December 2014 Completed</p>	DG IberAm ExCom	ID TD IberAm RevCom
38.	June 2015	<p>2015 Workplan includes the translation of Changes to the Code addressing Non Assurance Services</p>	<p>Translation Completed June 2016 Review to be completed by February 2018</p>	DG IberAm ExCom	ID TD IberAm RevCom
39.	Q3 2016	<p>2016 Workplan include:</p> <ul style="list-style-type: none"> • Translation of IESBA HANDBOOK 2016 including NOCLAR • Translation of IESBA Guidance: Ethical considerations relating to audit fee setting in the context of fee pressure • Translation of Changes to the Code Responding to NOCLAR • Translation of Changes to the Code addressing Long Association 	<p>1st semester 2018 Completed May 2016 1st semester 2018 1st semester 2018</p>	DG IberAm ExCom	ID TD IberAm RevCom

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of the Translation and Adaptation to the National Environment					
40.	September 2012	Undertake the Technical review of the Translation to detect the differences between the Audit law transposing the 8 th Directive and the revised IESBA Code of Ethics to ascertain whether new requirements on Independence that are included in the 8 th Directive will need to be incorporated in the Code. In any case, ICJCE will not introduce requirements that are less stringent than the Code of Ethics. We have performed the review but due to the publication of the new EU framework abandoned the assessment.	January 2013 Completed	ICAC Professional Bodies	AcE Ethics WP Member Staff of the DT Law consultant
41.	April 2014	During 2014 the ICJCE tried to encourage ICAC to restart the work of the Working Group for drafting the Spanish Ethics standards However, due to the new priorities, which are the completion of the new legal framework implementation, this project is delayed.	Not defined	CI	CI
Formal Adoption and Publication of the Code of Ethics					
42.	2013	General Assembly to approve the ICJCE Code of Ethics and, if the National Audit Law allows it, consider transitional periods for the application of the requirements related to rotation, specific requirements for PIEs and provision of some assurance services.	Abandoned due to the adoption of the EU Audit reform and its transposition into the Spanish law	General Assembly	Staff of the ICJCE
43.	2013	Publish the ICJCE Code of Ethics in the website and in hard copy and distribute it freely among the members of the ICJCE. In the meanwhile, the translation into Spanish of the 2014 IESBA Ethics Code is available on our website.		Publications Department	Publications Department Communication Department
44.	2018	Although in a first analysis we consider that the Spanish legislation is more restrictive than the IESBA Code, after the translation into Spanish of the restructured IESBA Code (2018) we will perform a detailed analysis to determine differences with the national requirements and based on this analysis we will decide on the next steps.	Translation expected to be finished in January 2019	DG General Assembly	AcE Ethics WP Member Staff of the DT Law consultant

#	Start Date	Actions	Completion Date	Responsibility	Resource
Education and Promotion					
45.	Ongoing	<p>Hold regular presentations on the ICJCE Code of Ethics in Congresses and other education events since the beginning of the project and until the estimated effective date of the ICJCE Code.</p> <p>As part of these activities, ICJCE organises throughout all the year conferences and seminars where the ethical standards are discussed, in addition, in every regional branch we celebrate the Auditors' Day where the members of the regional boards and the President of the ICJCE present news affecting the members of the ICJCE.</p>	Ongoing	Organizer Committee	DT Technical Department and members of the National Ethics Committee (CND)
46.	Since December 2011	Incorporate presentations and workshops about the new requirements on Independence of the new Audit Law in the annual CPD program for ICJCE members (please See SMO 2).	2017 and 2018	Education Department of the ICJCE, CI	ICJCE Technical Department Staff
47.	July 2009	Prepare a toolkit in Spanish using as reference the Ethics Education Toolkit issued by the IAESB, with a final assessment to be sent via email or through our e-learning platform.	Completed included in an on-line general course	Education Department of the ICJCE, CI	ICJCE Technical Department Staff
48.	December 2011 January 2012	Prepare a Guide for the application of the Ethics Code addressed to Small and Medium Practices (SMPs). The Guide was prepared but not agreed the publication	Completed in 2014	Education Department of the ICJCE, CI	ICJCE Technical Department Staff
49.	December 2011 January 2012	Distribute the Code freely to our members and other relevant stakeholders.	<p>Immediately after the approval by the General Assembly</p> <p>Abandoned see point 42-43</p>	Publications Department of the ICJCE	DC Publications Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
50.	November 2008	<p>Communication Department of ICJCE to prepare a permanent section in the Technical Publications and in the monthly e-news.</p> <p>The members of the CI or representatives at Accountancy Europe (AcE) will provide their input to this activity.</p>	Ongoing	Communication Department of the ICJCE	Staff of the Communication Department
51.	Ongoing	<p>Communication Department of ICJCE to develop articles about Ethics for the economic press.</p> <p>The members of the CI or representatives at AcE will provide their input to this activity.</p>	Ongoing	Communication Department of the ICJCE	Staff of the Communication Department
Maintaining Ongoing Processes					
52.	From January 2010	<p>Continue to adopt for our members and support the implementation of IESBA pronouncements. As part of this, ICJCE will continue to review, translate and adopt new and amended pronouncements and to frequently update the pre-qualification and CPD programs. ICJCE will also undertake frequent review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.</p> <p>Any update or change to the Code will be analyzed and will follow the above stated process to be adopted by the ICJCE.</p>	Ongoing	CI Council	AcEEthics WP Member, Technical Department Staff of the ICJCE, Law consultant

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of ICJCE's Compliance Information					
53.	Ongoing	Frequently update ICJCE Parts 1 and 2 of Compliance Program (questionnaires) to measure and assess progress achieved with regards to SMO 4. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	International Affairs Department of the ICJCE	International Department in collaboration with the Technical and Quality Assurance Commission, Education Commission, Public Sector Committee and Ethics Committee.

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 to promote the use of IPSASB in the Public Sector

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>The Ministry of Finance is responsible for the adoption of the Public Sector Accounting Standards. We do not have a responsibility for the adoption of public Sector Accounting Standards</p> <p>Besides the measures addressed to the promotion of the use of the International Public Sector Accounting Standards (IPSAS), the ICJCE has adopted during this period communication and pressure proactive measures addressed to public institutions, universities, press and public administrations in order to make audit of local public sector institutions compulsory. We are also promoting this issue in our congresses.</p> <p>Further the creation in 2012 of a new Public Sector Commission (CSP) the ICJCE has been very active in the Public Sector Audit. In February 2014 a Resolution of the General State Comptroller (IGAE) was published announcing the process of adoption of ISA to the Public Sector Audit. The ICJCE does not have a representation in the working group drafting these new standards, which are an adaptation of the ISA (as adopted in Spain NIA – ES) to the Public Sector environment.</p> <p>The European process to the adoption of European Public Sector Accounting standards has been another key issue. The ICJCE has always promoted the use of IPSAs and a member of the ICJCE Public Sector Committee participates in their translation into Spanish. Translation of IPSAS into Spanish is led by the Universidad de Zaragoza. The adoption of these new standards and their convergence to IPSAs as well as the process of preparation and endorsement is now an important project in which we are involved through AcE and its Public Sector Group, in which a member of the Public Sector Commission of the ICJCE participates.</p>					
Promoting the use of IPSASB in the Public Sector					
54.	Ongoing	Continue to keep the members of the CSP updated by sending all new standards issued by the International Public Sector Accounting Standards Board (IPASB) to them and asking for comments to the ED.”	Ongoing	Member of the CSP who is also member of AcE Public Sector Working Party	DI to prepare updated information
55.	September 2011	The CPD offer of the ICJCE includes PS audit and accounting	Ongoing	DG CF	DF EA

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of ICJCE's Compliance Information					
56.	Ongoing	Frequently update ICJCE Parts 1 and 2 of the Compliance Program (questionnaires) to measure and assess progress achieved with regards to SMO 5. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	International Affairs Department	International Department in collaboration with the other departments involved: Technical and Education Departments

Action Plan Subject: SMO 6 - Investigation and Discipline
Action Plan Objective: Incorporate all SMO 6 requirements into ICJCE I&D system and promote these requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>ICAC is responsible for the I&D system for the whole accountancy profession. The ICAC I&D system complies with SMO 6 The ICJCE has also developed mechanisms for investigating and disciplining its members to ensure their activities comply with the Constitution and internal rules of the professional body...</p> <p>In June2016 a new Constitution has been approved by the General Assembly of the ICJCE which clarifies the role of the Ethics Committee of the ICJCE, of the Council, the relationship with the ICAC in case of severe breach by one of ICJCE members and the sanctioning system. All these provisions will be developed adequately by the internal rules. However, the Constitution shall be approved by the Government to entry into force. In the meanwhile, 1982 Constitution and internal rules remain in force. After the approval of the New Constitution the ICJCE I&D system will be almost fully compliant with SMO 6.</p> <p>-</p> <p>Finally, the transposition of the EU audit reform has been a significant issue in 2015</p> <p>.</p>					
Ensure that all Requirements of SMO 6 are Incorporated in the I&D System of ICJCE					
57.	April 2014	Establish a working group on a new Constitution. (see in the general background the objective of this group)	April 2014 Completed	Board CND	CND Legal department of the ICJCE
58.	Ongoing	Establish a framework of relations with the regulator, ICAC regarding the discipline over the members of the ICJCE applied by the ICJCE. Note: The new regulation of the audit law and the new Constitution of the ICJCE provides with a framework on communications of the investigations initiated internally by the ICJCE or the sanctions imposed by the ICJCE over its members..	Delayed until the New Constitution	Board Council	Legal Department of the ICJCE CND

#	Start Date	Actions	Completion Date	Responsibility	Resource
59.	Ongoing	Disciplinary actions to members failing to comply with the ICJCE Membership obligations detected during the QA reviews (see in SMO 1 the responsibilities of the ICJCE in the QC and disciplinary areas). Note: It should be noted that the ICJCE I&D system is complementary to the one exercised by the ICAC and refers to the internal responsibility.	Completed for 2010 reviews	CND Board Council CEO	DT QA Reviewers CND
60.	June 2016	Post the New Constitution of the ICJCE on our website and inform about the approval process by the Ministry of Economy and Competitiveness	Ongoing	Council CEO	Comm. Dept
Review of ICJCE's Compliance Information					
61.	Ongoing	Frequently update ICJCE Parts 1 and 2 of the Compliance Program (questionnaires) to measure and assess progress achieved concerning SMO 6. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	International Affairs Department	International Department in collaboration with the other departments involved: Technical and Education Departments

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 assist on the implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
All consolidated financial statements of listed entities are prepared under International Financial Reporting Standards (IFRS). In 2007 the ICAC issued a new General Accounting Plan based on IFRS. The ICJCE asked for a subsidiary regime for IFRS but it was not accepted by the regulator.					
Using Best Endeavors to Assist in the Implementation of IFRS					
62.	Ongoing	Participate in the debates and provide comments to International Accounting Standards Board (IASB) on the new and amended standards through our participation in AcE Working groups and directly to IASB.	Ongoing	C T	Representatives at AcE Working Parties dealing with accounting issues
63.	Ongoing	Inform our members on the new publications of IASB in our website and in our technical publications.	Ongoing	DI	DC
64.	Ongoing	Continue the dialogue with ICAC to ensure that the national accounting standards do not depart from principles included in IFRSs. Binding consultations to ICAC are made to ensure a proper application of national accounting principles.	Ongoing	C T	DT
65.	Ongoing	Help members in practice who audit listed entities through direct consultations to the staff of the Technical department. In this regard the ICJCE is in permanent contact with the CNMV (Comisión Nacional del Mercado de Valores- Stock Exchange Supervisor) in order to coordinate and collaborate in the issuance of documents and guides. Since 2012 the ICJCE has a seat in the Advisory Council of the CNMV.	Ongoing	C T	DT
66.	Ongoing	Ensure that all members in practice have the adequate knowledge of IFRS through the organization of CPD courses on the new standards and the update of the access programs.	Ongoing	CF	DT DF

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of ICJCE's Compliance Information					
67.	Ongoing	Frequently update ICJCE Parts 1 and 2 of the Compliance Program (questionnaires) to measure and assess progress achieved with regards to SMO 7. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	International Affairs Department	International Department in collaboration with the other departments involved: Technical and Education Departments

28 August 2018

Ms. Alta Prinsloo
Executive Director, Quality & Development
International Federation of Accountants
529 Fifth Avenue
New York, NY 10017 USA

Dear Ms. Prinsloo,

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

This letter is to confirm that the leadership of the INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA has reviewed the information contained in the SMO Action Plan prepared by INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA, 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,

Javier Quintana



_____, CEO

(Signature of President or Chairman of the Board or equivalent)

(Title)

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

(Name of Organization)

28 August 2018

(Date)