

## **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>                | Ordem dos Revisores Oficiais de Contas (OROC) |
| <b>Approved by Governing Body:</b> | Executive Board                               |
| <b>Original Publish Date:</b>      | September 2011                                |
| <b>Last Updated:</b>               | March 2019                                    |
| <b>Next Update:</b>                | March 2022                                    |

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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.

**Action Plan Subject:** SMO 1 and Quality Assurance  
**Action Plan Objective:** Review and improvement of the existing Quality Assurance program

**Background:**

The Ordem dos Revisores Oficiais de Contas (OROC) has a mandatory Quality Assurance (QA) review program in place that covers all non-PIE audit professionals acting both individually and within firms. The current review program is compliant with the 2014 EU Directive on statutory audits and the EU Regulation specific to audits of PIEs (both transposed to national Law in September 2015 and effective from 1 January 2016) and is based on an annual program prepared and managed by OROC with the oversight of the Portuguese Auditor's Oversight Board within *Comissão do Mercado dos Valores Mobiliários (CMVM)*, the *Portuguese Stock Market Regulator*. We consider OROC's system is fully compliant with the revised SMO 1.

The quality control review program is made by OROC in two ways: quality review of the firm's internal quality policies and procedures and quality review of specific audit engagements. The auditors and audit firms to be reviewed are selected on a random basis. The system provided for auditors and audit firms to be reviewed at least once in a 6 years cycle, except for those auditors and audit firms who audit PIE's in which case the review cycle is 3 years. Reviewers prepare a written report after the QA review which is discussed and approved by the CCQ. In case where deficiencies are noted, the OROC board may decide the way forward after (which may include recommendations, yearly follow-up or sending the QF file to the disciplinary committee.

The basis for the judgment of the internal control system is relied upon OROC by-laws as well as the international standards and the experience of the reviewers. International Standard on Quality Control 1 (ISQC 1) is part of the benchmark for these cases and was translated into Portuguese for easy guidance. These reviews are performed following standard questionnaires approved by the Quality Control Committee (CCQ). The Quality Control Regulation explains the qualification requirements of the reviewers. In general, reviewers need to have at least a five-year experience and full dedication to statutory audit activities. Also they should have a minimum annual availability of 70 hours to perform the reviews. A list of reviewers is approved every year by the CCQ.

As regards PIE audit professionals, the mandatory quality control review was assigned by law to CMVM as from 1 January 2016. Accordingly, OROC is not including any PIE audit professionals in its quality control review programs. Although we have not been informed about the way CMVM is conducting their quality control reviews, we believe that they are following a similar process of OROC which is stated above. No specific regulation on QC was published by the CMVM. , We know that QC on PIE audits have occurred, however we were not been informed by CMVM on the process nor the results of the inspections they have already made till now.

| #  | Start Date    | Actions   | Completion Date         | Responsibility                 | Resource   |
|--|---------------|---|-------------------------|--------------------------------|--|
| <b>Review and Update the Program in Line with the EU Directive 2006/43/CEE (as amended by EU Directive 2014/56/UE)</b> |               |   |                         |                                |  |
| 1.   | June 2018     | Select on a random basis the auditors and audit firms of non-PIEs to be subject to quality control during 2018/2019 cycle. This selection was made on a public event in June 2018.  | June 2018<br>Completed  | OROC Executive Board           | Quality Control Committee  |
| 2.   | December 2015 | Review and amend the current quality control regulations to be in line with new Directive and Regulation. To be agreed with the new oversight body (CMVM).  | March 2016<br>Completed | OROC and CMVM Executive Boards | Quality Control Committee  |
| 3.   | December 2015 | Review the actual control check-lists procedures and reports.   | March 2016<br>Completed | OROC and CMVM Executive Board  | Quality Control Committee  |
| <b>Maintaining Ongoing Processes</b>   |               |   |                         |                                |  |
| 4.   | Annually      | Continuous guidance on how to implement an effective system of quality control through training sessions open to all auditors at least once a year  | Annually                | Technical Department           | Staff of Technical Department together with Review Translation Committee |
| 5.   | Annually      | The CCQ selects annually the reviewers through an application form that follows SMO 1. The CCQ requires that all reviewers attend a training program defined by the CCQ on an annual basis.<br><br>OROC to organize an ISQC 1 session for all members. These sessions are presented by the CCQ. Last session, 7 and 10 November, 2016. Previous session in July 2018. | Annually                | Quality Control Committee      | Quality Control Committee  |
| 6.   | Ongoing       | Ensure that the QA review system is in line with SMO 1 requirements as referred in the background above. From 2016 after, following the EU legislation, QA review system for PIE's fully depends on the new oversight body (CMVM). It is not expected that changes to the system will not comply with the revised SMO 1.  | Ongoing                 | OROC and CMVM Executive Board  | Quality Control Committee/<br>Training Department                        |

| #  | Start Date | Actions  | Completion Date | Responsibility       | Resource  |
|--|------------|--|-----------------|----------------------|---|
| <b>Review of OROC's Compliance Information</b> |            |  |                 |                      |   |
| 7.   | Ongoing    | Perform periodic review of OROC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information. | Ongoing         | OROC Executive Board | Quality Control Committee/<br>Training Department |

**Action Plan Subject:** SMO 2 and International Education Standards  
**Action Plan Objective:** Continue to use best endeavours to ensure that all the requirements of the International Education Standards requirements are incorporated into OROC education requirements

| #  | Start Date     | Actions  | Completion Date     | Responsibility                           | Resource                     |
|--|----------------|--|---------------------|--|------------------------------|
| <b>Background:</b>   |                |  |                     |  |                              |
| <p>OROC has defined the educational pathway to access the profession in accordance with the legal regime. Access to the profession is defined in the Audit Legal Regime directly transposed from the EU audit legislation and complies, overall, with SMO 2. Candidates for OROC membership are required to hold an University Degree and complete entrance examinations (4 written exams and 1 oral exam), after which, following 3 years of practical experience as trainees with a mentor (this mentor should have a minimum 5 year experience) and have a positive final assessment from the Practical Experience Committee.</p> <p>In addition, there is a requirement for OROC members to obtain 60 credits of Continuing Professional Development (CPD) over a three-year rolling period. CPD requirements are monitored by the Training Department to seek compliance with the CPD Regulation.</p> <p>CPD Courses are mandatory for all listed members. A minimum of annual hours has to be fulfilled which are converted into credits (minimum 60 credits for triennium, 1 credit is equivalent to 4 hours of an education course). A list of all courses attended by members is maintained at OROC's system for courses provided by OROC and members annually inform OROC of any other courses taken outside OROC. Credits can be also obtained by writing and publishing books, writing articles in known accounting publications, and by lecturing courses, etc.</p> |                |  |                     |  |                              |
| <b>Improving the Continuous Professional Education</b>   |                |  |                     |  |                              |
| 8.   | Ongoing        | Issue a draft of the CPD themes for each year, comprising the subjects of the courses.   | Ongoing             | Education/Training Committee             | Education/Training Committee |
| 9.   | February 2009  | Reformulate the CPD rule, according to International Education Standards (IES) 7, <i>Continuing Professional Development</i> . | June 2009 Completed | OROC Executive Board                     | Education/Training Committee |
| 10.  | December, 2015 | A Review of SMO 2 will be made in 2016 to confirm OROC's compliance with its requirements                                      | March, 2016         | Technical Department/Training Department | Education/Training Committee |
| 11.  | Ongoing        | Ensure that all active members follow the required CPD courses.  | Ongoing             | OROC Executive Board                     | Education/Training Committee |
| 12.  | September 2009 | Investigate implementing a more output-based approach system for CPD.  | June 2010 Completed | OROC Executive Board                     | Education/Training Committee |

| #  | Start Date | Actions   | Completion Date | Responsibility       | Resource                     |
|--|------------|---|-----------------|----------------------|------------------------------|
| <b>Maintaining Ongoing Processes</b>           |            |   |                 |                      |                              |
| 13.  | Ongoing    | Continue to ensure that entry-requirement level of IES 1, <i>Entry Requirements to a Program of Professional Accounting Education</i> , are incorporated in OROC education standards.   | Ongoing         | OROC Executive Board | Education/Training Committee |
| 14.  | Ongoing    | Maintain an ongoing process to monitor new and revised International Accounting Education Standards Board (IAESB) pronouncements and incorporate them into education and examination requirements. OROC will participate in the international standard setting process by providing comments on Exposure Drafts and other pronouncements issued by the IAESB. | Ongoing         | OROC Executive Board | Education/Training Committee |
| 15.  | Ongoing    | Continue to ensure OROC education requirements incorporate all IES requirements. This includes review of the Action Plan and updating the Action Plan whenever necessary.   | Ongoing         | OROC Executive Board | Education/Training Committee |
| <b>Review of OROC's Compliance Information</b> |            |   |                 |                      |                              |
| 16.  | Ongoing    | Perform periodic review of OROC'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         | OROC Executive Board | Education/Training Committee |

**Action Plan Subject:** SMO 3 and IAASB Pronouncements  
**Action Plan Objective:** Continue to adopt and implement international standards on auditing

| #   | Start Date | Actions   | Completion Date                          | Responsibility       | Resource   |
|---|------------|---|--|----------------------|--|
| <p><b>Background:</b></p> <p>OROC is responsible for endorsing auditing standards in Portugal and has established, since a few decades, an ongoing process for convergence with the International Standards on Auditing (ISA). Although OROC's legal regime provides for the application of ISAs as adopted by the European Union, we have made available to all professionals a translation into Portuguese of ISAs as a mandatory supplement (in case of loopholes) to the national audit standards (which anyway are ISA based). The new audit legal regime establishes the use of ISAs issued by the IAASB until ISAs adopted by the EU are in place. This legal regime enters into force in 2016.</p> <p>Our institute frequently informs its members of all IFAC pronouncements, generally through OROC's website, the quarterly magazine and through our web based "Auditor's Manual" containing various subjects that is available to all members.</p> <p>With the implementation of the new EU Directive, ISAs will be applicable as adopted by the European Commission. National auditing standards will be allowed only to the extent that the matter is not provided in or covered by ISAs as adopted by EC. Any developments on this matter depend on how and when the EC will adopt ISAs.</p> <p>Future national standards will be developed by OROC and endorsed by the national oversight board (CMVM).</p> |            |   |  |                      |  |
| <p><b>Maintaining Ongoing Process of Review, Translation and Adoption of International Standards on Auditing</b></p>  |            |   |  |                      |  |
| 17.   | March 2009 | Translate the new and updated ISAs under the clarity project of International Auditing and Assurance Standards Board (IAASB).   | Completed                                | Technical Department | Staff of Technical Department together with Review Translation Committee |
|   | Ongoing    | International Standards on Auditing and ISQC Handbook for 2010 was translated and published in Portuguese language.<br><br>The IAASB Policy Position on Modifications will be respected, if standards are modified. | Completed in October 2010<br><br>Ongoing |                      |  |
| 18.   | Ongoing    | Make translated standards publicly available through OROC website and OROC web based manual.  | Ongoing                                  | Technical Department | Staff of Technical Department  |
| 19.   | March 2009 | Constitute a Review Translation Committee (RTC) following the Policy for Translating and Reproducing Standards Issued by the IFAC.  | April 2009 Completed                     | OROC Executive Board | Big 4 Audit Firms; Auditor's Oversight Board (CNSA) and OROC             |

| <b>#</b>   | <b>Start Date</b> | <b>Actions</b>   | <b>Completion Date</b>         | <b>Responsibility</b> | <b>Resource</b>              |
|--|-------------------|--|--------------------------------|-----------------------|------------------------------|
| 20.  | Ongoing           | Send for approval of CNSA all ISAs translated and reviewed by the RTC.   | Ongoing                        | OROC Executive Board  | RTC                          |
| 21.  | Ongoing           | As required by the European Commission send all ISAs for review and approval for further publication in the European Official Journal.   | December 2009<br><br>Completed | OROC Executive Board  | Technical Department         |
| 22.  | July 2012         | Review translation of IAASB Pronouncements related to Part II International Standards on Auditing and ISQC Handbook for 2012. Bound Volume Part II, 2012 Published.  | September 2013<br>Completed    | OROC Executive Board  | Technical Department         |
| 23.  | September 2015    | Prepare ISA implementation in Portugal as Audit Framework for all audits performed by Portuguese auditors and audit firms. Since the 1 <sup>st</sup> of January 2016, ISAs have been fully adopted as the Audit Framework in Portugal. | December 2015<br>Completed     | OROC Executive Board  | Technical Department         |
| 24.  | March 2018        | Issue a Guide to Use ISAs in a SME environment based on existing IFAC literature..   | September 2018                 | OROC Executive Board  | Technical Department         |
| 25.  | December 2018     | Issue translation of IAASB Pronouncements related to Part I and II International Standards on Auditing and ISQC Handbook for 2018.   | February 2019                  | OROC Executive Board  | Technical Department         |
| <b>Ongoing Education and Information on ISAs</b> |                   |  |                                |                       |                              |
| 26.  | As needed         | Provide training sessions over the new, revised or redrafted ISAs as adopted by the EC to all members. OROC launched in March, 2015, an e-learning ISA course available for auditors and others.                                       | Ongoing                        | OROC Executive Board  | Education/Training Committee |
| 27.  | Ongoing           | Promote discussion with Universities to further include the updated ISAs in their curricula.   | Ongoing                        | OROC Executive Board  | Education/Training Committee |
| 28.  | Ongoing           | Provide information on the latest developments on ISA through the website and OROCs Magazine.  | Ongoing                        | OROC Executive Board  | Technical Department         |
| 29.  | Ongoing           | Translate and make public to all members all new IAASB standards   | Ongoing                        | OROC Executive Board  | Technical Department         |



| <b>#</b>  | <b>Start Date</b> | <b>Actions</b>   | <b>Completion Date</b> | <b>Responsibility</b>   | <b>Resource</b>           |
|---|-------------------|--|------------------------|-------------------------|---------------------------|
| 30.   | Ongoing           | Issue technical guidance about the application of ISA and other IAASB pronouncements considering local environment and regulations. OROC has issued till June 2018, 13 technical guidelines (we call it Guia de Aplicação Técnica) most of them relating to reporting models.        | Ongoing                | OROC Executive Board    | Technical Department      |
| <b><i>Ongoing Review Process of New and Revised Standards</i></b> |                   |  |                        |                         |                           |
| 31.   | Ongoing           | Continue internal quality control reviews assessing, among other things, the compliance with ISAs.   | Ongoing                | OROC Executive Board    | Quality Control Committee |
| <b><i>Review of OROC's Compliance Information</i></b>             |                   |  |                        |                         |                           |
| 32.   | Ongoing           | Perform periodic review of OROC'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                | Executive Board of OROC | Technical Department      |

**Action Plan Subject:** SMO 4 and IESBA Code of Ethics

**Action Plan Objective:** Continue to use best endeavours to maintain ongoing process to adopt and implement of the IESBA Code of Ethics

| #  | Start Date   | Actions   | Completion Date                              | Responsibility       | Resource                |
|--|--------------|---|--|----------------------|-------------------------|
| <p><b>Background:</b></p> <p>Ethical requirements are set in the Audit Legal Regime and the Code of Ethics of the Profession. The Code of Ethics was developed by OROC based on the IESBAs code, approved in the General Assembly.</p> <p>OROC has decided to adjust its Code of Ethics to be in line with the relevant parts of the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA). This objective has resulted in the draft of a new Code of Ethics in July 2011. The draft was submitted for final approval to the CNSA and OROC’s members through the general assembly. The final Code of Ethics was approved in September 2011 and became effective in January 2012. The OROCs Code of Ethics currently in place is based on the 2009 IESBAs Code of Ethics.</p> <p>OROC is considering to update the current Code of Ethics with the most recent version of the IESBA Code of Ethics taking into consideration the requirements of the new EU Directive and Regulation.</p> <p>Training courses on the Code of Ethics are being considered for 2018. The new Code of Ethics was also integrated into the exams to access the profession. OROC Ethics are dealt with directly by the Executive Board.</p> <p>The new EU Directive and Regulation for audit of PIEs reflected many of the ethical issues included in the Code of Ethics mainly with respect to independence.</p> |              |   |  |                      |                         |
| <p><b>Adoption of the Current Code of Ethics</b></p>   |              |   |  |                      |                         |
| 33.  | April 2009   | Review of IESBA’ and OROC’s Code of Ethics to identify significant differences.   | June 2009 Completed                          | OROC Executive Board | Executive Board of OROC |
| 34.  | June 2009    | Draft new version of OROC’s Code of Ethics which includes all changes needed to ensure convergence with the 2009 IESBA Code of Ethics.        | September 2009<br><br>Completed in July 2011 | OROC Executive Board | Executive Board of OROC |
| 35.  | January 2016 | Review current OROC Code of Ethics and assess what might be in conflict with the new EU Directive an Regulation and conform it as appropriate | March 2016 Completed                         | OROC Executive Board | Executive Board of OROC |

| <b>#</b>  | <b>Start Date</b> | <b>Actions</b>  | <b>Completion Date</b> | <b>Responsibility</b> | <b>Resource</b>         |
|---|-------------------|---|------------------------|-----------------------|-------------------------|
| 36.   | June 2018         | Perform training courses on Ethics for all OROC members   | June 2018 Completed    | OROC Executive Board  | OROC Training Committee |
| 37.   | October 2018      | Amend and issue a new OROC Code of Ethics based on IESBA Code.  | November 2018          | OROC Executive Board  | Executive Board of OROC |
| 38.   | October 2018      | Translate the current IESBA Code of Ethics  | March 2019             | OROC Executive Board  | Technical Department    |
| 39.   | Ongoing           | Continue to support ongoing adoption and Implementation of the IESBA Code of Ethics through our local of ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.                             | Ongoing                | OROC Executive Board  | Executive Board of OROC |
| <b><i>Review of OROC's Compliance Information</i></b> |                   |   |                        |                       |                         |
| 40.   | Ongoing           | Perform periodic review of OROC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO4 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information. | Ongoing                | OROC Executive Board  | Executive Board of OROC |

**Action Plan Subject:** SMO 5 and Public Sector Accounting  
**Action Plan Objective:** Continue to notify the use of IPSAS by the public sector in Portugal

| #  | Start Date | Actions   | Completion Date     | Responsibility                       | Resource                          |
|--|------------|---|---------------------|--------------------------------------|-----------------------------------|
| <b>Background:</b>   |            |   |                     |                                      |                                   |
| The Government is responsible for the adoption of public sector accounting standards in Portugal. International Public Sector Accounting Standards (IPSASs) are the basis for new legal regime issued in September 2015 for public sector entities. OROC has promoted the use of IPSASs or IPSASs based accounting framework within its participation on the Portuguese Accounting Standard Setter (CNC). OROC has a chair in CNC and has been an active member in the implementation of an IPSAS based framework. Translation and Publication of IPSAS 2012 Handbook (only Preface and text that is an integral part of the standards) was made in July 2013. |            |   |                     |                                      |                                   |
| <b>Notify of New or Revised IPSAS</b>  |            |   |                     |                                      |                                   |
| 41.  | Ongoing    | Provide information on the latest developments on IPSAS through the website and OROCs' Magazine.  | Ongoing             | OROC Executive Board                 | Technical Department              |
| 42.  | Completed  | Translate and publish the IPSAS 2012 Handbook.  | July 2013 Completed | OROC Executive Board                 | Technical Department/IPCA's Staff |
| 43.  | Ongoing    | Organization of implementation activities (trainings, workshops) for our members on local IPSAS based public sector framework.  | Ongoing             | Education/Training Committee of OROC | Education/Training Committee      |
| 44.  | Ongoing    | Training courses on public sector accounting (local IPSAS based framework) are made on an annual basis. Next training course to be held from September to December 2018 (7 sessions). | Ongoing             | Education/Training Committee of OROC | Education/Training Committee      |
| 45.  | Ongoing    | Participating on the implementation process of the IPSAS based local public sector accounting framework in the next two years, conducted by the Ministry of Finance.                  | Ongoing             | OROC Executive Board                 | OROC Executive Board              |
| <b>Review of OROC's Compliance Information</b>   |            |   |                     |                                      |                                   |
| 46.  | Ongoing    | Perform periodic review of OROC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary.                                  | Ongoing             | Executive Board of OROC              | Technical Department              |

| <b>#</b> | <b>Start Date</b> | <b>Actions</b>  | <b>Completion Date</b> | <b>Responsibility</b> | <b>Resource</b> |
|----------|-------------------|---|------------------------|-----------------------|-----------------|
|          |                   | Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information. |                        |                       |                 |

**Action Plan Subject:** SMO 6 - Investigation and Discipline (I&D)  
**Action Plan Objective:** Continuous Development of Investigation and Disciplinary System

| #   | Start Date | Actions   | Completion Date | Responsibility          | Resource                        |
|---|------------|---|-----------------|-------------------------|---------------------------------|
| <b>Background:</b>  |            |   |                 |                         |                                 |
| <p>Investigative and disciplinary measures are defined in the Audit Legal Regime and in the National Audit Oversight Regime. Under the current laws, both OROC and CMVM have powers to investigate and sanction auditors. I&amp;D system follows EU Audit Legislation. OROC has a Disciplinary Committee, with independence from the Board with powers to investigate and sanction auditors for any breach in law.</p> <p>Disciplinary sanctions are annually disclosed in OROCs annual report. The system exists since the beginning of the regulated profession.</p> <p>OROC and CMVM have responsibility for implementing mechanisms to investigate &amp; discipline (I&amp;D) its members for misconduct or failure to meet technical and ethical standards as well as laws and regulation. I&amp;D system incorporates the main requirements of SMO 6.</p> |            |   |                 |                         |                                 |
| <b>Maintaining Ongoing Convergence</b>  |            |   |                 |                         |                                 |
| 47.   | Ongoing    | <p>OROC will continue to inform its members about their requirements and the I&amp;D rules.</p> <p>I&amp;D rules and members responsibilities are mainly integrated in OROC's legal regime. All I&amp;D Matters are dealt with the Disciplinary Committee, which is an independent body within OROC. The matters that OROC feels should be highlighted or reminded are communicated to all members through an alert letter.</p> | Ongoing         | OROC Executive Board    | Staff of Disciplinary Committee |
| <b>Review of OROC's Compliance Information</b>  |            |   |                 |                         |                                 |
| 48.   | Ongoing    | Perform periodic review of OROC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.  | Ongoing         | Executive Board of OROC | Staff of Disciplinary Committee |

**Action Plan Subject:** SMO 7 and IFRS  
**Action Plan Objective:** Continue to support an ongoing program for adoption and implementation of an IFRS based framework

| #  | Start Date | Actions  | Completion Date         | Responsibility                       | Resource   |
|--|------------|--|-------------------------|--------------------------------------|--|
| <p><b>Background:</b></p> <p>In accordance with the European Union Regulation concerning the application of International Accounting Standards as endorsed by the European Commission, International Financial Reporting Standards (IFRS) are mandatory for the preparation of financial statements of consolidated financial statements of listed entities. In addition, non-listed entities are permitted to apply IFRS for their consolidated financial statements.</p> <p>Decree Law No. 98/2015 of July 13 (as amended by subsequent laws, the last of which is decree-law 98/2015), <i>Sistema de Normalização Contabilística (SNC)</i>, stipulates the accounting standards that must be used in the preparation of companies' financial statements, without prejudice for the bank of Portugal and the insurance regulator to set standards for banks, other financial institutions and insurance companies. SNC is IFRS-based. Financial reporting of banks, other financial institutions and insurance companies are set by the respective regulators and they have to comply with IFRSs as adapted by these authorities.</p> <p>OROC takes an active role in the activities of the Portuguese Accounting Standard Setter (CNC) and is using, whenever possible and appropriate, its best endeavors to assist CNC with the implementation of IFRSs in Portugal and promote ongoing convergence with IFRSs. The IFRS-based accounting framework entered into force as at 1<sup>st</sup> of January of 2010. OROC has made several education courses on this matter.</p> |            |  |                         |                                      |  |
| <p><b>Promote and Support Implementation of the IFRS-based Accounting Framework</b></p>  |            |  |                         |                                      |  |
| 49.  | Ongoing    | Continue participation on the working group to establish in the country an IFRS based accounting framework.  | December 2009 Completed | CNC                                  | Accounting and auditing professionals as well as government bodies |
| 50.  | Ongoing    | Several training courses on IFRS are made on an annual basis for all members.  | Ongoing                 | Education/Training Committee of OROC | Education/Training Committee                                       |
| 51.  | Ongoing    | Continue to notify our members of developments on IFRS as adopted by the European Commission.<br><br>Courses on IFRS and national accounting framework (IFRS based) are, for many years now, integrated in both OROC's annual education plan and the specific course for preparation of candidates to access the profession. | Ongoing                 | OROC Executive Board                 | Technical Department   |

| #   | Start Date | Actions  | Completion Date | Responsibility          | Resource             |
|---|------------|--|-----------------|-------------------------|----------------------|
| <b><i>Review of OROC's Compliance information</i></b> |            |  |                 |                         |                      |
| 52.   | Ongoing    | Perform periodic review of OROC's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information. | Ongoing         | Executive Board of OROC | Technical Department |





ORDEM DOS  
REVISORES OFICIAIS  
DE CONTAS

Integridade. Independência. Competência.

26<sup>th</sup> of March, 2019

To the International Federation of Accountants

Dear Mr. Bryson,

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

This letter is to confirm that the leadership of the Ordem dos Revisores Oficiais de Contas has reviewed the information contained in the SMO Action Plan prepared by Ordem dos Revisores Oficiais de Contas as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Ordem dos Revisores Oficiais de Contas, 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,

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José Rodrigues de Jesus, President